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Dr. Andrew A. Toole
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Via email: successact@uspto.gov

Re: Request for Comments and Notice of Public Hearings on the Report Required by the Study of Underrepresented Classes Chasing Engineering and Science (“SUCCESS”) Act of 2018 – Initial Assignee Data

Dear Dr. Toole:

On behalf of the American Bar Association Section of Intellectual Property Law (the “ABA-IPL Section”), I am pleased to submit the enclosed supplemental comments to our letter of today’s date (“Letter”) in response to the “Request for Comments and Notice of Public Hearings on the Report Required by the Study of Underrepresented Classes Chasing Engineering and Science (“SUCCESS”) Act of 2018” (the “Request”) of the United States Patent and Trademark Office (the “USPTO”), published at 84 Fed. Reg. 17,809 (April 26, 2019). The views expressed herein are presented on behalf of the Section. They 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.

The comments here express the Section’s opinion on the importance of initial assignee data. Inquiry No. 5 in the Request asks “Should the USPTO collect demographic information on patent inventors at the time of patent application?” The ABA-IPL Section believes that the collection of demographic data should not stop with the inventors. That is, demographic data should also be collected on the initial assignees of patent applications and patents.
The SUCCESS Act expresses the concern of Congress in closing “the gap in the number of patents applied for and obtained by women and minorities.” The person applying for the patent—whether a woman, a veteran, or a member of a minority group—is not necessarily 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, whether as an employee, contractor, owner, or otherwise. If the patent is not assigned as of the time of issuance, it will often be assigned shortly thereafter. In either case, this initial assignee is often (if not most often) the person or entity that actually realizes the benefits of the patent, not the inventor. Collecting demographic information only about the inventor at the time of application says nothing about the demographic characteristics of the business that likely will enjoy the benefits of the patent that ultimately issues.

Moreover, the SUCCESS Act specifically asks for information regarding the “benefits of increasing the number of patents applied for and obtained by women and minorities and small businesses owned by women and minorities …” Demographic information about inventors sheds little light on whether a patent is obtained by small businesses owned by women and minorities. For the information that the SUCCESS Act seeks, demographic data about the initial assignee needs to be gathered. The USPTO, for example, might ask questions inquiring whether more than a threshold minimum percentage of the voting interests, profits interests, or both in the initial assignee is owned by a woman, a veteran, or a member of one of the named minority groups.

A key thrust of the SUCCESS Act is participation by women, veterans, and minorities in the entrepreneurial process. But has a woman, veteran, or minority group member really become part of the entrepreneurial process by being named as an inventor when the inventor is one of 10,000 engineers in a large technology company, for example? Such an individual is not necessarily an entrepreneur. As our initial Letter points out (at page 8) “ownership of a patent or a patent portfolio provides a point of differentiation and a competitive edge to any business …”; “can open the door to growth, investment, and business development …”; “adds value to investors and may increase the opportunity for small business owners for a strong exit strategy should they decide to sell the business …”; and “create the potential for women, minority, or veteran business owners to increase his or her financial stability and financial wealth.” The entrepreneurship benefits of obtaining patents accrue to the business owners, not necessarily the inventor. The SUCCESS Act’s core concerns of entrepreneurship (and the social and economic benefits therefrom) can most effectively be addressed by coupling the demographic data for inventors collected at the time of patent application with initial assignee demographic data. When there is a rise in both the number of inventors who are veterans, women, or members of minority groups and the number of initial assignees that
are owned at least in part by women, veterans, and minorities, then—and perhaps only then—will there be a solid indication that the underrepresented classes are being increasingly included in the entrepreneurial process.

None of this is to say that gathering demographic data about inventors or that increasing inclusiveness among the ranks of inventors is not important. But to encourage an increased focus on inclusiveness in inventorship, the Section urges the USPTO to focus on initial assignee data. The Section would like to see publicly available statistics on how many patents were issued or assigned to initial assignees where the inventors were women, veterans, or minorities. That statistic would both encourage companies (perhaps with USPTO-sponsored public recognition) to increase the hiring of potential inventors from among women, veterans, and minorities and perhaps incentivize companies that consistently fail to show an increase in the number of inventors who are women, veterans, or minorities to change course. In either case, it is hoped that the availability of such data, even if it does not directly encourage increases in the number of women, veteran, and minority inventors, will furnish the USPTO and Congress with important data that may be used to sculpt other regulatory or legislative measures to increase inclusiveness in the invention and patenting process by the underrepresented classes.

Very truly yours,

Mark K. Dickson
Chair, ABA Section of Intellectual Property Law