

United States Patent & Trademark Office
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Deputy Chief of Staff
Under Secretary and Director
Alexandria, VA 22313-1450

January 30, 2012

Re: Request for Comments on Additional USPTO Satellite Offices
Docket # PTO-C-2011-0066
Sent via electronic mail to: satelliteoffices@uspto.org

We are responding to the request by the U.S. Patent & Trademark Office (“USPTO”), as set forth in the Notice in the Federal Register published on November 29, 2011 (Vol. 76, No. 299), for comments with respect to locations for satellite offices of the USPTO, as called for by Section 23 of the America Invents Act (“AIA”).

Consistent with the intention of the AIA to extend the USPTO’s physical presence beyond Washington, DC, we believe it is imperative that the USPTO select a location on the West Coast for one of the satellite offices. California is without doubt our country’s center of both technological and creative innovation. To take one measure, California overwhelmingly leads the country in the number of utility patents issued annually (27,337 issued in 2010 and 480,390 patents issued from 1963 through 2010) (USPTO, Patent Technology Monitoring Team, March 2011) and the number of patent attorneys and agents (5,711 as of 2012) (“Avery Index”¹).

We believe that Los Angeles and the surrounding metropolitan area offer an exceptional location for a West Coast satellite office. Most notably, the greater Los Angeles area is a leading center for both patent and trademark activity nationally and regionally. As reported by the USPTO, the Los Angeles metropolitan area has been the country’s fourth-leading originating regional location of utility patents issued during 2006 through 2010 (Patent Technology Monitoring Team, “Patenting in Technology Classes, Breakout by Origin, U.S. Metropolitan and Micropolitan Areas, 2006-2010”). For the year 2010, Los Angeles County is the second-leading originating location of utility patents out of all counties in California (Patent Technology Monitoring Team, “U.S. State Patenting, Breakout by Regional Component, 2006-2010”). As the world’s entertainment capital, the Los Angeles area is home to the motion picture, television, video gaming and media industries that are some of the country’s most intensive users of the trademark system.

¹ Available at http://www.averyindex.com/patent_states.php.

Our primary grounds for suggesting Los Angeles as a satellite office location are as follows:

1. Research Infrastructure

Los Angeles offers an exceptional research infrastructure, including some of the world's premier institutions in scientific, biomedical and other research, all of which rely on the patent system as a technology transfer tool to promote commercialization. These institutions range from research powerhouses such as University of California at Los Angeles (UCLA), University of Southern California (USC), the California Institute of Technology (Caltech), NASA's Jet Propulsion Laboratory, UC Irvine, and the Claremont Colleges, to top-rated specialized institutions in creative and design industries like USC's School of Cinematic Arts, the Art Center College of Design, the California Institute for the Arts, the Fashion Institute of Design and Merchandising, and the Otis College of Art and Design. Medical education is also a strong point: Los Angeles has two each of medical schools, dental schools, and eye institutes, in addition to specialized medical research and treatment facilities like the City of Hope.

The three major research universities within 15 miles of downtown Los Angeles – USC, UCLA, and Caltech – are world leaders in cutting-edge science: collectively, they have a combined research budget of over \$2 billion in FY2011, 42 Nobel Laureates, 66 National Medal of Science recipients, and 126 members of the National Academy of Sciences. As reported by the USPTO (Patent Technology Monitoring Team, "U.S. Colleges and Universities – Utility Patent Grants, Calendar Years 1969-2008") for the period 1969-2008, these institutions are leaders in the number of utility patents issued annually to U.S. colleges and universities: the University of California (#1 for entire period and for 2008)²; California Institute of Technology (#3 for entire period; #4 for 2008); and the University of Southern California (#30 for entire period and #19 for 2008). Of particular note, USC received a five year \$58M NIH CTSA grant to establish the Southern California Clinical and Translational Science Institute (SC-CTSI) in partnership with leading local organizations in central Los Angeles to drive translational research and improve health in diverse urban environments.

2. Business Infrastructure and Innovation Clusters.

Los Angeles offers a uniquely diverse and innovation-intensive business environment. A 2005 PricewaterhouseCoopers study showed that the greater Los Angeles area had a \$770.6 billion economy. Los Angeles has both the largest manufacturing base in the country, with 470,000 employed in the manufacturing industry, as well as an unusually high concentration of 350,000 small businesses. The Los Angeles Customs District is the largest in the country, and the Port of Los Angeles and San Pedro comprise the most significant Pacific seaport in the Western Hemisphere, handling nearly half of all

² This figure includes member institutions within the University of California system and therefore overstates the number of patents issued to UC schools based in the Los Angeles area. The USPTO data does not distinguish among UC schools.

containerized imports for the United States. Los Angeles will undoubtedly continue playing a critical role in future innovation and economic growth for the country.

Unquestionably, Los Angeles is known for the world's primary entertainment industry, which relies on trademarked properties in order to secure investments in creative content. All six major film studios – 20th Century Fox, Paramount Pictures, Sony, Universal Pictures, Warner Brothers, and Walt Disney Studios – are located within Los Angeles County. As of 2010, the Los Angeles Economic Development Council (LAEDC) estimates that, in Los Angeles and Orange Counties, a total of 154,900 individuals were employed in motion picture and television production (LAEDC, "2011-12 Economic Forecast and Industry Outlook", February 2011).

Historically, Los Angeles has been one of the country's leading centers for the research, development and manufacturing of aerospace, telecommunications and defense-related technologies. Established aerospace and defense contractors are intensive users of the patent system and are at the forefront of technological innovation. As of 2010, LAEDC estimates that, in Los Angeles and Orange Counties, 46,700 individuals were employed in the aerospace industry.

Today, the Los Angeles area excels particularly in the life sciences, including an established medical devices industry and a growing presence in biotechnology, and plays a leading role in alternative energy and other "green" technology markets. According to the 2011 Business Facilities Rankings Report, Los Angeles ranks #1 as a "medical device industry" location and, according to the Global Life Sciences Cluster Report (Jones Lang LaSalle 2011), Los Angeles is the #4 life sciences cluster in the country, as measured by various indicators, including National Institutes of Health funding (in 2011, \$1.01 billion) and venture capital investment (in 2011, \$250.2 million). According to "Green Jobs and the Los Angeles Region" (Dr. Phillip J. Romero, 2011), the Los Angeles area is "home to the largest cluster of green employment" in the United States, accounting for roughly 178,500 jobs (referring to the California Employment Development Department, "California's Green Economy: Summary of Survey Results", 2010).

These technology-intensive entrepreneurial activities have attracted the interests of venture capital investors and the support of local government and academic research centers. According to the PricewaterhouseCoopers/National Venture Capital Association MoneyTree survey, nearly \$500 million was invested in Los Angeles and Orange County in Q4 of 2011. Spinoffs from USC alone have attracted more than \$380 million in venture capital investment in the depths of the recession (2008-2010).

Government-sponsored partnerships and initiatives have been undertaken to promote private investment in these activities. For example, the Mayor of Los Angeles partnered with USC, UCLA, and Caltech to create CleantechLA, designed to establish Los Angeles as the global leader in the research, commercialization, and deployment of clean technologies.³ Additionally, the three local research universities partnered four years ago to create FirstLook LA, an early stage investor conference, and have expanded it to

³ Source: <http://cleantechlosangeles.org>

include other research institutes such as UC Irvine, UC Santa Barbara, the Children's Hospital of Los Angeles and City of Hope. Nearly a dozen incubators and accelerators have been launched in greater Los Angeles in the last few years.

3. Legal Infrastructure

Los Angeles is home to a deep pool of legal, financial and accounting advisors who assist individual and institutional clients in accessing the patent system, representing clients in prosecuting patent applications, licensing patents to support the commercialization of new technologies, and enforcing patents in the federal court system. As reported by the Avery Index⁴, California is home to 5,711 patent attorneys and agents, and the greater Los Angeles area includes 1,302 patent attorneys and agents, representing slightly more than 22% of the total state pool.⁵ Having a USPTO satellite office located in close geographic proximity would greatly enhance the ability of these attorneys and agents to advance their clients' patent applications through in-person interviews with examiners, which are a well-known tool to accelerate prosecution and reduce the USPTO backlog.

Given the demands of the entertainment industry, Los Angeles is also home to a large number of law firms and other entities that specialize in advising clients in registering trademarks, representing clients before the USPTO, and defending trademarks against unauthorized uses.

4. Talent, Workforce , and Quality of Life.

With its moderate weather and array of amenities, Los Angeles offers an unequalled quality of life that will assist the USPTO in its efforts to recruit and retain a highly skilled examination staff. Neighborhoods across the metropolitan area are diverse and offer a range of options from suburban neighborhoods to urban lifestyles, from the beach communities to the Hollywood Hills. Beaches, mountains, deserts, and even skiing are all within an hour or so away.

Given its strong higher-education infrastructure in science and engineering, Los Angeles continuously generates a pool of highly skilled candidates that could potentially be recruited into the USPTO's examination staff. Several higher-education institutions in the greater Los Angeles area appear in U.S. News & World Reports' list of top 40 graduate engineering programs for 2012, including the California Institute of Technology (#7), the University of Southern California (#11), the University of California at Los Angeles (#14), the University of California at Santa Barbara (#21), and the University of California at Irvine (#39). Graduating approximately 4,300 bachelors and masters students in engineering annually, LA County schools confer more engineering degrees than any other county in California, and quite possibly the nation.⁶

⁴ Available at http://www.averyindex.com/patent_city_by_state.php?st=CA&sort=

⁵ For this purpose, we included towns and cities located in the five counties (Los Angeles, Orange, San Bernardino, Riverside and Ventura) normally included as part of the greater Los Angeles area.

⁶ National Center for Education Statistics (2009)

During 2010, unemployment at the local, state, and national level remained at some of the highest rates in decades. Unemployment figures for California and Los Angeles continue to outpace the nation, meaning the jobs created by a satellite office could fill a much-needed gap. Higher unemployment might also lead to better retention for the office.

5. Geography

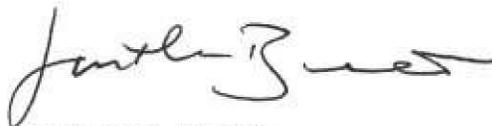
Los Angeles is one of the most important cities on the Pacific Rim and lies at the nexus of global commerce. It is served by several airports including LAX, the busiest airport in California and the fifth busiest in the world. It is easily accessible by a short flight from the West Coast and the entire Southwest. It sits in the center of Southern California, the second-most productive region with respect to patent applications in the country.

In short, we believe there is an exceedingly compelling case for locating a West Coast satellite office in the Los Angeles area, which uniquely hosts both industries that depend on the patent system to secure technological innovation and on industries that depend on the trademark system to secure creative innovation. The Los Angeles area offers a unique mix of research capacities, business and entrepreneurial capacities, legal capacities, human capital, and quality-of-life attributes that will promote the USPTO's mission in extending its physical presence and promoting innovation throughout the country.

Yours sincerely,



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