



Mr. Chair,

- I am here to offer two amendments to improve the America Invents Act. Both amendments are designed to promote the interests of minority-owned and women-owned businesses.
- ✓ • My **first amendment** (number 3 on the docket) ensures that it will continue to be the policy of the US Patent and Trade Office (USPTO) to include minorities and women-owned businesses in their outreach activities.
- ✓ • There is no disagreement that innovation has become a primary source of competitive advantage where our businesses can thrive. Not only can a small inventor make history through a novel idea, but that idea can also drive an industry and even transform the welfare of a society.
- But that's just one part of the equation.
- ✓ • The key to economic success lies not only in innovative product and service development, but in Intellectual Property protection, which allows innovators to capture value from their creativity.
- ✓ • And women and minority-owned businesses struggle to keep up.
 - In fact, preliminary data from a 2009 Kauffman Foundation survey of new businesses shows that minority-owned technology companies hold fewer patents and copyrights, after the 5th year of starting, than comparable non-minority businesses. In fact, the Kauffman data shows that minority-owned firms that hold patents hold only 2 on average—compared to 8.
 - Another survey uses National Science Foundation data to suggest that Women commercialize their patents seven percent less than their male counterparts.
- ✓ • The USPTO already participates in outreach initiatives with inventor organizations throughout the United States. For example, Director Kappos recently spoke to the Women's Chamber of Commerce and the Minority Enterprise Businesses Development Agency.

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- But as we move forward, it is important to ensure that all sectors of the economy are taking advantage of this extremely important driving force of our economy's future.
- My amendment would simply and specifically ensure that it is the policy of the USPTO to continue promoting the participation of these sectors in outreach activities.
- ✓ • **My second amendment** (number 2 on the docket) would ensure that we have the proper data to properly identify and work with sectors of the US economy that are experiencing a commercialization gap.
- ✓ • As I previously mentioned, some survey-based and preliminary data show that minority-owned and women-owned businesses are less likely to use the patent system than their non-minority counterparts.
- ✓ • But we also know that there is a simple lack of data in this field. And as our government and industry leaders look to address this critical deficiency, they run into a major problem.
- ✓ • Currently, an applicant is only required to supply their name and residence in the application, and this residence need not even specify street address. Such limited information prevents us from fully understanding the nature and scope of the underrepresentation of minority communities in intellectual property. Until we can fully understand the nature of the problem, we cannot fully address it.
- ✓ • H.R. 1249 presents an opportunity for Congress to fix this deficiency in patent data by directing the USPTO to study the diversity of its patent applicants.
- ✓ • It also specifically prohibits the office from using any data for any preferential treatment in the application process.
- Over time, the USPTO and policy makers will be able to make solid data-driven decisions to promote open and equal use of the IP system by all of America's innovators.