



2 October 2017

The Honorable Wilbur Ross, Jr.
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Ross:

We write to reiterate concerns we have expressed over the past two years with the Department of Commerce's implementation of an "Enterprise Services" initiative to centralize human resources, information technology, and procurement services for the Department's bureaus. Although our members normally would enthusiastically support the goals of improving and streamlining the U.S. Patent and Trademark Office's services, we are concerned that the Department has failed to provide adequate, concrete evidence of the expected benefits and disregarded the potential negative impacts of this arrangement on fee-paying users of the USPTO.

We share the concerns expressed by Senators Grassley and Coons dated July 6, 2017, seeking information about this initiative. We are particularly eager to hear your response because we understand that the USPTO has been asked to begin contributing millions of dollars to fund the initiative's standup costs and we have become increasingly concerned that USPTO participation will be more burdensome than beneficial for the agency and its users.

The USPTO is unique among Commerce Department bureaus in that it is fully funded by user fees paid by our associations' members and others seeking patents and trademark registrations. Being able to use the fees it collects is essential for the USPTO to hire and retain high quality employees and to maintain information technology systems vital to its core functions. Being required to fund the standup of the Enterprise Services initiative, particularly without evidence demonstrating that the initiative is in the best interest of the USPTO, will benefit other agencies while increasing costs for the USPTO. This is particularly true if the USPTO determines that it will be unable to use the services offered because they are insufficient to meet the agency's specialized needs.

The USPTO's needs in each of the identified shared services areas are different from those of the other Department of Commerce agencies, and, in many respects, are unique to its mission. USPTO already functions at levels above what is sometimes achieved within the federal government. Although the Department has touted general information about economies of scale and industry's success in using shared services models to justify this initiative, it has repeatedly

declined to produce a business case demonstrating that the contemplated shared services will meet the USPTO's unique needs and produce a sound return on the USPTO's investment in the standup costs.

Moreover, we are concerned that compelling the USPTO's participation will undermine statutory protections that prevent USPTO fees from supporting other agencies and that provide for USPTO's operational independence and may not be in the best interest of the USPTO and our members, the customers who fund its operations. The USPTO Director must have the discretion to determine what will improve the quality or increase the efficiency of the USPTO's current service offerings without being forced to pay for services it does not need or want.

Thank you for your attention to this matter. We urge you to reevaluate the Enterprise Services initiative. We trust that a thorough and transparent review will lead to the conclusion that the business case has not been made for compelling the USPTO to participate. Please let us know what we can do to be of help.

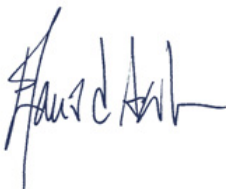
Sincerely,



Lisa K. Jorgenson
Executive Director
American Intellectual Property Law Association



Mark W. Lauroesch
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Etienne Sanz de Acedo
Chief Executive Officer
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