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May 13, 2024

Via Electronic Submission

The Honorable Katherine K. Vidal
Under Secretary of Commerce for Intellectual Property and Director
of the United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

**Re: Docket No. PTO-C-2024-0004,
Unlocking the Full Potential of Intellectual Property by Translating
More Innovation to the Marketplace**

Dear Director Vidal,

The Council for Innovation Promotion welcomes this opportunity to provide input on how the USPTO can help bring more groundbreaking inventions to the marketplace. A robust, reliable patent system is the foundation of American innovation, and we appreciate your agency's attention to how we might strengthen and improve it.

The patent system depends on the USPTO's dedicated corps of over 9,000 patent examiners who are entrusted with the responsibility of distinguishing true innovation from the merely trivial and obvious. This is a significant responsibility, especially given the more than 600,000 patent applications received every year and the rapid pace of technological advancement in vital areas like artificial intelligence and biotechnology.¹

The USPTO can best support technology transfer by doubling down on its core mission of issuing properly examined patents. This is the foundation upon which all other aspects of the system are based. Sound, reliable patents for innovative ideas foster investment and product development. They greatly increase worth for small companies, and create enormous value across all innovation-based sectors of the economy. Moreover, patent-backed successes show emerging innovators that their pathway to achievement lies in undertaking the effort and expense of applying.

¹ USPTO, *U.S. Patent Statistics Chart* (Calendar Years 1963 - 2020), https://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm

The Council for Innovation Promotion supports existing measures to support the USPTO's core mission, such as implementing state-of-the-art IT, offering ongoing legal and technical training for examiners, and conducting outreach to attract the best possible staff. We also applaud the USPTO's collaborative work with foreign patent offices, which helps streamline processes for U.S. applicants seeking patents abroad.

We believe the USPTO can further its core mission of patent issuance by lending its expertise to intellectual-property policy discussions, especially those that most influence its work. Right now, the state of patent eligibility under Section 101 of U.S.C. 35 is particularly relevant. A series of Supreme Court decisions have led to uncertainty about what categories of innovation are patent-eligible, affecting critical fields such as medical diagnostics and artificial intelligence. As examiners must apply Section 101 on a daily basis, this directly affects their work. The uncertainty also affects existing patents, as it colors perceptions of their enforceability. This crack in the system's foundation undermines the USPTO's ability to support innovation.

As such, we believe the USPTO should advocate for legislative change that would bring greater certainty and stability to the patent system and restore the proper range of categories that are patent-eligible.

For example, the USPTO should support the Patent Eligibility Restoration Act (PERA), introduced by Senators Thom Tillis (R-NC) and Chris Coons (D-DE), which is a bipartisan bill based on years of deliberation and negotiation. If passed, it would clarify that innovations in now-ambiguous categories are legally eligible to be patented. Not least, it would widen the scope of eligibility to match that afforded in Europe and Asia, including China, which we need here for the United States to retain its global technological lead.

The same two senators, along with Senators Dick Durbin (D-IL) and Mazie Hirono (D-HI), also introduced the PREVAIL Act, which would overhaul procedures for challenging patents. Large companies frequently abuse the current system by prosecuting cases in two venues at once, both regular courts and the Patent Trial and Appeal Board. This allows them to spend smaller competitors into submission through drawn-out litigation.

We believe that the USPTO should lend its support to both PERA and PREVAIL.

Similarly, it should offer its expert voice to the debate over reinterpreting the Bayh-Dole Act. For more than four decades, this landmark law has facilitated the commercialization of federally funded research by allowing universities to license patented discoveries to private-sector companies. Bayh-Dole has been a powerful engine for translating basic research into real-world products and services, driving economic growth. Repurposing the law through unprecedented and questionable reinterpretation would undermine the incentives that have made Bayh-Dole so successful.

In particular, proposals to expand the use of the law's "march-in rights" to control drug prices could reduce investment in academic discoveries, thus discouraging technology transfer and commercialization. We encourage the USPTO to advocate for preserving the core policy objectives of Bayh-Dole.

Ultimately, the USPTO's most important contribution to unlocking American innovation is issuing patents of the highest quality and integrity. This gives inventors and investors the confidence they need to take big swings at big problems, knowing their IP rights will be secure.

As a part of this critical mission, the USPTO should also provide its expertise to the discussions shaping American innovation. Otherwise, we could end up with policies that render patent protections moot, undermining the agency's rigorous work.

With a robust patent system and well-informed IP policy, there's no limit to what American ingenuity can achieve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Cullen', is positioned below the word 'Sincerely,'.

Frank Cullen
Executive Director
Council for Innovation Promotion (C4IP)