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JOINT COMMITTEE ON ARTS

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January 30, 2012

Azam Khan, Deputy Chief of Staff
United States Patent & Trademark Office
Mail Stop Office of Under Secretary and Director
P.O. Box 1450
Alexandria, VA 22313-1450

RE: PTO-C-2011-0066 (U.S. Patent and Trademark Office, satellite office)

Dear Azam Khan,

The undersigned California Legislators write in strong support of opening a satellite United States Patent and Trademark Office in the City of San Jose, which is the heart of the Silicon Valley. The Silicon Valley is the premier innovation hub of the world, renowned for its innovative culture and vibrant creative economy. The advancement of the Silicon Valley as an innovation hub is due, in part, to the quality and number of research institutions and universities, access to capital, and private and public sector support. This response to your Request for Comments shall highlight the strengths of the Silicon Valley region and how siting a United States Patent and Trademark Office in the Silicon Valley will promote the goals of your office.

Silicon Valley Leads the Nation in Patent Filing

The Silicon Valley is home to the world renowned technology tenants who are top patent filers (among them Google, Apple, Hewlett Packard, Facebook, Yahoo, Cisco Systems, Brocade, Netflix, Gilead Sciences, Bioneer, and SunPower). These companies represent innovation in internet media, clean technology, information technology, wireless technology, biotechnology, and other emerging fields. Despite their presence and employment worldwide, much of their research and development is conducted in the Silicon Valley. This is one of the reasons Silicon Valley companies account for 12% of the patents your office awards in the United States. Given the volume of patents that originate from the Silicon Valley region, locating in the Silicon Valley will directly aid your office in achieving your goal of increasing outreach to patent filers.



Silicon Valley's Culture of Innovation

Silicon Valley firms outpace the rest of the nation in innovation because of the unique creative community that has developed in the Silicon Valley. There is a culture of innovation unparalleled in the world because of the presence of the aforementioned anchor companies, 'innovation infrastructure', and public policy that drives demand for new innovations. Professor Dorothy Leonard of Harvard Business School has written about innovation that "...creativity in business is a group exercise." She points out that it is a dangerous myth to view innovation as dependent on a handful of especially creative individuals. "If creativity is among other things a social process, then the qualities of a particular environment or place matter."

Silicon Valley's Innovation Infrastructure

Both the public and private sectors have developed an impressive 'innovation infrastructure' to sustain the region's innovation advantage. This innovation infrastructure includes organizations like 500 Startups, which provides early-stage companies with funding via seed investments, access to a renowned startup accelerator program, and new micro-fund models. Another example is Y Combinator, which is a launchpad for startups that hosts a three-month boot camp that attracts talent from across the world to compete for funding in the Silicon Valley investment community, interview with experienced product managers, and network with other innovators. Lastly, the CleanTech Open, which originated in the Silicon Valley, has assisted over 200 companies raise millions in external funding for innovations that address today's most urgent energy, environmental, and economic challenges.

The public sector has also sought to foster, catalyze, and assist with the development of new technology through public policy. Several Silicon Valley cities, including the City of San Jose, have created demonstration programs to give startup companies a platform to publicly showcase the efficacy of their technologies. The State of California has also enacted the California Renewable Portfolio Standard, which requires investor-owned utilities, electric service providers, and community choice aggregators to increase procurement from eligible renewable energy resources to 33% of total procurement by 2020. This is just one example of how the state has helped to create unprecedented market demand for new types of renewable energy.

The Silicon Valley is a major source and recipient of venture capital investments. The region received nearly \$6 billion in venture capital, which amounts to approximately 27% and 53% of all venture capital investments in the United States and the state of California, respectively, in 2010. This financial substructure ensures the region will continue to lead as the Capitol of the nation's innovation economy.

Silicon Valley's Intellectual Assets

The Silicon Valley is home to world renowned intellectual assets. Its universities employ Nobel Laureates, and frequently rank as the finest institutions of higher learning in the world. The list of public universities includes the University of California at Berkeley, University of California at San Francisco, University of California at Santa Cruz, California State University at San Jose, California State University at East Bay, and California State University at San Francisco. The list of private universities includes, but is not limited to, Stanford University, Santa Clara University, University of San Francisco, Golden Gate University, Saint Mary's College of California, Mills College, and Dominican University.

The region's universities have a strong history of converting research into innovation. The University of California and Stanford University ranked in the top 5 according to the Milken Institute's 2000-2004 University Technology Transfer and Commercialization Index.

The region is served by exceptional medical research institutions with the University of California at San Francisco and Stanford University both ranked top five according to U.S. News and World Report.

The region is served by exceptional legal institutions at University of California at Berkeley and Stanford University, which consistently rank as the top five law schools in the nation, according to U.S. News and World Report's annual ranking. The region is also served by notable legal programs at Santa Clara University, Golden Gate University, and the University of San Francisco, all of which provide training in intellectual property and patent law.

Each of the aforementioned universities in the Silicon Valley has strong science and engineering programs. Most notably, Stanford University and University of California at Berkeley's graduate engineering programs are ranked number two and number three, respectively, according to U.S. News and World Report. Santa Clara University and University of California at Santa Cruz's engineering programs also rank highly. The University of San Francisco has strong graduate programs in biology, biotechnology, chemistry, and computer science which complement the region's engineering programs.

Moreover, the Silicon Valley is home to Lawrence Livermore National Laboratory (LLNL) which has a significant presence in the region as a research institution. LLNL frequently partners with the private sector to provide research and aid in the development of new technologies.

The enrollment and intellectual output of the region's research institutions, access to innovators, and culture of innovation will supply your office with a pool of talented prospective employees and improve the quality of patent examination.

A Patent Office in the Silicon Valley Promotes Geographic Diversity

We commend your office for seeking to achieve geographic diversity in the location of a satellite Patent and Trademark Office. With offices on the eastern coast and in the Great Lakes region, it stands to reason that one of the remaining two satellite offices should be located on the western coast.

Silicon Valley's Transportation Systems

Another criterion mentioned in your request for comments deals with the availability of public transportation and proximity to a major airport.

The Silicon Valley is well interconnected via public transportation and this will only continue to improve in the upcoming years. The Bay Area Rapid Transit (BART) rail line and CalTRAIN provide viable public transit options to people of the region. CalTRAIN offers high quality commuter rail service between San Jose and San Francisco, and BART has expansion plans throughout the Valley.

San Jose International Airport, San Francisco International Airport, and Oakland International Airport are each within an hour of each other. Understanding that a Silicon Valley satellite Patent and Trademark Office may be responsible for servicing innovators in other regions on the western coast, San Jose International Airport has active domestic routes to and from Los Angeles, San Diego, Portland, Seattle, Las Vegas, Denver, Dallas, Phoenix, and Washington D.C. It has also recently expanded service to Tokyo, Japan, an international technology hub.

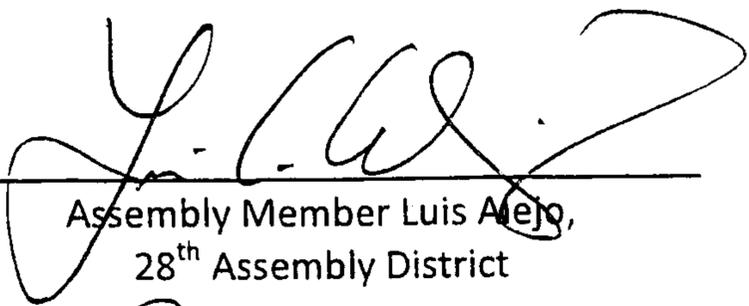
Lastly, consider that the state is actively pursuing the development of the nation's first high speed rail line. Voters approved \$10 billion dollars in general obligation bond revenues, and the United States Department of Transportation has awarded California \$3.6 billion dollars in funding. With Governor Jerry Brown's vision and bold action to make high speed rail a reality, this will eventually connect northern and southern California reaching top speeds of 220 miles per hour. The High-Speed Rail Authority has designated San Jose's Diridon Station as one of the destination stops for the high speed rail line.

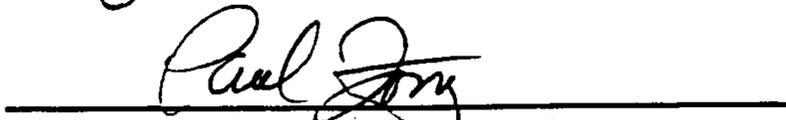
For the reasons mentioned above, the undersigned California Legislators believe that the Silicon Valley is the ideal location for a United States Patent and Trademark Office.

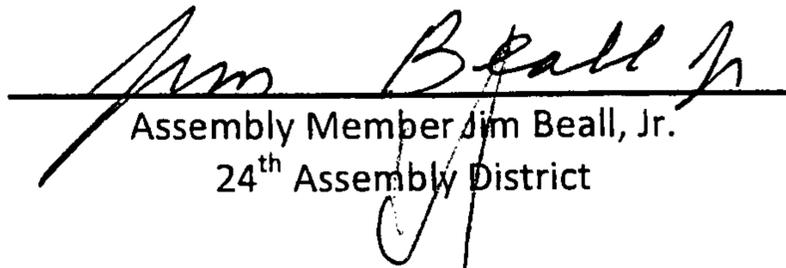
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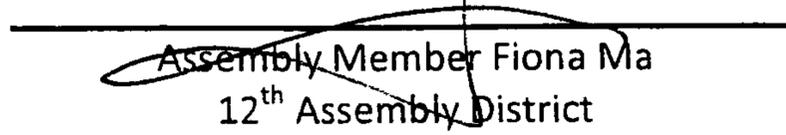


Nora Campos


Assembly Member Luis Alejo,
28th Assembly District

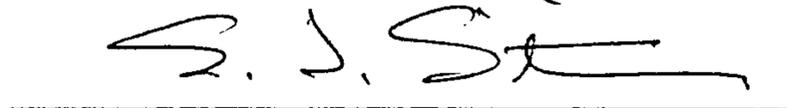

Assembly Member Paul Fong
22nd Assembly District

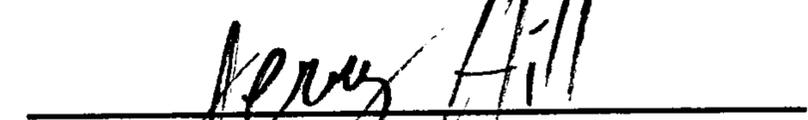

Assembly Member Jim Beall, Jr.
24th Assembly District


Assembly Member Fiona Ma
12th Assembly District


Assembly Member Bob Wieckowski
20th Assembly District


Assembly Member Tom Ammiano
13th Assembly District


Senator Joseph Simitian
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