April 16, 2018

The Honorable Charles E. Grassley
Chairman, Committee on the Judiciary
United States Senate
Washington DC, 20510

The Honorable Dianne Feinstein
Ranking Member, Committee on the Judiciary
United States Senate
Washington DC, 20510

Dear Chairman Grassley and Ranking Member Feinstein:

This letter is sent on behalf of the Section of Intellectual Property Law of the American Bar Association (the “Section”) to express its views on issues impacting the U.S. Patent and Trademark Office (PTO) in advance of this week’s Senate Judiciary Committee oversight hearing on the PTO. The views expressed herein are presented on behalf of the Section of Intellectual Property Law. 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.

Specifically, the Section is writing to remind the Committee that it has previously expressed significant concerns regarding the PTO’s consideration of the Department of Commerce’s shared services initiative, first announced by Undersecretary Lee in 2015. We expressed our concerns at the time to both the Secretary of Commerce and the Undersecretary (see attached letter), as well as to Vice-President Pence in December 2016 during the Trump Administration’s transition period. We have also recently shared these views with PTO Director Andrei Iancu.

As you know, the PTO is funded through the user fees paid by patent and trademark owners. The Leahy-Smith America Invents Act (AIA) requires that all user fees collected by the PTO be applied toward the expenses incurred by the
PTO. See 35 U.S.C. § 42(c). The Section opposes diversion of PTO user fees to entities outside of the PTO to the extent such diversion might cause patent and trademark owners to shoulder the expenses of other Commerce Department activities. The Section believes that, if implemented, the initiative could violate the express requirements of the AIA by effectively diverting funding away from core PTO activities.

Sincerely,

Scott Partridge

cc: Robert W. Goodlatte, Chairman, Committee on the Judiciary, U.S. House of Representatives

Jerrold Nadler, Ranking Member, Committee on the Judiciary, U.S. House of Representatives

Wilbur Ross, Secretary, Department of Commerce

Andrei Iancu, Undersecretary for Intellectual Property and Director, U.S. Patent and Trademark Office, Department of Commerce