

# Intel is being targeted by patent trolls. We need to know who holds the purse strings.

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If you visit the site of [Intel's project](#) in rural Licking County, you'll see what was once an empty field being turned into a sweeping state-of-the-art semiconductor manufacturing plant.

This transformation will have a far-reaching impact beyond the construction site.



Renderings show what Intel's Ohio One campus will look like when it is finished.

Intel's initial [\\$2.8 billion investment](#) in Ohio is the [largest private-sector investment](#) in the state's history, anticipated to add \$2.8 billion to Ohio's annual gross state

product and create thousands of local jobs. In March, the company also announced it is receiving an additional [\\$8.5 billion](#) in federal funding from the [CHIPS Act](#).

This project is extraordinary for Ohio and is essential to America's economic future. We need to address any vulnerabilities that may threaten it. These chips [power everything](#) from refrigerators to defense systems and are integral to technologies like artificial intelligence and biotechnology.

## **Intel fighting off patent trolls**

While semiconductors were [invented in America](#), the U.S. now produces just [12 percent of the world's chips](#) and very few of the most advanced ones, leaving us reliant on [overseas manufacturing](#) and vulnerable to supply chain and security risks.

Investments like this aim to change that, and unsurprisingly, foreign actors want to get in the way.

Behind the scenes, Intel has been entangled in ["patent troll" legal cases](#).

[Patent trolls](#) are shell companies that purchase broad, poor-quality patents and weaponize them through lawsuits targeting businesses small and large, across industries. Often, they are supported by third-party financiers or owned by hedge funds, sovereign wealth funds and other sophisticated investors.

## **Foreign wealth funds hope to benefit from strife**

In Intel's case, the company has faced repeated [patent infringement lawsuits](#) from VLSI Technology, a subsidiary of Fortress Investment Group, which is owned by a sovereign investor in the United Arab Emirates. VLSI was initially awarded over \$2 billion in damages for lawsuits filed against Intel. Some of the verdicts have been overturned, and VLSI's patents in that case have now been declared invalid.

Nevertheless, Intel has spent years and considerable resources defending itself against these frivolous legal attacks.

Simply put, while a major American corporation is investing capital and taxpayer funds into a national strategic initiative, foreign sovereign wealth funds are attempting to profit from lawsuits instigated by patent trolls against the very same company.

This is a widespread issue beyond Intel.

[More than half](#) of all U.S. patent lawsuits are initiated by patent trolls, with at least 30% of patent cases receiving third-party funding. There are growing concerns that foreign competitors are influencing our judicial system after a [recent investigation](#) uncovered that Russian oligarchs with ties to Vladimir Putin funded U.S. litigation to evade sanctions and an investment entity based in China is [funding patent litigation](#) in U.S. courts.

Under the current broken system, American businesses are targeted by patent trolls—foreign and domestic—without knowing who is behind them. To stop these predatory attacks, we need to know who holds the purse strings.

## **Solving issues with transparency**

Enhancing transparency can be achieved through several avenues. First, individual courts can mandate disclosure in cases within their jurisdiction. For example, the Chief Judge in Delaware's federal district court introduced mandatory transparency in 2022, prompting some shell companies to [withdraw their cases](#) rather than comply.

The [Judicial Conference](#) of the United States, which sets federal court policy, could also require transparency in litigation investments for all cases.



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Additionally, Congress and state legislatures can take action. [Bipartisan legislation](#) introduced in Congress last year would require disclosure from any foreign entity involved as a third-party funder in U.S. federal courts, with several states having passed and others considering similar bills.

This basic transparency is critical to ending legal meddling and revealing a national security blind spot, as funders would no longer be able to operate unnoticed. We cannot continue to be left in the dark about who is influencing our judicial system, especially foreign actors bringing lawsuits to harm American businesses.



Patrick J. Tiberi

As a former U.S. Representative for Ohio and current president and CEO of the Ohio Business Roundtable, I am immensely proud that we will produce semiconductor chips here on Ohio soil.

Intel's investment in Licking County exemplifies American innovation at its best and has the potential to transform the region into a modern tech hub. We must safeguard the substantial investment by implementing transparency measures to shine some much-needed sunlight on the shady practice of investor-funded litigation and patent trolling.

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*This article originally appeared on The Columbus Dispatch: [We must fight patent trolls targeting Intel, others with legal attacks](#)*

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