

Statement of

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Before the

**COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE**

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Mr. Chairman and members of the Committee: Thank you for this opportunity to appear before you today. I want to thank you, Senator Specter, for your introduction and support. I would also like to thank Secretary Daley for recommending my nomination as Assistant Secretary of Commerce and Commissioner of Patents and Trademarks and the President for nominating me to this important post.

Mr. Chairman, almost two years ago, I left an intellectual property practice at the law firm of Dechert, Price, and Rhoades, in Philadelphia and came to Washington, D.C. to serve in this Administration. Indeed, it was just over a year ago that I was considered by this Committee, and later confirmed by the full Senate, for the position of Deputy Assistant Secretary of Commerce and Deputy Commissioner of Patents and Trademarks. I very much appreciate the courtesy and consideration you gave my nomination at that time, Mr. Chairman.

During my service as Deputy Commissioner of Patents and Trademarks, it has been a great pleasure and opportunity for me to work with you, the other members of this Committee, and your staff on a variety of important issues. One of the things that I have found particularly gratifying is the extent to which intellectual property issues are addressed on a non-partisan basis. This is a tradition which I believe is clearly in our nation's best interest and one which I have tried to follow during my time in office.

Prior to joining the Commerce Department, I spent almost two decades working as an intellectual property practitioner, first in Pittsburgh, then in San Francisco, and most recently in Philadelphia. During that time, I worked in all aspects of intellectual property law and management, including patent prosecution, trademark and copyright protection, strategic development and counseling, brand management, licensing, technology transfer, and litigation.

I have also had the good fortune to represent the entire spectrum of intellectual property constituencies -- from individual inventors and educational institutions to small

businesses and corporation clients -- in a wide range of disciplines, including biotechnology, refinery processing and chemical manufacture, environmental technologies, pharmaceuticals, health-care products, business and financial software and recreational equipment.

Throughout my career, I have also tried to devote myself to public service and to giving back to my community. Indeed, while working for Chevron in San Francisco, I was very proud to be given the opportunity to serve the public when Senator, then Mayor, Feinstein appointed me to serve as Chair of the San Francisco Parking Authority. Since that time, I have also served in a number of other public capacities.

It is, therefore, a distinct honor for me to be before you today as the nominee to head the Patent and Trademark Office, one of the oldest agencies in the federal government, and an agency with a Constitutionally mandated goal of "promot[ing] the progress of science and the useful arts, by securing for limited times to... inventors the exclusive right to their...discoveries."

I believe that no single issue is more important in shaping the future growth and development of the world economy than intellectual property. From biotechnology to semiconductors to the Internet, the people who make decisions about investment, research, and development rely on strong intellectual property protection. Without a strong mechanism to incent and protect investment, our nation would not be growing as fast as it is today. Accordingly, the PTO plays an active role in advising other Executive Branch agencies on domestic intellectual property laws and plays a leadership role in formulating international intellectual property policy.

I strongly believe that managing the agency's growth, ensuring the high-quality of our products and services, and maintaining America's position as the international leader in intellectual property are the keys to the agency's success. That is why since coming to the PTO I have focused my efforts in three key areas.

First, with respect to automation, this past March the agency added to its Web site 20 million pages of images to the searchable text of the 2 million patents granted since 1976. This electronic library of late 20th century science and technology is available free on PTO's Web page and was, in part, prompted by Senator Hatch and Senator Leahy's continued interest in making important technical information accessible to rural areas.

Today, all pending and registered trademarks are also available on line and we are well on our way toward making all 6 million plus patents and one million plus trademarks available free on the Internet by 2001. In addition, I am pleased to report that the PTO now accepts electronic Trademark applications and that we have received over 12,000 such applications in just the last nine months.

Second, I came to the PTO concerned about its relationship with independent inventors. Having represented independent inventors in private practice, I understand their concerns and am working hard to address them. That is why we established the Office of Independent Inventor Programs, an initiative aimed at meeting the special needs of an important PTO constituency -- inventors working for themselves or for small business.

Third, to keep our patent system strong, we must invest in the management and efficiency of the PTO. As you know, Mr. Chairman, our nation's intellectual property system is more robust than ever before, and business is booming at the Patent and Trademark Office. Patent applications increased 25% in the last two years and trademark filings are up nearly 25% this year alone.

The PTO, unlike many government agencies, is very much a business. In order to meet the needs and demands of our customers, we need to ensure that we have highly-skilled staff who are equipped with the resources they need. I am pleased to report that we are successfully managing the agency's growth through strategic hiring of a diverse, well-educated workforce, as well as increased utilization of state-of-the-art automation technology.

To handle the explosive growth in patent and trademark filings, the PTO hired more than 700 new patent examiners last year and is on track to hire an additional 800 patent examiners this year. In the trademark arena, 230 new trademark attorneys have been hired since November 1997, nearly doubling the size of that workforce.

We are also making great strides in improving the efficiency of our work. For example, this year we have reduced pendency for first action on trademark applications from 7.9 months to 4.9 months. We are also well on our way to reducing cycle time for patent applications to 85% of all patents in 12 months by 2001 and all patents in 12 month by 2003.

Turning to the international arena, the PTO will continue to work on strengthening the international intellectual property system and ensuring that U.S. intellectual property holders -- whether patents, copyrights, trademarks, or any of the other forms of intellectual property -- enjoy sufficient legal protection around the world. In the next year, I anticipate that the PTO will be participating in the following developments:

First, we will be leading the United States' delegation at a WIPO Diplomatic Conference to develop a Patent Law Treaty which, we hope, will establish shared procedural and application standards for patents around the world. After working for years on these standards, it is our hope that we will also be able to turn to the long-term question of converging substantive standards for patenting.

At the same time, we will also be working on simplification of the existing Patent Cooperation Treaty. I believe that streamlining and modernizing this treaty will help American industry preserve its ability to commercialize American ingenuity all over the world.

On the copyright front, the PTO will continue to lead the Administration's efforts in international discussions about audio-visual performers rights and protection for non-copyrighted databases -- two issues left open after the 1996 Diplomatic Conference which established the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. On the issue of audiovisual performers rights, the United States is committed to working in WIPO to achieve a compromise on the protection of audiovisual performers rights that will further the goals of all relevant U.S. interest groups, performers as well as film producers.

Even with all these activities and achievements, Mr. Chairman, much work remains to ensure that the PTO can manage its growth and ensure high-quality products and services while maintaining our ability to be a strong advocate for our nation's intellectual property. We are blessed with the greatest intellectual property system in the world, and I am deeply committed to ensuring that we retain -- and build upon -- that status well into the next millennium.

I look forward to working with this Committee to help ensure that PTO is given the resources and flexibility it needs to do just that. And I also look forward to working with this Committee and the intellectual property community on the many domestic and international intellectual property issues that are before this Committee.

Again, Mr. Chairman, thank you for the opportunity to appear before you today. Now I would be happy to answer any questions you might have.