

Inventor Network of the Capitol Area
6501 Inwood Drive
Springfield, VA 22150

January 22, 2008

Dear Chairman Kerry:

We are a group of small business and entrepreneur inventors. We are writing you in your capacity as Chairman of the Senate Small Business and Entrepreneurship Committee. We urgently request a Committee hearing on the patent reform bill, S. 1145, before it is considered on the Senate floor.

We are in complete opposition to every provision of S. 1145. That bill purports to solve an alleged but totally unsubstantiated "crisis" in the U.S. patent system.

Instead, S. 1145 would actually destroy the U.S. patent system in order to protect the very narrow special interests of a few giant multinational corporations like Microsoft, Intel, Cisco, Dell, and others. Those giant corporations do not depend on the U.S. patent system for their commercial survival and that in fact would be better off if the patent system is destroyed. Most of their employees and sales are outside the U.S.

As small businesses and entrepreneurs, we represent the most dynamic and innovative sector of the U.S. economy. Since 1989, America's small businesses have generated over 90 percent of the country's net new jobs.

Small businesses employ more scientists and engineers in the U.S. than large companies (32 to 27 percent) and generate five times more patents per research and development dollar than large companies.

Small businesses in the U.S. also "produce 13 to 14 times more patents per employee than their larger counterparts, and... these patents are more likely to be cited in other patenting applications," according to a recent Small Business Administration Office of Advocacy working paper.

Despite this, U.S. small businesses and entrepreneurs have been completely ignored in the drafting of S. 1145. The more than two dozen major provisions of S. 1145 were all drafted without any direct participation of small business representatives, unlike all other interested parties, and not a single major provision was directed toward the interests of small business.

Despite its leading role in U.S. research and development, small business has been completely ignored in the formulation of S. 1145.

If passed in its current form, S. 1145 will completely shut out small businesses and entrepreneurs from the U.S. patent system, which was created constitutionally to

protect the U.S. economy from domination by huge international conglomerates like those of the Coalition for Patent Fairness.

Therefore, to protect America's technological leadership, which is fundamental to the continued success of its national economy and defense, and also in the interest of true patent fairness, we urgently request that you convene the Senate Small Business and Entrepreneurship Committee to hold a public committee hearing on S. 1145 with direct testimony from small business representatives.

S. 1145 in its current form is fundamentally flawed in that it threatens the very survival of small business and entrepreneur inventors.

S. 1145 needs complete redrafting before consideration of the bill on the Senate floor. It ignores the only problem really approaching a true crisis level in the U.S. patent system. This long term problem developed over roughly the past decade: a huge backlog of patent applications, now over 750,000.

The backlog has increasingly affected the quality and timeliness of patents in an adverse way as it has gradually grown to its current gigantic size. GAO's Report of September 4, 2007 on the USPTO, notes that for [at least] the past five years the management of the USPTO has not based its projected hiring estimates "... on the existing backlog or the expected patent application workload".

Putting this point a little less politely, USPTO management failed to even try to hire enough patent examiners to deal with the projected workload. Instead, over the course of many years, they have let a well-known problem grow into a crisis.

This is managerial competence of an exceptionally low level. Having allowed this glaring situation to develop over so many years, the lack of an acceptable level of performance of current USPTO management should be investigated more fully prior to considering legislative patent reform. Unless new facts present, the current management appear to be a principal part of the current backlog problem, not the solution.

In summary, improvement in the fundamental problem in the U.S. patent system, the huge backlog of patent applications, is unlikely under current USPTO management, which has continued a basic failure of simply not hiring enough examiners to do the job.

As for S. 1145, almost nothing in S. 1145 will improve the fundamental backlog problem and many provisions, such as the proposed post-grant opposition, will dramatically increase USPTO workload, thereby making the backlog that much larger.

We therefore again most urgently request that you convene the Senate Small Business and Entrepreneurship Committee to hold a public committee hearing on S. 1145 with direct testimony from small business representatives, prior to consideration of S. 1145 on the Senate floor.

We know that you appreciate that it is the Committee's duty to protect the interests, indeed, in this case the very survival, of the hundred of thousands of small businesses and entrepreneurs that depend on the U.S. patent systems and upon which the future continued unparalleled success of the U.S. economy depends.

We depend on you to ensure our voice is no longer ignored.

Sincerely,



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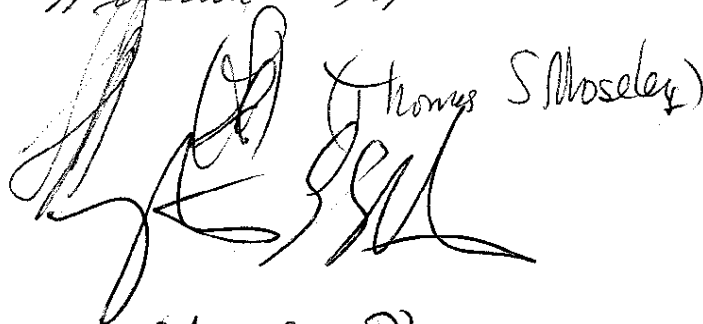
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