



**AMERICAN
INNOVATORS**
for Patent Reform

September 29, 2010

Hon. Barbara Mikulski, Chairperson
**Senate Appropriations Subcommittee on Commerce,
Justice, Science and Related Agencies**
503 Hart Senate Office Building
Washington, DC 20510

Subject: USPTO Funding

Dear Senator Mikulski:

America has always been a nation of innovators, from the cotton gin to the telephone, from the light bulb to the microchip. Innovation leads to new products and services; these new products and services create new jobs...*and the U.S. economy needs new jobs more than it has since the Great Depression!*

Our global leadership in innovation is severely threatened if we do not have a well-functioning and well-funded Patent Office. Full funding of the U.S. Patent and Trademark Office is a critical step toward promoting innovation and protecting intellectual property.

On behalf of our members – inventors, small businesses, IP professionals, investors, and other innovators and entrepreneurs – we are asking Congress to cease the practice of fee diversion, and enable the USPTO to keep all fees it collects from patent and trademark applicants and holders, and use those funds to improve services at the agency. The U.S. Patent Office is not funded by tax-payer dollars as other government agencies are – it is totally self-funded. This year, USPTO collected \$70 million in patent application, issuance and maintenance fees over and above its current budget. If Congress does not allow the USPTO to keep all the fees it collects, such fee diversion is nothing short of a tax on American innovation. *And that is the last thing our country needs right now!* We urge you to make the \$70 million in excess fee collections available to USPTO.

The U.S. Patent and Trademark Office, under the leadership of Undersecretary David Kappos, has made significant progress toward reducing the patent application backlog. Enabling the USPTO to keep all of the fees it collects will enable the agency to hire and train more patent examiners. That will reduce the patent application backlog, result in more expeditious issuance of patents – and do so at no cost to U.S. taxpayers!

Permitting the U.S. Patent and Trademark Office to keep all the fees it receives to fund its own operations is fair, common sense, practical and a sound investment in the future of this country. We urge you to enact legislation that will enable the USPTO to keep for its own use the approximately \$70 million it will collect in Fiscal 2010 over and above the current Congressional authorization, and to keep all fees in Fiscal 2011 and beyond.

Sincerely,

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