

April 5, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We represent various innovative companies, organizations, and millions of workers across the United States, and we are writing to express our concerns about the effect of the January 23, 2017 hiring freeze on the United States Patent and Trademark Office (USPTO) and U.S. innovation.

Taxpayers currently do not pay anything to cover the cost of the USPTO; the Office operates entirely on fees from patent and trademark applications. The federal government does not always permit the USPTO to keep all of the fees it collects. From 2010-2014, \$409.8 million in user fees were diverted from the USPTO to general government spending, contributing to the 540,000 patent backlog at USPTO.

If the hiring freeze were to apply to the USPTO, America's inventors would essentially be paying a tax that doesn't contribute to the operations of the USPTO but is diverted to general government spending. Taxing inventors in this way thwarts innovation and harms the economy. Moreover, restricting the USPTO's ability to use its user fee collections for the benefit of patent and trademark applicants, including hiring new examiners, will stymie efforts to improve the total patent pendency rate which is currently 25.6 months, down from 27.4 months just two years ago.

Increasing the patent pendency rate by reducing the number of patent examiners will be a boon to our foreign competitors, slowing the creation of American jobs and advantaging China, which is granting patents faster than the U.S. The United States should have the best patent system in the world, and not allowing the USPTO to hire needed examiners will cause the U.S. to fall farther behind. According to the Global Intellectual Property Center at the U.S. Chamber of Commerce, the U.S. patent system has dropped from #1 in 2016 to #10 in 2017 in the ranking of patent system strength. We cannot afford to fall farther behind our foreign competitors by obstructing access to the patent system.

We appreciate the steps that your administration has taken to put America first, and we hope that you will keep this purpose in mind in exempting the USPTO from the hiring freeze and asking Congress to permanently end the practice of USPTO fee diversion.

Sincerely,

Alliance of U.S. Startups & Inventors for Jobs
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