The Greater Birmingham Metropolitan Area as a Proposed Location for a USPTO Satellite Office

By the Birmingham Business Alliance

With support from: The Alabama Development Office, the City of Birmingham, the Birmingham Venture Club, Innovation Depot, Operation New Birmingham, Southern Research Institute, Tech Birmingham, and the University of Alabama at Birmingham

This comment responds to the United States Patent and Trademark Office (USPTO) Request for Comments on Additional USPTO Satellite Offices for the Nationwide Workforce Program. The Greater Birmingham Metropolitan Area is an ideal location for a USPTO satellite office. Birmingham boasts a robust regional education system that trains increasing numbers of science, technology, engineering, and mathematics (STEM) professionals. Birmingham also has a thriving science and technology employer base competitively recruiting STEM professionals. Therefore, the Greater Birmingham Metropolitan Area stands poised for explosive economic growth in STEM professions as well as increased leading-edge science and technology innovations.

Establishing a USPTO satellite office in the city of Birmingham would enable the USPTO to interact with several major markets and high-activity research clusters all within a 250-mile radius, including Atlanta, Athens, Memphis, Nashville, Huntsville, Tuscaloosa, Auburn and Mobile. Birmingham’s central location in the heart of Alabama provides easy access to the southern and southeastern US regions as defined by the Department of Commerce to include Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. This regional cluster accounts for 23% of all patent activity in the United States annually.1

Fig.1: A proposed USPTO regional office location in Birmingham, AL would give access to 8 major markets within a 250-mile radius and could easily serve 13 states comprising the southern and southeastern regions as defined by the U.S. Department of Commerce. This 13-state region accounted for 23% of all U.S. patent activity in 2010.

1) Outreach & Innovation

Increase outreach activities to better connect patent filers and innovators with the USPTO, including the number of patent filings and grants by the city/region as well as other information that provides insight into the region’s innovation activity.

The vibrant innovation ecosystem of the Greater Birmingham Metropolitan Area can support the outreach efforts of a USPTO satellite office. With heightened patent activity occurring in the Greater Birmingham Metropolitan Area as well as the southern/southeastern U.S. patent regions, local innovation centers, such as the University of Alabama at Birmingham and Innovation Depot, can offer education and support to outreach activities that help link patent filers and innovators in the region. The CommerceConnect program administered by the U.S. Department of Commerce in the city of Birmingham can also support USPTO outreach activities in the Greater Birmingham Metropolitan Area.

Birmingham and the Southern US Patent Region Have Heightened Patent Activity

As of 2010, roughly 23% of all U.S. patents granted since 1977 have originated in the southern and southeastern U.S. patent regions. The USPTO has granted the 13 states comprising the southern and southeastern U.S. patent regions a total of 411,869 patents of all types since 1977. States sharing a border with the state of Alabama have seen a combined total of 134,935 patents granted since 1977. The state of Alabama has received a total of 11,433 patent grants since 1977. Between 2006 and 2010 the state of Alabama received 2,057 patent grants of which 18% were utility patents granted to the Greater Birmingham Metropolitan Area.2,3

The University of Alabama at Birmingham Features Strong Science and Technology Programs

The science and technology programs at the University of Alabama at Birmingham (UAB) have received national and international acclaim. The Academic Ranking of World Universities ranks UAB as a top-100 university in life sciences and a top-200 university internationally. The Carnegie Foundation named UAB among the top 51 public and private universities in the country for both “very high research activity” and "community engagement." The UAB ranks 31st in the nation for federal research funding and 20th in the nation for National Institutes of Health (NIH) funding. Clearly, professional STEM communities all over the world hold UAB science and technology programs in high regard.

Fig.2: UAB, a top 10th percentile university in NIH research funding and one of the 4 largest academic medical centers in the United States


The UAB offers top notch STEM programs. UAB science and technology programs are accredited through the Accreditation Board for Engineering and Technology (ABET). The UAB Biomedical Engineering (BME) program is the only BME program accredited by the ABET Engineering Accreditation Commission in the state of Alabama. UAB also offers programs in Civil, Construction, and Environmental Engineering (CCEE), Electrical and Computer Engineering (ECE), Materials Science and Engineering (MSE), and Mechanical Engineering (ME) programs. UAB is one of only a few universities offering a doctorate in engineering.

Regarding health sciences, the UAB Health System is one of the largest academic medical centers in the United States. UAB Hospital sponsors residency programs in various medical specialties, including internal medicine, neurology, surgery, radiology, and anesthesiology. UAB Hospital is the only verified Level I trauma center in Alabama as rated by the American College of Surgeons Trauma Program.\(^4\)

The patent and trademark activity of the UAB Research Foundation further illustrates the strength of UAB STEM programs. The UAB Research Foundation negotiates, manages, and monitors research, option and licensing agreements on behalf of UAB. Since 1987, the UAB Research Foundation has received and managed approximately 2,145 invention disclosures, and 430 option and license agreements. It has been awarded over 640 patents and assisted with the startups of over 50 companies. The UAB Research Foundation has generated over $60M in license income to date.\(^5\)

**Leading Innovation at Southern Research Institute**

Southern Research Institute (SRI) operates as a not-for-profit 501(c) (3) scientific research organization. Founded in 1941, SRI conducts preclinical drug discovery and development, advanced engineering research in materials, systems development, and environment and energy research. More than 550 scientific and engineering team members support clients and partners in the pharmaceutical, biotechnology, defense, aerospace, environmental and energy industries. SRI is headquartered in Birmingham, AL, with satellite facilities in Wilsonville, AL, Frederick, MD, and Durham, NC, and offices in Huntsville, AL, New Orleans, LA, and Washington, DC.\(^6\)

Southern Research Institute actively pursues entrepreneurial and collaborative initiatives to develop and maintain innovative technologies that contribute to its own growth and positively impact real-world problems. With 7 FDA-approved drugs and 7 other compounds in preclinical development or clinical trials, the track record of Southern Research Institute in early drug discovery continues to grow successfully.\(^7\)

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\(^5\) Ibid.


Innovation Depot Leads the Nation in Business Incubation

Innovation Depot is a business incubation facility and program that focuses on the development of emerging biotechnology/life science, information technology and service businesses. Innovation Depot partners with UAB and receives funding from the Greater Birmingham business community, private foundations, such as the Community Foundation of Greater Birmingham, the City of Birmingham, and Jefferson County.8

The Innovation Depot facility spans 140,000 square feet making it the largest facility of its kind in the southeastern U.S. It currently houses approximately 80 technology companies employing more than 450 people. Innovation Depot recently reported over $1 billion in economic impact in the past 4 years. In 2011, Innovation Depot beat 2,000 national and international competitors to win the 2011 Dinah Adkins Incubator of the Year award at the National Business Incubation Association's International Conference in San Jose, California.9

The Greater Birmingham Metropolitan Area is Rich in Business Advocacy, Urban Renewal, Entrepreneurial Support, and Industry Trade Organizations

The Birmingham Metropolitan Area comprises a variety of technology businesses diverse in size and industry sectors. A recent census conducted by the Birmingham Business Alliance identified over 700 technology companies operating in the Greater Birmingham Metropolitan Area. Each company operates as a true technology generator (active patent filer) which adds to the vibrant Greater Birmingham Metropolitan Area innovation ecosystem. Company sizes range from 1 to well over 100 employees. Some Greater Birmingham Metropolitan Area technology companies have global revenues, such as BioHorizons in the dental implant space, Daxco and CTS in the IT services space, and Medseek in the Healthcare IT sector. The Greater Birmingham Metropolitan Area also has a large and active business community that directly supports the regional innovation ecosystem. Examples of such organizations include:

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The Birmingham Business Alliance (BBA), a business advocacy and economic development organization with a distinct technology-based economic development focus, serves the Greater Birmingham Metropolitan Area. BBA is a non-profit organization largely supported by a regional industry base of over 500 investors.10

The Birmingham Venture Club is an association of business professionals who seek to increase the amount and quality of venture capital-related activities in the Greater Birmingham Metropolitan Area. Since 1985, the Birmingham Venture Club has focused on encouraging entrepreneurial development and investment. One of its hallmark initiatives, the Entrepreneur Accelerator Program, is the most dynamic leadership development and entrepreneurial networking program in Central Alabama and has trained over 70 successful entrepreneurs in the past 6 years.11

Tech Birmingham leads, supports, and coordinates the start-up, attraction, growth, retention, and expansion of technology-based businesses, investments, and jobs in the Greater Birmingham Metropolitan Area. Since 2002, Tech Birmingham has served as a unifying voice and resource for the Birmingham technology industry. It supports the growth of the regional technology sector, advocates for tech-friendly business environments, and promotes the continued growth of a technology-capable workforce through various public-private partnerships.12

Operation New Birmingham (ONB) is a non-profit, public-private partnership between the City of Birmingham and the private business community. Its primary mission is economic development in the Birmingham City Center. ONB also promotes racial harmony throughout the Greater Birmingham Metropolitan Area through its Community Affairs Committee. ONB’s overriding goal is to make the Birmingham City Center the #1 choice for business, living, healthcare, education, arts and entertainment.13

Access to the Birmingham CommerceConnect Office will Increase Outreach and Collaboration between USPTO Filers and Innovators

The U.S. Department of Commerce chose the city of Birmingham as one of 16 regions to host its CommerceConnect initiative. CommerceConnect seeks to connect business owners with federal, state, local, and nonprofit resources in an effort to cut red tape and make government services and resources more easily available to the Greater Birmingham Metropolitan Area community. The criteria used by the U.S. Department of Commerce to select the city of Birmingham for its CommerceConnect program likely illustrates, at least in part, qualities that make the city of Birmingham a suitable location for a U.S. Department of Commerce USPTO satellite office.

17 The Council for Community and Economic Research, ACCRA Cost of living Index, 2011 Annual Average Data.
2) **Retention**

Enhance patent examiner retention, including quality of life indicators such as average household income, cost of living factors, and other factors related to employee retention

*The Greater Birmingham Metropolitan Area Boasts Average Incomes and a Low Cost of Living*

The Greater Birmingham Metropolitan Area has a population of 1,129,956. According to the U.S. Census Bureau, the average household income in the Greater Birmingham Metropolitan Area is $68,232 compared to the U.S. national average of $73,458. The average home value in the Greater Birmingham Metropolitan Area is $164,621 compared to the U.S. national average of $228,228.

The cost of living in the Greater Birmingham Metropolitan Area is the lowest in Alabama and among the lowest in the U.S. The Council for Community and Economic Research’s (CCER) 2011 Annual Average Cost Of Living Composite Index score for the Greater Birmingham Metropolitan Area is 88.6 compared to the U.S. composite index score of 100. The CCER Annual Average Cost of Living Composite Index score comprises six categories including cost of groceries, housing, utilities, transportation, healthcare and miscellaneous goods and services.

*Nationally-Ranked Public Schools*

Birmingham has nationally-ranked public schools and a strong concentration of cultural and recreational amenities. According to Newsweek’s “America’s Best High Schools”, the Greater Birmingham Metropolitan Area has five public high schools ranked among the top 400 in the nation. The U.S. Department of Education named two Shelby County schools as 2011 National Blue Ribbon Schools.

*Scenic Outdoor Recreation*

Several large-scale lakes, state parks, and national forests are located within a 1.5 hour drive from downtown Birmingham, including Alabama’s largest state park, Oak Mountain; Alabama’s only Wild and Scenic River, the Sipsey River; the Cahaba River, ranked among the nation’s most scenic and biologically diverse rivers; and Smith Lake, the second cleanest lake in the U.S.

The region’s newest urban park, Railroad Park, was voted by the Daily Green as the best new park in the U.S. for 2011. The first phase of the 1,100-acre Red Mountain Park is slated for completion in 2012. The 1,100-acre urban, mega-park will serve as a connector to a 100-mile network of greenways under development in the Birmingham region.
Thriving Arts Community

The Birmingham Museum of Art is the largest publicly owned museum in the Southeast and is a major anchor to the city’s outstanding cluster of museums and entertainment venues. Other key entertainment venues include the Birmingham Civil Rights Institute, the Birmingham Zoo, the Barber Motorsports Park, and the American Village.

Exciting Sports and Entertainment

The Greater Birmingham Metropolitan Area has exciting sports and entertainment including the new Birmingham Baron’s baseball stadium in downtown Birmingham, a new entertainment district and Westin hotel adjacent to the Birmingham Jefferson Convention Center, and the new Birmingham CrossPlex facility – considered among the premier track and field venues in the nation.

Convenient Public Transportation

The Birmingham metropolitan area is easily accessible through its public transportation infrastructure. Birmingham residents enjoy downtown trolley service, bus service, and Amtrak service.

Downtown Area Runabout Transit (DART)
DART provides transportation by trolley to business and entertainment districts in downtown Birmingham. The DART fare is 25 cents. DART runs from 10AM to 10PM Monday thru Thursday and 10AM to midnight on the weekends.

Birmingham-Jefferson County Transit Authority (BJCTA)
BJCTA provides bus transportation to an area population of 400,000 across 200 square miles. The BJCTA service area includes Birmingham, Bessemer, Fairfield, Homewood, Mountain Brook, Hoover, and Vestavia Hills. BJCTA shows its commitment to “green” living by operating only Compressed Natural Gas vehicles. BJCTA runs in most communities from as early as 5AM to as late as midnight.

Amtrak
Amtrak services the Birmingham area with one long-distance train that runs daily as far north as New York and as far south as New Orleans. The city of Birmingham broke ground on a new $40 million intermodal facility in May 2011 with an anticipated completion date of summer 2012. The new intermodal facility will upgrade the current Amtrak station and add commercial transportation services.

National and International Airport Service

The Greater Birmingham Metropolitan Area is serviced by the Birmingham-Shuttlesworth International Airport (BHM) located just outside of downtown Birmingham. BHM is Alabama's largest airport and offers 120 daily flights to 45 airports in 42 cities throughout the United States. BHM served over 2.9 million passengers in 2010 and ranks among the country's top 75 airports in terms of passengers served annually. BHM offers direct flights to most major cities within the
continental United States and is currently undergoing a major LEED certified terminal modernization project that will allow for direct international flights.  

3) **Recruitment**  
Improve recruitment of patent examiners, including data on employment rates and other economic factors in the area, science and technology professionals, as well as legal professionals in the workforce and other related information

*Significant Percentage of Licensed Patent Attorneys and Agents Practice in Greater Birmingham*

According to the USPTO, approximately 40,738 attorneys and agents in the United States are licensed to practice before the USPTO. Roughly 16% of these attorneys and agents practice in the south and southeastern U.S. The state of Alabama contains 123 licensed patent attorneys and agents of which 34% practice in the Greater Birmingham Metropolitan Area. Establishing a satellite USPTO office in the city of Birmingham would offer 6,665 licensed patent attorneys and agents in the south and southeastern U.S. convenient access to USPTO services and resources.

*Greater Birmingham STEM and Legal Occupational Clusters on the Rise*


The Greater Birmingham Metropolitan Area also confers a high number of engineering, biology, and biomedical science degrees within a 100-mile radius of UAB. In 2010, 1,878 students graduated with degrees in engineering and 1,315 students graduated with degrees in biological and biomedical science. The Greater Birmingham Metropolitan Area also confers a significant number of law degrees. In 2010, universities within a 100-mile radius of downtown Birmingham conferred 410 law degrees.

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19 U.S. Department of Education.
## 2010 Engineering Degrees Granted within 100-Mile Radius of Downtown Birmingham

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## 2010 Biological and Biomedical Science Degrees Granted within 100-Mile Radius of Downtown Birmingham

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## 2010 Biological and Biomedical Science Degrees Granted within 100-Mile Radius of Downtown Birmingham

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<td><strong>410</strong></td>
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The Greater Birmingham Metropolitan Area has an economically favorable balance of STEM and law graduates looking for employment and major employers looking for STEM and law graduates.

4) **Productivity**
   Decrease the number of patent applications awaiting examination

Placing a USPTO satellite office in the entrepreneurial district of the city of Birmingham could decrease the number of patent applications awaiting examination. The Birmingham entrepreneurial district spans approximately 21 city blocks. The Central Business District and the UAB campus border the Birmingham entrepreneurial district. The physical proximity of a USPTO satellite office to the patent community in the entrepreneurial district will provide the USPTO operational intelligence to improve its processes which could result in a decrease in the number of patent applications awaiting examination.

![Fig.7: A map showing the designated Entrepreneurial District in relation to the UAB campus and other downtown areas.](image)
5) **Quality**

*Improve the quality of patent examination.*

The close proximity of UAB and leading STEM research facilities in Birmingham may improve the quality of patent examination in a Birmingham USPTO satellite office. The lack of both modernity and consistency in the expertise of the patent examination corps is a common concern in improving the quality of patent examination. To this end, patent attorneys and agents have suggested training programs that allow examiners to visit research facilities and view common processes in a particular art area. As discussed in section 1, the Greater Birmingham Metropolitan Area hosts numerous research facilities that lead the nation in cutting-edge STEM innovations. UAB contributes to the Birmingham innovation ecosystem through its nationally ranked STEM programs and multi-disciplinary projects that partner with local Birmingham businesses. Therefore, Birmingham can provide the patent examination corps frequent opportunities for training, observation, and education on current trends and processes in STEM innovations.

6) **Fiscal Responsibility**

*Offer Options to Share Facilities with Other Established Governmental Operations*

Numerous federal government offices lease space in downtown Birmingham. The U.S. Treasury Department recently relocated its offices from Homewood to downtown Birmingham. The Robert S. Vance Federal Building, which is undergoing a $38 million renovation and the U.S. Courthouse in downtown Alabama also recently contracted with the federal government to lease as much as 55,000 square feet of office space. The General Services Administration currently leases office space downtown as well as the U.S. Department of Labor and the Bureau of Mines who together share 20,000 square feet of space in a new downtown building. The U.S. Social Security Administration (SSA) constructed a 587,000 square foot facility in downtown Birmingham in 2008. Next to the SSA facility, construction is underway for a new $30 million building that will house U.S. Treasury offices. Additionally, a new $34.4 million FBI facility recently opened its doors. Many other federal government agencies operate out of centralized downtown Birmingham offices and may offer a variety of lease or sharing opportunities for a USPTO satellite office.

In conclusion, the Greater Birmingham Metropolitan Area offers plentiful STEM employment and resources, attractive quality of life features, and a thriving innovation ecosystem that can fully support a USPTO satellite office. The Birmingham Business Alliance thanks the USPTO for its consideration of the Greater Birmingham Metropolitan Area for a USPTO satellite office in support of its Nationwide Workforce Program.