



February 17, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Bldg
Washington DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
361-A Russell Senate Office Bldg
Washington, DC 20510

RE: Full 2011 Funding for the U.S. Patent and Trademark Office – An Urgent Jobs Issue

Dear Senators Reid and McConnell:

Intellectual Property Owners Association (IPO) urges passage of a funding measure that would allow the U.S. Patent and Trademark Office (USPTO) to spend all of the user fees it collects from our members and other members of the public for the rest of fiscal year (FY) 2011. We appreciate your past support for funding the USPTO at a level equal to fee collection estimates and urge you to do so again for the rest of FY 2011. *Innovation stimulated by patents is critically important to the health of the U.S. economy and the creation of U.S. jobs. Importantly, it would not add one cent to the deficit because the USPTO is fully funded by user fees, not taxpayer dollars.*

The continuing resolution in effect since October 1, expiring on March 4, limits USPTO spending to the FY 2010 appropriations rate, *about \$1.5 million dollars per day less than the President's FY 2011 budget request.* By proposing to keep the USPTO at FY 2010 levels, the House bill, H.R. 1, as it stands at this writing, would merely propagate the devastating effects that the current continuing resolution has on the USPTO's ability to process patent and trademark applications in an efficient and effective manner. U.S. jobs and the U.S. economy would inevitably continue to suffer.

The membership of IPO includes more than 250 companies and 11,000 individuals involved in IPO through their companies or law firms or as individual members. Our members span the information technology, pharmaceutical, biotech and traditional manufacturing industries. Our members all agree that the United States needs an effective USPTO to keep our nation competitive, encourage innovation and create new jobs.

We strongly support the USPTO funding language that was in the President's FY 2011 budget request and in FY 2011 appropriations bills that were not passed last year. This language should be folded into a Senate bill addressing funding for the remainder of FY 2011. Such language would:

President
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Oracle USA, Inc.
Russell W. Binns, Jr.
Avaya, Inc.
William J. Coughlin
Ford Global Technologies LLC
Timothy Crean
SAP AG
Robert DeBerardine
Sanofi-Aventis
Bart Eppenaue
Microsoft Corp.
Mark Farber
Covidien
Scott M. Frank
AT&T
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Dow Chemical Co.
Bernard J. Graves, Jr.
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Soonhee Jang
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Jeffrey L. Myers
Adobe Systems Inc.
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Kevin H. Rhodes
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Mark L. Rodgers
Air Products & Chemicals, Inc.
Manny Schecter
IBM, Corp.
Steven Shapiro
Pitney Bowes Inc.
David Simon
Intel Corp.
Dennis C. Skarvan
Caterpillar Inc.
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Micron Technology, Inc.
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Coca-Cola Co.
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Pfizer, Inc.
Michael Walker
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BJ Watrous
Hewlett-Packard Co.
Stuart Walt
Amgen, Inc.
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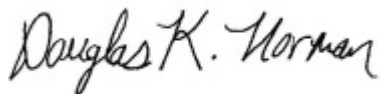
INTELLECTUAL PROPERTY OWNERS ASSOCIATION

- Increase appropriations significantly from FY 2010 – the proposal was \$2.322 billion for the full fiscal year 2011 – to allow the USPTO to hire badly-needed patent examiners to attack the backlog of unexamined patent applications and to make other improvements in USPTO operations.
- Impose a 15 percent surcharge on certain USPTO patent user fees for the remainder of FY 2011, which we support provided the fee collections will be available to the agency. (Including the surcharge in an appropriations bill with the proper spending authorization will make the surcharge funds available.)
- Provide a \$200 million “buffer” in addition to the base appropriation to allow spending of fees received in excess of estimated collections.

U.S. intellectual property owners need your help by allowing the USPTO to spend all the user fees it brings in. Precedent exists for an exception (an “anomaly”) for the USPTO in a continuing resolution. In Public Law 110-5, covering fiscal year 2007, the USPTO was given authority to spend at the rate of estimated collections. The same should be done now.

Thank you for your continued dedication to innovation and American jobs. We stand ready to assist in any way we can.

Sincerely,



Douglas K. Norman
President

Cc: Members of Appropriations, Budget and Judiciary Committees