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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

May 21, 1980

Honorable Ernest F. Hollings
Chairman, Senate Subcommittee on State, Justice,
and Commerce
Senate Appropriations Committee
1235 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Fritz:

As you know there is a great deal of concern that American innovation and productivity rates are lagging farther and farther behind our international competition in a number of fields. Many recent studies have confirmed this trend. Experts point to the present weaknesses in our patent and trademark system as a dead weight tied around the legs of our companies as they try and compete in an increasingly competitive international marketplace.

A great deal of work remains to be done if the United States is to have the kind of Patent and Trademark Office that our inventors and businesses deserve. Patent and trademarks are cornerstones of innovation. Presently there is an increasing lack of faith in the system. This, of course, further erodes our innovative capabilities, costs American jobs, and worsens inflation.

There are a number of things that can be done immediately to strengthen the paten system at a very modest cost. On November 30, 1979 I asked Patent and Trademarke Commissioner Sydney A. Diamond to provide me with a detailed list of the needs of his office for the coming years. Many of these recommendations were included in this year's budget, but four important items were left out. Cumulatively these four additions to the FY 1981 appropriation would cost just $2.1 million, yet they would return many times that amount to the economy.

The four items are:

1. An additional $1 million for hiring new patent examiners. One of the greatest problems in the Patent and Trademarke Office is that the patent examiners are facing an ever increasing work load but must still try to make as rapid a determination as possible about a patent application. Patent pendency times are gradually rising and, according to the Commerce Department's own figures, will continue to rise in the forseeable future. This makes it more difficult to develop new products and processes.

The present budget authorizes the hiring of 150 new examiners. Even with these new examiners, pendency times will continue to rise. The Office has stated that it could handle 180 new examiners this year. The addition of $1 million to the Office's appropriation will enable the PTO to add thirty more badly need examiners and provide better services to our inventors.

2. Patent examiners now frequently have to write their opinions in longhand because there is not enough support staff to type them up. These vitally important decisions are then distributed to the public, and even filed in foreign patent offices, still in the examiner's handwriting! For an additional $400,000, the Office could hire thirty typists and purchase needed equipment so that each of the fifteen patent examining groups would have an additional two typists to end this ridiculous state of affairs.

3. One of the most troubling problems facing the Office is the fact that many of the patent files are misfiled or missing. The Office now has just twenty-one staff members going through their massive files looking for this missing material. For an additional $200,000, the Office could double this workforce and help bring the files back up to date.

4. There are now thirty depository libraries around the country which maintain copies of the 4,000,000 patents now on file. At the main search room, in Arlington, Virginia, inventors can use a computer terminal to find out what inventions exist in a given area. Inventors using the depository libraries have no such device and must actually look through the files to see what relevant technology has already been patented.

For $500,000, computer terminals can be set up in these depository libraries so that inventors around the country can find what they need easily without having to actually sift through the files.

As mentioned before, the total cost of these four items is just $2.1 million. There is no better way for battling inflation than to increase innovation and productivity. Strengthening the patent and trademark system is one concrete means for accomplishing this important goal. I hope you can give favorable consideration to the request.

Best personal regards,

Sincerely,

Birch Bayh