

June 30, 2019

Dear USPTO,

As you provide legislative recommendations to increase the number of women, minorities, and veterans who participate in entrepreneurship activities and apply for patents, I humbly present recommendations for your consideration. I present these recommendations as a minority with a Ph.D. in engineering from a top engineering school, who has conducted research and development in our National Lab system, and who currently works in various capacities to commercialize inventions. Despite my academic and professional background, I have yet to file for a patent. While I have had patentable ideas, done research in ripe areas for invention, have knowledge of the patent process, and have been an entrepreneur, I have not prioritized filing patents to date. There are numerous reasons for my lack of inventorship that I believe is common to many underrepresented classes, however, I will briefly note three key reasons, then present three recommendations.

There are three key reasons that underrepresented classes are not participating in the U.S. invention system and associated science and engineering related entrepreneurship. These reasons are **Opportunities to Invent, Resources to Invent, and Resources to Commercialize and Monetize Inventions**. For brevity, I won't expound on these issues as I imagine this will be included in the study. Instead, I will present three recommendations to address these key issues.

Recommendation 1: Create Tax Incentives for investing in ventures from underrepresented classes

There are two tax incentives that will address numerous access to capital issues and increase fund managers from underrepresented classes:

- Eliminate capital gains on investments in minority, women, and veteran owned ventures for 20 years.
- Eliminate capital gains on funds managed by underrepresented classes for 20 years.

Recommendation 2: Modify current Small Business Investment Company (SBIC) authorization to incentivize underrepresented class participation

Create incentives that encourage underrepresented class fund managers and venture investments. This can be facilitated with two new authorizations:

- Authorize the Small Business Administration (SBA) to Incentivize minority and women led SBIC funds inclusive of managers with Science, Technology, Engineering, and Mathematics (STEM) backgrounds. This may be accomplished by modifying or amending the evaluation process of new SBIC funds that looks favorably upon funds that have managers from underrepresented classes and STEM backgrounds.
- Authorize special purpose SBICs that work with early stage ventures with an emphasis on underrepresented classes.

Recommendation 3: Increase funding Federal funding for Cooperative Research and Development Agreements (CRADAs) and include a percentage that must include minority,

women, and veteran owned businesses, and minority serving institutions via a Mentor-Protégé' program.

This recommendation will create funding opportunities to mature existing federally funded inventions which will spawn new opportunities to invent and commercialize inventions for underrepresented classes. The following three actions would reasonably implement this recommendation

- Authorize a 1% increase in Federal research and development budget that is to be used in CRADAs with underrepresented class owned businesses and minority serving institutions.
- Create a Mentor-Protégé program that uses the newly authorized CRADA program to grow the number of underrepresented businesses and minority serving institutions that partners with FFRDCs to co-develop and commercialize Federally originated technologies.
- Authorize such programs for 20 years.

In closing, these recommendations address key infrastructure issues of the U.S. Invention and Innovation system. It will take no less than 20 years to begin healing the U.S. from institutional issues that have contributed to poor participation of underrepresented classes in the innovation economy. Similar to the temporary monopoly granted by the USPTO for utility patents, 20 years an adequate amount of time to develop and deploy solutions to improve invention and entrepreneurship outcomes of underrepresented classes.

Sincerely,

J. Chris Ford, Ph.D.