



## CONNECTICUT

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR  
SUPPORTING  
SB-258, AAC BAD FAITH CLAIMS OR ASSERTIONS OF PATENT INFRINGEMENT  
BEFORE THE  
JUDICIARY COMMITTEE  
MARCH 3, 2014**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:*

NFIB/Connecticut supports the intent of SB-258, An Act Concerning Bad Faith Claims Or Assertions Of Patent Infringement. This bill is a common-sense approach to help protect small businesses from frivolous lawsuits related to bad-faith patent assertion claims, by allowing for judicial relief, the awarding of attorney's fees for prevailing plaintiffs among other damages, and independent action by the Attorney General for enforcement.

Frivolous lawsuits create a climate of fear for Connecticut's small businesses, and unfortunately, cases of bad-faith patent infringement actions are becoming increasingly more common. While some claims are legitimate, many claims are completely without merit. However, small businesses that are sued still have to defend themselves, and this defense is often time-consuming, aggravating, and costly. SB-258 contains reasonable measures to help protect against bad-faith claims from moving forward.

Legislators should keep in mind that even one frivolous lawsuit can easily wipe out an entire small business. Even if a frivolous lawsuit is withdrawn or dismissed, the victim is often still left with legal expenses that can easily add up to thousands of dollars or more. Therefore, it is of critical importance that SB-258 provides those who are hit with frivolous lawsuits related to bad-faith patent assertion claims with a reasonable opportunity to seek reimbursement for their legal expenses (See line 103).

NFIB strongly supports efforts to inject more fairness into the legal system, and reduce unnecessary litigation and legal costs that currently take a heavy toll on our members' ability to defend themselves and remain competitive in their businesses. State efforts must be made to enable the reform of today's overly litigious tort system, and fortunately, legislation such as SB-258 helps move towards accomplishing that goal for Connecticut. Thank you for the opportunity to comment, and NFIB/Connecticut encourages members of the Judiciary Committee to support SB-258.