



**Overstock.com Announces Two Patent Trolls Say, 'No Mas'**

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**The online shopping site underscores its 'spend and defend' policy for abusive patent troll suits**

SALT LAKE CITY, March 13, 2014 (PRNewswire) -- [Overstock.com, Inc.](http://Overstock.com) (NASDAQ: OSTK) announces that plaintiffs in two patent troll lawsuits have dismissed their cases against the company without any settlement or any money paid.

"They just walked away," said Patrick M. Byrne, Overstock.com chairman and CEO. "Patent trolls find us unappealing. While we have the highest respect for intellectual property rights, we don't settle abusive patent suits—we fight." Byrne added, "You can't fork over your lunch money today, and expect a bully to leave you alone tomorrow. Patent trolls understand a bloody nose and in the long run, it's the asymmetrical response that pays off. It is only right that we take this opportunity to make explicit this litigation strategy. As Dr. Strangelove says, 'What's the point of having a Doomsday Device if you don't tell anyone about it?'"

Mark Griffin, Overstock.com senior vice president and general counsel, underscored the company's policy: "In abusive lawsuits, we spend our legal budget in defense, not on unjust settlements."

Griffin noted that the most recent plaintiff to dismiss first proposed a "no-money" settlement, but insisted on confidentiality to keep the walk-away quiet. Overstock.com flatly refused. "We want everyone to know they left empty-handed," Griffin said.

Griffin also said that Overstock.com redrafted its defenses in that case, and last week the plaintiff, Execoware, LLC, called Overstock.com's lawyers saying, in effect, it had had enough and was dismissing the case. In February, another patent troll, Eclipse IP, LLC, came to the same conclusion and dismissed its case.

According to Griffin, the company refers to these plaintiffs as "patent trolls" because of the extortionate nature of the suits they file. Often, trolls' infringement claims are based on inapplicable patents or outdated technology, and the suits are brought only to force settlement, when the targeted companies realize that the costs of defense—amounting to millions of dollars—far exceed troll settlement demands.

Jonathan Johnson, executive vice chairman of Overstock.com, and its former president and general counsel said, "Many companies settle frivolous suits because it is much cheaper than fighting. That's shortsighted. The best practice is to never settle frivolous troll suits at all."

In 2011, Overstock.com spent approximately \$3 million litigating a suit brought by the patent troll division of telecom giant, Alcatel-Lucent. Johnson said, "In that case, Alcatel based its claims of infringement on old telephone and other inapplicable patents that had no connection to Internet technology."

Though settlement in that case would have cost a fraction of estimated defense costs, Overstock.com took on Alcatel at trial, fought the case to a Texas jury verdict that found no infringement of the Alcatel patents and, in the process, ruled a key Alcatel patent completely invalid. The jury's verdict was quickly upheld on appeal.

In the wake of the Alcatel verdict, another prominent patent troll quickly dismissed its case against Overstock.com, again, without even mentioning settlement.

Byrne noted, "It would be easier solving the national debt than getting one dime from us in unreserved settlement money."

Byrne added that Overstock.com has been a chief proponent of the patent litigation reform measures now pending before Congress. Annually, abusive patent litigation is estimated to cost the U.S. economy \$27 billion in unnecessary settlements and other defense costs—money that could be spent on growth, jobs and innovation.

Nationwide, a coalition of tens of thousands of businesses has called for immediate reforms and the Obama administration has repeatedly underscored the need for legislation to curb patent troll abuses.

Recently the U.S. House of Representatives announced by passing a strong reform bill and similar bills are under active consideration in the Senate. Johnson stated, "With the proposed bills, there is hope that the era of abusive patent troll litigation is nearing its end."

**About Overstock.com**

[Overstock.com](http://Overstock.com) (NASDAQ: OSTK) is a discount online shopping retailer based in Salt Lake City, Utah that sells a broad range of products including furniture, rugs, bedding, electronics, clothing, jewelry and cars. [Overstock.com](http://Overstock.com), a fair trade department dedicated to selling artisan-crafted products from around the world offers additional unique items. [www.Overstock.com](http://www.Overstock.com) supports small businesses across the United States by providing them a national customer base. The Nelson A. Rockefeller Center for the Study of Consumerism placed Overstock.com among the top five most visited mass merchandiser websites in 2011. The NRF Foundation/American Express 2011 Customer Choice Awards ranked Overstock.com #4 in customer service among all U.S. retailers. Overstock.com sells internationally under the name O.co. Overstock Shopping (<http://www.Overstock.com> and <http://www.O.co>) regularly posts information about the company and other related matters under [investor.Overstock.com](http://investor.Overstock.com) on its website.

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