Trend Micro Furthers Its Patent Protection by Joining Industry Group Committed to Fight Patent Infringement

Cybersecurity innovator filed 24 patents in 2019 in mission to protect global customers

DALLAS--(BUSINESS WIRE)--Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global leader in cybersecurity solutions, today announced it has joined non-profit community LOT Network in a bid to combat the growing threat posed to its business and its customers by patent assertion entities (PAEs).

Often described as "patent trolls," PAEs are companies that don't make any products but instead seek royalties by asserting its patents against those who do make products.

"Trend Micro has been able to offer industry leading protection for its global customers for over three decades thanks in a large part to the skill and expertise of its R&D team and the high quality of its intellectual property," said Felix Sterling, chief legal officer for Trend Micro. "By joining LOT Network today we're taking a united stand against the patent trolls, and passing on the protections we get through our membership to our customers. Their lawsuits drain tens of billions1 from the global economy and distract innovative companies like Trend Micro from the important task of serving their customers."

Although PAE-driven lawsuits have been a problem for decades, they've soared in volume by 500% over the past 10 years. Even though fewer than 1% of defendants in these cases are eventually found to have infringed a valid patent, over 80% choose to settle before trial to save prohibitive legal costs.2

This has a real impact on innovation: firms forced to pay PAEs are estimated to spend $211 million less on R&D.3

LOT Network was founded in 2014 as a non-profit community of companies that have decided to take a stand against PAEs. Members agree that if and only if a member's assets fall into the hands of a patent troll, they will grant a license to all other members -- thus rendering them immune from PAE litigation using those assets. All traditional uses of patents, such as selling them or using them to sue other companies, are retained.

The community now has over 500 members, including some of the world's biggest tech companies such as Amazon, Facebook, Google, Microsoft and Cisco.

Trend Micro's patents are an essential part of its success, protecting intellectual property that is the cornerstone of innovative products and platforms such as Cloud One, XDR and Apex One.

Together, these innovative solutions help to protect over half a million public and private sector organizations and more than 250 million endpoints across the globe.

About Trend Micro

Trend Micro Incorporated, a global leader in cybersecurity solutions, helps to make the world safe for exchanging digital information. Our innovative solutions for consumers, businesses, and governments provide layered security for data centers, cloud environments, networks, and endpoints. All our products work together to seamlessly share threat intelligence and provide a connected threat defense with centralized visibility and control, enabling better, faster protection. With more than 6,000 employees in over 50 countries and the world's most advanced global threat intelligence, Trend Micro enables organizations to secure their journey to the cloud. For more information, visit www.trendmicro.com.

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1 Bessen, J., Ford, J., Meurer, M., *The Private and Social Costs of Patent Trolls*, Boston University of Law Working Paper No. 11-45, November 9, 2011.

2 John R. Allison et al., *Patent Quality and Settlement Among Repeat Patent Litigants*, 99 Geo L.J. 674, 694 (2011)

3 Bessen, J., *The Evidence is In: Patent Trolls Do Hurt Innovation, Harvard Business Review*, November 2014

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