

**“FOR AMERICA'S INVENTORS,
IT'S A WHOLE NEW BALL GAME”**

REMARKS OF

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Thank you, Don, and thank you, everyone, for your warm welcome. I'm very happy to be here. I regret that I could not be with you yesterday for the "opening pitch," but I hear that things are going quite well.

As you may know, I just returned last night from meetings in Canada where I represented your interests before the Canadian Intellectual Property Law community. In speaking with the Canadians -- and this is the case wherever I travel in the world -- I always come away impressed with the good things too many Americans seem to take for granted. My observations abroad really affirm all that I was raised to believe: this is, indeed, the greatest nation on earth.

Chief among the things we have good reason to boast about are these: (1) America's unique natural resource -- the independent inventor, and (2) our similarly unique "intellectual property protection system," soundly based in the Constitution, which helps keep our *thinkers thinking*, our *innovators innovating*, and our *economy booming*.

Trust me, the world still looks at us with great envy. They also look to us for leadership as the global economy undergoes dramatic changes on the dawn of the new millennium. More on that shortly.

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Now that you have reached the final day of this Conference, I trust that this event has been enjoyable for each of you and that you are finding the information interesting and useful.

We realize that you have sacrificed valuable time to be here this week. Many of you have taken leave from your workplaces -- your "day jobs," so to speak. Many of you have taken personal time away from your families. The PTO is committed to doing all we can throughout this program to make certain that your decision to register for this

conference was a good one. Based on feedback our office has received from previous conferences of this series, I am confident that we'll succeed in doing just that.

As always, Mindy Fleisher and the rest of the Conference Team have done an outstanding job of putting together another great program. I also want to thank the Houston Inventors Association; the Network of American Inventors and Entrepreneurs; Meg Bolware, president of the American Intellectual Property Law Association; Jim Repass, David Clonts, and Sharon Israel of the Houston Intellectual Property Law Association; the Small Business Development Center at the University of Houston; the Patent and Trademark Depository Libraries throughout this region; and all the others who partnered with the PTO to make this event a reality. I also want to acknowledge and thank Houston City Councilman Felix Fraga for his attendance at this event.

Texas, I might add, is a great choice for this Conference. Texas is one of the most productive states in terms of patented inventions, generating more U.S. patents each year than any other state except for California or New York. In the past ten years, more than 40,000 U.S. patents were granted to Texans, and more than a quarter of those patents were granted to Texas-based Independent Inventors.

PTO's presence at this conference speaks volumes about how you – the independent inventor -- are valued. For America's inventors today, this really is a whole new ball game. In the past few years, independent inventors have gained unprecedented respect, and you are rightfully gaining a place at the table in terms of national policy-making.

So, if I may speak for the entire PTO Conference Team, we're all very glad to be here. And we're glad to see so many of you here to help us "Celebrate America's Heroes."

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Just who are America's Heroes? I suspect that most Americans can name at least one of the baseball stars who are honored in the Baseball Hall of Fame in Cooperstown,

New York. Likewise, I suspect they would also be able to name a great number of those who have been inducted into the Football Hall of Fame in Canton, Ohio -- or, for that matter, even the Rock and Roll Hall of Fame in Cleveland.

But, in Akron, Ohio, exactly one week ago, the National Inventors Hall of Fame held its annual Induction Ceremony of some of the world's greatest inventors. How many of us -- not to mention the average Joe on the street -- can name even one of those inventors? We all know the answer to that, and this simply has to change.

When you think about it, the contribution of even a single inventor easily overshadows all the accomplishments of all the athletes and stars who ever shined. But, they generally go unrecognized.

So, one of our principal objectives for this series of National Conferences is to call for a celebration of people who really have earned the "hero" label: the inventors and entrepreneurs all across America.

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I was fortunate to have the chance to chat with a few of you last evening and again this morning, but to most of you I am a new PTO face. So, I think I should start by spending just a few minutes telling you a little bit about who I am and how I came to be interested in independent inventors and small business enterprise. After that I'll share some personal observations and some important new information about the PTO. Some significant changes have been made under my direction, and more changes are just around the corner. I'd also like to discuss the important, national role I see you playing as innovators and entrepreneurs -- America's "unsung" heroes.

And, finally, I want you to join me in launching a major, new campaign. It's not a political campaign, but rather PTO's own media campaign to counter the outrageous, shameless invention marketing scams. In a few minutes, you can join us in officially launching that campaign.

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When I came on board the PTO last year, I arrived with a great deal of interest in the independent inventor community. The Annual Independent Inventor Conference was one of the very first things I learned about at that time, and I have been closely involved in these conferences and a number of other initiatives we have launched on your behalf.

As Don mentioned earlier, my career spans more than 20 years in patent law, practicing as a corporate counsel and as a member of a law firm in Philadelphia. Some of my most stimulating and satisfying work back then was representing clients who happened to be independent inventors and small business entrepreneurs. It always struck me that the journey of an innovator from his workbench to the marketplace is the purest example of free enterprise.

Despite my immersion in this process for so many years, I still marvel at it today. The reality that a person can develop an idea on a workbench in a garage, or in a basement, or on a PC resting on the family's dining room table, and then turn to our nation's 210-year old patent system to secure exclusive rights to carve out a niche in the marketplace is really what the American Dream is all about.

As a patent practitioner, it was rewarding to be a part of that process, representing clients before the PTO. And my current role as acting Commissioner of the PTO is very gratifying. I like knowing that I can continue to make that connection for people. I like knowing that I can continue to help people bring their products to market, and help others make their dreams a reality.

I see my role as ensuring that all of the PTO's clients or customers or patrons or users -- whatever the term may be -- have full and fair access to the world's best patent and trademark systems and that it works and works well for each of them. From what I have seen in time at the PTO, I believe we have the staff that can help me do just that. You have met many of them at this Conference. I hope you will make every effort to get to know them better, just as I have. They are typical of the other 5,500 or so we left behind in Arlington, Virginia, to do "the people's business."

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Let me tell you a little bit about the PTO staff. The employees of the PTO are said to comprise the most dedicated, diverse workforce of any Federal Agency. In terms of breadth of technological and legal knowledge, I believe the Patent Examiners and Trademark Attorneys make up the most multi-talented collection of professionals anywhere in the private or public sector. And this team is growing.

This year, we hired around 800 new Patent Examiners and Trademark Attorneys, and more than two-thirds are “Dean’s List” graduates from America’s best schools. Of the new patent examiners, most are in computer and information processing technologies and one-third have a Masters or a PhD in engineering, computer science, or mathematics. We are on track to hire close to 800 more patent examiners this year, and once again we are going after the best candidates we can find.

I’ve also seen a terrific work ethic displayed at the PTO, because our employees face the rigors of a tough productivity and quality measurement system. Their output is measured every two weeks, and at least 8 out of every 10 substantially exceed their goal requirements. On any given night, 7 days a week, you can find the lights on in our offices where PTO staff members are hard at work. And the work they do costs you nothing in terms of “tax dollars.” All of the PTO’s income is derived solely from user fees -- your fees, something we remember every day.

PTO employees also exhibit a remarkable level of generosity and community concern. In fact, last year the PTO staff donated nearly \$700,000 from their own pockets to the U.S. Government's annual charity drive, the Combined Federal Campaign. Our new charity drive just started this month, which I have the honor of chairing for the entire Department of Commerce, and I have no doubt that the PTO staff will give at least that amount again.

And PTO employees give more than money; they also donate their time. Hundreds of the PTO staff are involved in local volunteerism: inner-city school tutoring,

high school science fair judging, elementary school outreach programs, serving in soup kitchens for the homeless, and so on.

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Now that you know a little bit more about the PTO staff, let me briefly highlight some of the recent developments we've made to improve the efficiency and quality of our work.

First, with respect to Y2K, I am pleased to report that that all 35 of PTO's mission critical systems are now verified year 2000 compliant.

In one of our most important initiatives, I'm proud that in March we added the images of every page of virtually every patent issued since 1976 to the PTO Website. Customers can view the entire image of the patent, see all of the drawings, chemical formulas and mathematical equations, or print their own copies of these documents. More than 2 million patents are currently posted and about 3,000 new patents are added each week. In July, customers retrieved more than 9.5 million pages of patent information with more than 57 million "hits." In 2001, we will add searchable patent full-text data and patent images dating all the way back to 1790.

This April, we also made PrintEFS available on the PTO Website. PrintEFS, which is free to all applicants, is an authoring tool designed to help patent applicants format and print their patent application bibliographic data in a machine-readable format. The PrintEFS tool features an easy-to-use, online tool that allows applicants to enter data into predefined, labeled fields. It contains useful validation routines and help screens, and it formats and prints the data, eliminating all manual formatting.

In June, we provided for around-the-clock document ordering via the Internet through PTO's Order Entry Management System (OEMS). OEMS allows customers to place orders and pay for a wide range of official PTO documents, and customers can choose among various delivery options and pricing arrangements to best meet their

individual needs. Customers can also pay by credit card in order to expedite processing and delivery.

During this time, we also welcomed the advent of electronic filing for trademarks. Known as the Trademark Electronic Application Submission (TEAS) system, it allows trademark customers to submit applications and use credit cards to pay filing fees. Trademark customers have used their favorite web browser to file nearly 16,000 Trademark applications without ever leaving the comfort of their home or office. We are now receiving more than 2000 electronically filed applications per month.

Perhaps most exciting, this month we began full production of the Patent Application Information Retrieval (PAIR) system, which allows restricted Internet access of patent application status to patent applicants and/or their designated representative(s) without compromising the confidentiality or security of applicants' data. The PAIR Internet site also contains a link to general information on the PTO and a phone list of the Patent Examiners in the PTO.

This year we've also made great improvements to our examiner's search capability resources. Patent examiners now can electronically access the full text of all U.S. patents going back to 1971 and the images of all U.S. patents since 1790. The text and images of over 1 million registered and pending trademarks dating back to 1870 are also available. Examiners also can access English-language translations of abstracts of 3.5 million Japanese patents with images; English-language translations of abstracts of 2.2 million European patents with images; and over 5,200 non-patent literature journals available through commercial services and materials we load in-house. We've also added IBM technical bulletins to every examiner's desktop, providing more access to prior art than ever before.

We are very cognizant of your need for a timely delivered patent. That's why we are striving -- even in the face of the ever increasing workload -- to reduce our cycle time,

and we are moving closer to our target of 85% of patents in 12 months by 2001 and all patents in 12 months or less by 2003.

All of these improvements will help us be more responsive to you, our customers, and the evidence is that they are already being noticed. In fact, according to preliminary data from the 1999 Customer Survey in the patent area, the overall satisfaction rate with PTO's performance rose 5 percentage points from last year.

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Well, that's enough about us. Let's talk about you.

Thirty years ago this past July, the United States achieved what was arguably the greatest technological achievement in the history of the human race: the landing of a man on the moon. It was a dramatic testament to what our vision, determination, and ingenuity could really achieve.

The technological advancements since that time have been nothing short of breath-taking. Today's typical automobile, for example, has more computing power than the Apollo XI lunar module that made that landmark event of three decades ago possible. And although it took 35 years to get the telephone into one-quarter of American households, it has taken less than half that time to put a personal computer into the same percentage of homes.

By some estimates, 50 percent of the store of human knowledge -- intellectual property, in essence -- has been produced in the last half-century alone. And this continues to accelerate. Today, for example, approximately 50,000 new products are announced every year in the U.S., compared with only a few thousand in 1970.

In 1899, more than one-third of all patent applications dealt with bicycle technology, important personal transportation technology at the dawn of the automotive age. Trademark registrations were limited to marks used on products in foreign commerce or with Indian tribes.

Today, we routinely examine patent applications in diverse technological areas which were unknown (and possibly unimaginable) in 1900, such as aeronautics, computers, and polymer chemistry, and are striving to cope with such emerging technological areas as bio-informatics, combinatorial chemistry, expressed sequence tags, and Internet business methods.

More than any other contributors to America's history, inventors and entrepreneurs have played a crucial role in making our nation envied throughout the world. Our technological prowess, our high standard of living – all of it stems from the creativity and entrepreneurial drive of our inventors.

We all recognize that inventing and tinkering are a favorite American pastime. Although the spirit of creativity and enterprise are not entirely unique to our nation, there does seem to be a particular force at work that has driven us to challenge the scientific and intellectual status quo. Perhaps it is the American frontier mythology combine with the promise of the future. Whatever its roots, this inclination has served our nation well throughout the last two centuries and will be all the more valuable as we enter the new millennium.

Now, as we prepare to enter the 21st century, we do so at a time of great promise and prosperity. The United States is currently enjoying the longest peacetime expansion in history. During the last five years, our real Gross Domestic Product has increased by more than \$1 trillion. Many experts, including Federal Reserve Board Chairman Alan Greenspan, credit a large part of this economic boom to the enhancement of competition generated by new technologies resulting from the innovation process.

And as we look ahead to the next millennium, it is you and other entrepreneurs like you whom we must rely upon to keep us gaining on society's daunting challenges - - to ensure that we stay at least one step ahead in those highly competitive global markets.

One thing we have to work on is securing more protection for everyone. With the globalization of the economy and the explosion of Internet-based commerce, it's a lot easier to get ripped off or infringed than it used to be. The Internet is re-shaping the global economy in ways we still cannot completely grasp.

More and more, success in the global marketplace hinges on the availability of effective mechanisms to protect new ideas and developments. Nonetheless, we still rely on national and regionally-based systems to protect intellectual property rights that fail to meet the needs of today's inventors and businesses, large and small.

The international patent system -- or lack thereof -- is becoming increasingly cumbersome and expensive. Inventors cannot afford to obtain protection in all of the necessary markets around the world. For smaller enterprises and individuals, protection for their inventions in critical markets may not be possible financially in the time frames dictated by law. At best, this situation will lead to decreased profitability for all and, at worst, extinction for smaller enterprises that traditionally supply significant technological advances. Clearly, our existing systems are not paradigms for tomorrow's patent system.

I know there has been a lot of discussion and debate about this topic. Unfortunately, I believe some have lost sight of the forest for the trees. More importantly, they're losing sight of you. Large corporations often have the money and resources they need to ensure protection in global market. But small businesses and independent inventors do not. That is why we need a global patent system that is consistent, cheap, and easy to use.

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A major segment of the United States' innovator population are individuals and very small business concerns. This special innovative resource is unique to the American scene, and studies have shown that they are the source of the majority of inventions that created America's great industries.

So many of our country's corporate giants reached their prominence standing on the broad shoulders of a single visionary -- once operating only as a lone, innovative entrepreneur. And remember: anytime you use a telephone ...ride in a car ...fly on a plane ...ride on an elevator...read by the glow of an incandescent bulb...photocopy a document...breathe conditioned air...or read the LCD display on your watch or computer, you are enjoying the fruits of the labors of our nation's independent inventors.

So, at the PTO, particularly under this current Administration, inventors, entrepreneurs and small businesses are taken seriously. We are dedicated to do all we can to assist them.

In keeping with President Clinton's agenda for small business concerns and entrepreneurs, we have made a major commitment to doing all I can to help independent inventors deal with the challenges that are inherent in attempting to bring ideas to the marketplace. And, in the past several months, in addition to the general changes that I talked about before, I have seen to it that a number of initiatives have been undertaken specifically on your behalf. Let me describe a few of the things that have taken place.

As I mentioned, one of the first things I did when I came to the PTO was to reach out to independent inventors and small business. I recognized that the independent inventor community has special needs. These needs were for communications, education and support. So, in March of this year, we established the Office of Independent Inventor Programs. Placed at the highest level of the PTO organization, this new office presents the inventor community with unprecedented direct access to the Office of the Commissioner. I have asked Don Kelly to join my Executive Staff and to head up this new office.

The Office of Independent Inventor Programs is the principal sponsor of this event, and it has developed a number of other special educational programs such as the Saturday Seminar, where small teams of PTO experts deliver basic patent and trademark information to inventor organizations wherever they meet around the country.

We have established customer service reps in our Technology Centers. Also in the design and development stage is a "virtual" version of our basic patents and trademarks courses to be delivered *via* a web-based system to inventors and entrepreneurs at the grassroots level - - everywhere in America.

Last month, we launched two new additions to our award-winning PTO Home Page: the Inventors Resource Page, with a wealth of useful information on the nuts and bolts of intellectual property protection, and the delightful "Kids' Page," with the kind of information that will appeal to inventive children everywhere. Try them out as soon as you can at www.uspto.gov

I could go on with other new initiatives -- and there are a lot -- but I want to take this last couple of minutes to focus on one that I believe is long overdue.

For several decades, inventors have been encountering a number of companies professing to "help them market their inventions." Granted, there are a limited number of very good concerns that are engaged in this type of work and that are trustworthy and reliable. But, unfortunately, there are some very, very scandalous Invention Marketing Firms lurking around out there, preying on the unsuspecting independent inventor.

It's an ugly business, but a very big business. I'm told that the inventor scam industry runs in the range of \$200 million per year. You know their ads. Their TV and radio spots frequent the airwaves here in Houston and every other major city across America. They have even now spread to Australia and England. Victims everywhere have been left penniless. Hopes and dreams have been dashed.

Over the last day or so, I'm sure you heard quite a bit about both the "good guys" and the "bad guys" from our "experts" -- Jerry Udell, Michael Franz, and Kathi Needham, and others at this Conference.

For a quarter century, the PTO has done little more than distribute warning brochures on the subject. More recently, we have worked extensively, and with some measure of success, with the Federal Trade Commission on projects such as "Operation Mousetrap." I also have directed more financial and staffing resources to the PTO's Office of Enrollment and Discipline in order to enhance its disciplinary actions against attorneys and agents who practice before the PTO and work with invention promotion organizations in violation of PTO rules.

We need to do more. So, I am pleased to introduce, for its very first debut, the PTO's own TV ad designed as a wake-up call for all those who might fall victim to these scams. The spot you are about to see, as well as its radio version, will begin to air as paid advertisements in selected markets on October 4th. Later this fall the spots will be distributed nationally as public service announcements.

Here's the 60-second version. Please roll the tape.

As you can see, it's brief and to the point. Get the facts; skip the scam! I hope people get the message.

As I said, we will be offering this "spot" for airing in cities all around the country. We also will be funding a more concentrated effort in various test markets in Florida and California so that it won't just be shown at 3 a.m. on Sunday. This is only the opening salvo, however. In the coming year, we'll be expanding our campaign to many additional markets.

I'm anxious to hear your reaction to this ad. And, more generally, we at the PTO welcome any ideas you have on how we can serve you better and how we can make it easier for you to overcome the hurdles that you encounter along the way. This is, after all, your Patent and Trademark Office, and we need your input and feedback.

Let me close by thanking you once again for your obvious interest in the U.S. Patent and Trademark Systems and in the PTO. I look forward to chatting with you during break and during lunch, and I suspect we'll have a great opportunity to interact during the Town Hall Meeting this afternoon.

I hope you enjoy your program, and I wish you all great success with your ideas. Just as we conquered the frontiers of the American West and the moon, I know we will successfully conquer the new frontier of cyberspace thanks to your spirit and determination.

Thank you very much.