



Statement of

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**Before the
U.S. Patent and Trademark Office**

**Hearings on
The Study of Underrepresented Classes Chasing Engineering and Science Success
(SUCCESS) Act**

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Director Iancu, Chief Economist Toole, and U.S. Patent and Trademark Office Staff:

My name is Brian Pomper, and I am the Executive Director of the Innovation Alliance. We appreciate the USPTO holding these hearings on the important issue of ensuring full participation in our innovation ecosystem, and thank you for inviting us to share our views.

The Innovation Alliance is a coalition of research and development-based technology companies that believe that maintaining a strong patent system is critical to supporting innovative enterprises of all sizes. Innovation Alliance companies innovate across industries, from audio compression (Dolby Laboratories, Inc.), to wireless communications (Qualcomm, Inc.), to currency counting and counterfeit detection equipment (Cummins Allison Corp.), to touch feedback or “haptic” technology (Immersion), to vehicle transmissions and drive train technology (Fallbrook Technologies). Strong patent rights allow Innovation Alliance inventions to be freely bought, sold, or licensed, allowing our members to invest licensing revenue in innovative R&D, while ensuring that manufacturers better positioned to commercialize these inventions can implement our technology for public or industry use.

The constitutionally-protected U.S. patent system has open to virtually all inventors since its inception. The original Patent Act of 1790 provided that “upon the petition of *any person or persons . . .* setting forth that he, she, or they hath or have invented or discovered any useful art, manufacture, engine, machine, or device, or any improvement therein not be for known or used,” the inventor is entitled to a patent.

Because the process of invention requires significant investments of time, as well as human and financial resources, all with the risk of failure constantly looming, the patent system promotes access to innovation. By granting inventors—whether individual inventors or companies—property rights in their inventions, allowing them to control who makes, uses, sells, or imports their patented ideas or products for a limited period of time, patent rights incentivize inventors to engage in risky, resource-intensive R&D by ensuring that future licensing fees will allow the inventor to recoup the investment they made in their R&D enterprise. As the USPTO knows better than anyone, patent rights also facilitate commercialization, collaboration and follow-on innovation, especially for small inventors, by ensuring that an invention can be freely bought, sold, or licensed. This allows patents owners to reap the benefit of their invention, while transferring their invention directly to the party best positioned to commercialize it for use.

Intellectual property protections thereby unlock a vast innovation economy in the United States that, according to the USPTO, accounts for more than \$8 trillion in economic activity, or more than one-third of U.S. GDP. Research has also shown that a larger patent stock is linked to higher economic growth.

The extraordinary economic benefits of strong patent rights, however, are not shared equally among the U.S. population. Women, people of color, and lower-income individuals patent inventions at significantly lower rates than their male, white, and wealthier counterparts. According to a USPTO study, only 20 percent of all U.S. patents today list a woman as an inventor. A 2016 study from the Institute for Women’s Policy Research found that among college graduates, fewer than half as many African Americans and Hispanics hold patents, compared to their white counterparts. Moreover, as researcher Alex Bell and his colleagues at Harvard found, a child born in the U.S. to a family living below the median income level is ten times less likely to receive a patent in his or her lifetime than a child born to a family in the top one percent of income.

These disparities not only hurt these inventors and would-be-inventors, it hurts our economy, and it holds back our collective technological progress by leaving a massive amount of talent on the sidelines, and a tremendous amount of economic potential untapped. As USPTO Director Andrei Iancu told the Senate Judiciary Committee this past March, “Broadening the innovation ecosystem to include women—and other underrepresented groups—is critical to inspiring novel inventions, driving economic growth, and maintaining America’s global competitiveness.”

Some scholars have published research quantifying the lost economic potential of these patent gaps. Professor Lisa Cook at Michigan State University, for example, found that U.S. GDP per capita would be higher by between 0.6 and 4.4 percent “if more women and African Americans received STEM training and worked in related jobs.” Other studies have found that increasing women’s participation in patent intensive industries would increase U.S. GDP per capita by 2.7 percent.

These findings underscore that closing the race and gender gaps in patenting rates will generate real economic results. Moreover, greater inclusion in the innovation ecosystem means more perspectives and more ideas in the innovation pipeline. Without broader perspectives and experiences, innovative ideas to solve significant problems might not emerge. Equal opportunity

to invent, patent, and commercialize innovative ideas will drive the U.S. innovation economy ever forward, creating countless new products and cures that will create jobs, stimulate economic growth, and improve the quality of life for millions of people.

Thank you again for holding these hearings on this critical topic for our innovation economy. The Innovation Alliance stands ready to work with the USPTO, the SBA, and other policymakers to ensure that our innovation ecosystem works for all inventors.

Sources

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