September 30, 2019

The Honorable Thomas R. Tillis
113 Dirksen Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Mazie K. Hirono
713 Hart Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Nydia M. Velázquez
2302 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Steve Stivers
2234 Rayburn House Office Building
United States House of Representatives
Washington, DC 20515

RE: The Inventor Diversity for Economic Advancement Act ("IDEA Act") of 2019

Dear Senator Hirono, Senator Tillis, Congresswoman Velázquez, and Congressman Stivers:

This letter is on behalf of the American Bar Association ("ABA") Section of Intellectual Property Law (the "Section") recommending additions to the IDEA Act bill. The views expressed herein have not been approved by the House of Delegates or the Board of Governors of the American Bar Association, and accordingly should not be construed as representing the position of the Association.

Since 1894, the ABA-IPL Section has advanced the development and improvement of intellectual property laws and their fair and just administration. As the forum for rich perspectives and balanced insight on the full spectrum of intellectual property law, the Section serves within the ABA as a highly respected voice within the intellectual property profession, before policy makers, and with the public.

The Section supports the bill, but would suggest some modifications. The Section shares the concerns expressed by the IDEA Act co-sponsors that women and other underrepresented groups have lagged when it comes to procuring patent rights. The Section also agrees that unless demographic data is gathered for gender and other historically underrepresented groups, as enumerated in the IDEA Act, it will be very difficult, if not impossible, to effectively measure any gains the groups have achieved in inventorship and invention-driven entrepreneurship.
Because patent ownership, not simply inventorship, is the end goal, it is important to keep in mind that inventorship and patent ownership are not synonymous. Accordingly, the Section urges that the same demographic data collection prescribed for inventors to detect inventorship gains should also occur for initial assignees to detect ownership gains.

Under the IDEA Act bill, demographic data collection is prescribed for “each inventor listed with an application for patent …” (emphasis supplied). But the inventor identified on the patent application is not necessarily—and often is not—the person who obtains the patent. By the time the patent is issued, ownership may well have been assigned by virtue of contractual obligations or otherwise to an entity with which the inventor is affiliated (the “Initial Assignee”), whether as an employee, contractor, owner, or otherwise. Collecting demographic data only about an inventor at the time of application omits demographic data about the business owners who likely will enjoy the benefits of the patent that ultimately issues.

This Initial Assignee demographic data could be gathered by including pertinent questions on the Assignment Recordation Cover Sheet. For example, the following type of question could be used: Is more than a threshold minimum percentage (as could be defined in the bill) of the ownership interests in the Initial Assignee owned by a member of one of the IDEA Act-specified underrepresented groups? If so, then more demographic data about those members could be obtained.

A key concern of the IDEA Act is participation by women and other historically underrepresented groups in the entrepreneurial process. Though innovation can drive entrepreneurship, there is an important difference between an inventor and an entrepreneur. To illustrate, has a woman, veteran, or minority group member truly become part of the entrepreneurial process by being named as an inventor if he or she is only one of 10,000 or more engineers in a large technology company? Such an inventor is an employee, not an entrepreneur. Instead of the inventor necessarily, the benefits of entrepreneurship belong to the business owner—the assignee of the patent.

The IDEA Act’s core concerns of entrepreneurship, and the social and economic benefits therefrom, can most effectively be addressed by coupling demographic data for inventors collected at the time of patent application with Initial Assignee demographic data. When there is an increase in the number of Initial Assignees that are owned by members of underrepresented groups, then Congress will have a firm indication that underrepresented groups are being increasingly included in the entrepreneurial process.

To help guard against any sharing or accessing of demographic data before, during or after the patent prosecution process, the Section favors replacing the terms “confidential” and “confidentiality” in § 124(b) with “anonymous” and “anonymity.” Because “confidential” information might
nevertheless be accessed such as due to a data breach or the like, the Section prefers anonymity versus confidentiality to better address privacy concerns. To clarify that each annual report required by § 124(c) should undergo a de-identification process, the Section recommends adding the following sentence to § 124(c)(2): “Therefore, the report must undergo a de-identification process.”

The Section supports the bill and would be happy to work with Congress to ensure passage of the bill. Should you have any questions or would like to discuss these issues further, please do not hesitate to contact me.

Sincerely,

George W. Jordan III
Chair, ABA Section of Intellectual Property Law