

From: Lautze, Steve [e-mail address redacted]
Sent: Tuesday, January 31, 2012 1:43 AM
To: SatelliteOffices; Khan, Azam
Cc:[e-mail address redacted]
Subject: nationwide workforce program

Good evening Mr. Khan: attached is the submittal of formal comments from the City of Oakland for the USPTO's effort to locate the best location for its planned satellite offices in strategic sites in the U.S.

It's a big country, and it's still January 30, 2012 as I write this. I didn't plan to go this close down the wire, but got waylaid last week by a nasty flu bug that pushed me to the limit. Since the register did not explicitly state a time or EST, and since these are "comments" and not formal, competitive proposals, I am hoping that this submittal is acceptable at this hour.

Please advise me if this is not the case, and confirm receipt unless the latter will be automated, which I imagine it will be.

We greatly appreciate the initiative of the Congress and the USPTO to decentralize its operations, and for your additional insights into the process on the phone, and look forward to hearing more as the search progresses.

Steve Lautze
City of Oakland
Economic Development Division
Green Business Projects
[phone redacted]

[www business2oakland com](http://www.business2oakland.com)

DATE: January 30, 2012
TO: David J. Kappos, Director, U.S. Patent and Trademark Office
Azam Khan, USPTO Deputy Chief of Staff
FROM: Aliza Gallo, City of Oakland Business Development Coordinator
Steve Lautze, City of Oakland Economic Development Division
SUBJECT: Comments re: Suitability of Oakland and the East Bay Area as Candidate for Western U.S. Satellite Office of the U.S. Patent and Trademark Office

The City of Oakland (City) greatly appreciates this opportunity to provide comments to support the U.S. Patent and Trademark Office's (USPTO) establishment of two additional satellite offices, in addition to the headquarters in Alexandria, Virginia and the recently established, first ever satellite office in Detroit, Michigan. We understand that the USPTO will use the comments submitted in order to create a short list of potential locations for up to two satellite offices, and will then engage in further diligence to determine the most strategic and suitable location.

The City is excited at the prospect of having a USPTO satellite office in San Francisco Bay Area. We agree with the congressional intent of this effort which suggests that having USPTO presence more decentralized around the country, and closer to where the innovation is actually occurring, should serve to greatly accelerate the pace of innovation, and enhance the ability to translate intellectual property into economic activity and job creation. Strategic location of a new USPTO satellite office will leverage the excellence already present in the Bay Area and other nodes of innovation in the western U.S., and will magnify the leadership and competitiveness of the United States in research and development of new ideas and technologies.

Given its status as an international leader in research and development, patents submitted and granted, and residency of top engineering and other scientifically trained talent, the San Francisco Bay Area is a natural to be included on the short list of potential sites for further consideration for a satellite office of the USPTO. We are also aware that a group of interests in Silicon Valley is submitting extensive comments in support of locating a satellite office in the Bay Area, and that is fully appropriate given Silicon Valley's leadership in technology innovation.

Having said that, we are also aware that as a unit of the federal government, the USPTO must be very conscious of cost control and economic sustainability in whatever locale it establishes its satellite offices. Given that the East Bay is quite impressive as a hub of innovation in its own right, and also is home to a highly qualified workforce, we submit that Oakland would be the ideal location for the satellite office in the entire Bay Area, based on its lower real estate rates for both commercial and residential property, as well as its central location and ease of access via air, automobile, and rail. We urge you to consider these unique assets of Oakland and the East Bay, in the center of perhaps the singular most innovation-oriented overall region in the western U.S. as well as on a global scale. Please read on for much more specific documentation of Oakland's unique qualifications as the site for USPTO's western satellite office, and thank you again for this opportunity.

The Bay Area, the East Bay, and Oakland are All National and International Centers of Innovation

1. There is an extremely high concentration of high tech, green and clean tech, venture capital, and social media companies elsewhere in the Bay Area. Although Silicon Valley and San Francisco are more celebrated as centers of innovation, Oakland and the East Bay compare very favorably with these other places in the Bay Area region, and Oakland is hub of the most accessible and affordable among these three hot spots.
2. The Bay Area is well known as a leading driver of innovation in the US. One indicator of the East Bay's contributions to that innovation is venture capital. In 2010 (the last year for which we have complete information at this writing), among the 3086 counties in the nation, Alameda County, where Oakland is located, ranked:
 - 2nd for the amount of venture capital received for Industrial Energy
 - 2nd for Semiconductors
 - 2nd for electronics/Instrumentation
 - 3rd for Computers and Peripherals
 - 4th for Consumer Products and Services
 - 5th for business Products and Services
 - 5th for Medical Devices and Equipment
 - 6th for Networking Equipment
 - 8th for Biotechnology
 - 11th for Healthcare Services
 - 12th for Media and Entertainment
 - 16th for Software
 - 21st for Telecommunications
 - 29th for IT Services

Top Ten East Bay Venture Capital Investments in 2010

Company	Industry	Amount (millions)
BrightSource Energy Inc.	Industrial Energy	\$150.0
BridgeLux Inc.	Semiconductors	\$60.0
Amyris Biotechnologies Inc.	Biotechnology	\$47.8
Solaria Corporation	Industrial Energy	\$45.1
Livescribe Inc.	Computers and Peripherals	\$44.8
Nordic Windpower LLC	Industrial Energy	\$38.0
OptiScan Biomedical Corporation	Medical Devices and Equipment	\$32.2
BrightSource Energy Inc.	Industrial Energy	\$30.0
Zeltiq Aesthetics Inc.	Medical Devices and Equipment	\$25.0
Breathe Technologies Inc.	Medical Devices and Equipment	\$23.0

3. The East Bay is home to one of the nation's heaviest concentrations of public sector research and development institutions. Lawrence Livermore National Laboratory, Lawrence Berkeley National Laboratory, Sandia National Laboratories/California and the University of California, Berkeley represent an estimated \$3 billion in annual R&D operating expenses.
4. The greater Bay Area is led by five universities that annually receive at least \$500 million in research funding: the University of California campuses at Berkeley, Davis, San Francisco, and Santa Cruz, as well as Stanford University. The National Research Council has rated the University of California, Berkeley the nation's #1 graduate research institution for at least the past 30 years.

Private sector research institutes include Children's Hospital Oakland Research Institute, British Petroleum's \$500 million Energy Biosciences Institute, and the Gallo Clinic and Research Center. Currently, General Electric is building a \$1 billion software research and support center in the East Bay.

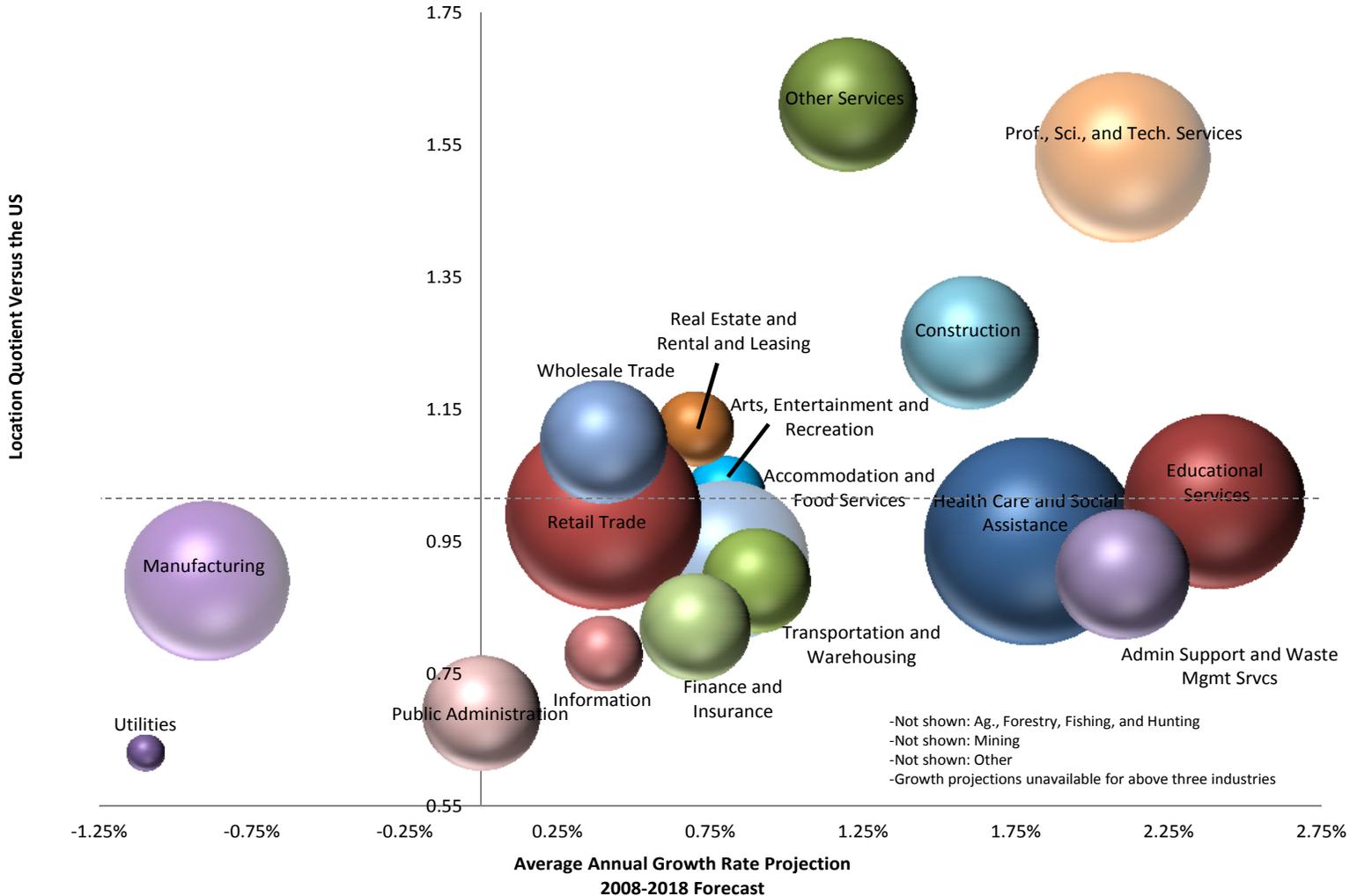
5. In addition, there are several new public and private initiatives that are making a major push to better connect this wealth of East Bay research to innovative companies in the private sector:
 - o Lawrence Livermore National Laboratory has recently become the #1 National Laboratory for licensing revenue
 - o Due to the density of R&D in the region, the East Bay is the only region in California with two state accredited Innovation Hubs, aka iHubs: the East Bay Green Corridor and i-GATE, which is centered near the Lawrence Livermore Lab. These two i-Hubs link the East Bay's three National Laboratories and UC Berkeley to commercial innovation in the private sector.

- Lawrence Berkeley National Laboratory is building a 2 million sq. ft. second campus in Richmond, just north of Oakland and Berkeley, to consolidate facilities and to enhance partnerships with the private sector.
- This past year, Lawrence Livermore National Laboratory and Sandia National Laboratories/California pushed back the boundaries of their campuses to create the Livermore Valley Open Campus -- a 110 acre campus outside the Labs' secure area to better assist private sector innovation.
- The USDA's Western Regional Research Center in Albany (near Berkeley) maintains business incubator space to better assist companies in developing and commercializing agricultural and manufacturing innovation.
- There are numerous other special purpose facilities that draw private sector participation from around the world:
 - The Advanced Light Source
 - The High Speed Computing Center
 - The Joint Bio-Energy Institute
 - The Joint Center for Artificial Photosynthesis
 - The Joint Genome Institute
 - The Molecular Foundry
 - The National Energy Research Scientific Computing Center
 - The National Center for Electron Microscopy
 - The National Ignition Facility
 - The Combustion Research Facility
- Business Incubators include:
 - Siemens Technology-To-Business Center
 - Skydeck Innovation Center
 - QB3
 - Center for Information Technology Research in the Interest of Society

Professional, scientific and technical services (PSTS) industries are strong and growing (see next page).

Employment in the PSTS sector has grown in absolute terms and in terms of concentration in the region as measured by location quotient. East Bay job growth in PSTS has outpaced growth in the Bay Area, state, and national economies over the last 15 years. The sector currently includes over 80,000 jobs. These industries are heavily concentrated in the East Bay compared to the nation, with a location quotient of 1.53.

Industry Concentration, Size, and Projected Growth Rate



Oakland is Central to the Bay Area and Readily Accessible via All Modes of Transit

- Downtown Oakland is the central connecting backbone for Bay Area Rapid Transit (BART), the Bay Area's regional rail transit system that is currently being extended to San Jose, which will complete a ring of rail transit around the entire bay.
- More specifically, downtown Oakland lies at the very center of all five lines of the BART system, making it easy for USPTO clients and workers to reach the office quickly and conveniently, with minimal environmental impact.
- Oakland International Airport, a major domestic business commuter airport, is less than 15 minutes away, with a direct rail connection from the Airport to BART and downtown currently under construction and slated for operation by mid 2014.
- In addition FedEx has chosen OAK as the home for one of its major regional air freight distribution hubs, which is an asset for shipments of prototypes or other bulk materials supporting evaluation of prospective patents.
- It is faster to get to downtown San Francisco from downtown Oakland than from many parts of San Francisco. On Bay Area Rapid Transit (BART) the trip takes 13 minutes.
- It takes less than an hour by car to get from downtown Oakland to board an international flight at San Francisco International Airport, to visit Stanford or Silicon Valley, or to take a meeting with a venture capitalist on Sand Hill Road.

The East Bay is easily accessible by workers throughout the Bay because it is the central intersection for BART, the Bay Area's heavy rail commuter system, and is served by Amtrak, connecting Oakland to Sacramento, Fresno, and the Central Valley. Oakland Metropolitan International Airport is one of the nation's leading business commuter airports. Oakland's flight offerings are complemented by a wide range of additional international flight options at San Francisco International Airport just across the Bay.

The Bay Area, including Oakland and the East Bay, has a Highly Educated, Highly Skilled Workforce in the Areas that USPTO Needs Most

As the following two tables demonstrate, the Bay Area as a whole is home to one of the largest concentrations of engineering, scientific, and technically trained individuals in the world. The first table shows over 600,000 people working in engineering, scientific, and related fields in the three Metropolitan Statistical Areas (MSA) in the Bay Area. While this number is quite extraordinary, it also means that competition for the services of such individuals can be quite intense. On the other hand, the relatively lower cost of living and easier commute patterns present in the East Bay region should give the USPTO a better chance at recruiting qualified personnel from this talent pool. Another angle that might be considered by the USPTO is to recruit examiners from the proportionally large pool of retired or semi-retired engineers and scientifically trained personnel among the Bay Area's highly educated population. The more normalized work load and inherently interesting work offered by the USPTO might prove quite attractive to this population, compared with the high stress and risky work they may have engaged in startups or young companies earlier in their careers.

As must be reflected in the USPTO's own statistics, there are also at least 50 patent and trademark law firms in the Bay Area, with hundreds of expert attorneys, some of whom specifically encouraged the City of Oakland to submit these comments to make the case to host a USPTO satellite office.

December 2011 Employment , not seasonally adjusted

Oakland-Fremont-Hayward Metro Div	Professional, Scientific and Technical S	84,100
San Francisco-San Mateo-Redwood City Metro Div	Professional, Scientific and Technical S	134,500
San Jose-Sunnyvale-Santa Clara MSA	Professional, Scientific and Technical S	109,300
	TOTAL	327,900
Oakland-Fremont-Hayward Metro Div	Architectural, Engineering and Related S	15,500
San Francisco-San Mateo-Redwood City Metro Div	Architectural, Engineering and Related S	12,300
San Jose-Sunnyvale-Santa Clara MSA	Architectural, Engineering and Related S	12,600
	TOTAL	40,400
Oakland-Fremont-Hayward Metro Div	Computer Systems Design and Related Serv	19,700
San Francisco-San Mateo-Redwood City Metro Div	Computer Systems Design and Related Serv	39,900
San Jose-Sunnyvale-Santa Clara MSA	Computer Systems Design and Related Serv	46,800
	TOTAL	106,400
Oakland-Fremont-Hayward Metro Div	Professional, Scientific, and Technical Services - Residual	48,900
San Francisco-San Mateo-Redwood City Metro Div	Professional, Scientific, and Technical Services - Residual	56,000
San Jose-Sunnyvale-Santa Clara MSA	Professional, Scientific, and Technical Services - Residual	30,900
	TOTAL	135,800

This next table focuses exclusively on the East Bay region, and shows how steeply the desired segment of the workforce is expected to grow over the decade ending in 2018, during the time that a USPTO satellite office in Oakland would be growing and also fueling regional growth by making the system for advancement of innovation more accessible and dynamic throughout the Bay Area, and covering the entire western region of the United States.

**2008-2018 Industry Employment Projections
Oakland-Fremont-Hayward Metropolitan Division
(Alameda and Contra Costa Counties)**

NAICS Codes	Industry Title	Annual Average Employment		Employment Change	
		2008	2018	Numerical	Percent
	Total Employment	1,133,300	1,211,100	77,800	6.9
	Self Employment (A)	83,200	85,100	1,900	2.3
	Total Nonfarm	1,030,400	1,104,400	74,000	7.2
51	Information	27,800	27,200	-600	-2.2
511	Publishing Industries (except Internet)	6,600	5,900	-700	-10.6
517	Telecommunications Residual (includes 512,515-516,518-519)	12,200	10,400	-1,800	-14.8
		9,000	10,900	1,900	21.1
54-56	Professional and Business Services	162,200	180,600	18,400	11.3
54	Professional, Scientific, and Technical Services	83,700	94,700	11,000	13.1
5413	Architectural, Engineering, and Related Services	16,600	18,600	2,000	12.0
5415	Computer Systems Design and Related Services	18,800	21,700	2,900	15.4
	Residual (includes 5411-5412,5414,5416-5419)	48,400	54,400	6,000	12.4

The East Bay is the Most Affordable Subregion of the Bay Area, with Oakland as its Center

Being located in the Bay Area incurs relatively higher cost compared to many or even most other parts of the country, but this must be measured against the advantages of being adjacent to one of the most proven and still extremely promising innovation engines on the planet. Fortunately, Oakland offers an excellent location within the Bay Area innovation ecosystem at a discount from prices found in other parts of the urban Bay Area. The East Bay also offers the widest range of housing options in the urban Bay Area, including: urban lofts, apartments, and condos; a wide range of single family homes in a variety of diverse neighborhoods; transit accessible communities in the suburbs; homes in marinas along estuaries and in the Delta; secluded estates in the Oakland Hills; executive homes among Northern California's oldest vineyards; and homes adjacent to the nation's most extensive urban park system.

According to the Beacon Economics East Bay Quarterly Outlook, January 2012, the “affordability discount factor in the East Bay relative to the West and South Bay is at historically high levels. The East, West, and South Bay areas have all generally followed the same population trends in terms of new migration, but since the housing bubble peaked in 2007 the East Bay has maintained a higher relative rate of net migration, evidence of people moving to the East Bay to take advantage of the better home affordability conditions.”

Commercial office real estate rates are also more attractive in the East Bay compared with Silicon Valley and San Francisco, even though quality of life is extremely high and commute patterns are more straightforward. Oakland may also have vacancy in the Ronald V. Dellums Federal Building, which offers 26 floors of overall capacity and ready access to the rapid rail system and increasingly popular and growing amenities of downtown Oakland. Specific information defining the comparative advantage of commercial office rates in Oakland vs. Silicon Valley or San Francisco can be provided upon request, ideally based on a specific set of specifications for the office space needed by a USPTO satellite office.

Quality of Life

Recreation and sports. East Bay residents enjoy extensive open space and the largest urban park systems in the nation. There are 59 parks and 29 regional hiking trails covering 92,000 acres in Alameda and Contra Costa counties. The waterfronts along the Bay offer easy access to sailing, windsurfing, rowing and much more. Sports fans can root for home teams in all three major professional sports, Major League Baseball, NFL football and the NBA, as well as major college sports at UC Berkeley, Stanford, and several other colleges. Within commuting distance are the NHL San Jose Sharks.

Dining. From Alice Waters' Chez Panisse restaurant, the birthplace of “California cuisine,” to a wide range of fusion and ethnic choices, the East Bay offers many outstanding dining experiences. With the additional options available in San Francisco it is hard to imagine a better place for adventurous dining.

The Arts. The East Bay is home to a large community of artisans. Hundreds of them can be visited during a two-week ‘open studios’ period when graphic arts, ceramics, textiles, sculptures and other artworks can be purchased by the public. Besides seminars and presentations from some of the top thinkers in the nation, UC Berkeley also hosts a number of world-class artists and performers on campus each year. Many of the East Bay’s communities offer professional and local theater organizations as well as performing arts companies. A short BART ride away San Francisco offers nationally recognized theaters, museums, symphony, opera and ballet.

Shopping. Sprinkled throughout the East bay are distinctive shopping areas -- such as Fourth Street in Berkeley, Rockridge in Oakland, and Walnut Creek’s downtown – that are packed with one-of-a-kind specialty shops, galleries, international craft stores and restaurants.

Getaways. One of the greatest amenities for those living in the East Bay is the number and quality of weekend trips that are possible. Within approximately four hours’ drive are Monterey, Carmel, Big Sur, Yosemite, Lake Tahoe, the Gold Country and Mendocino, not to mention Wine Country and the many other opportunities around the San Francisco Bay itself.

In summation, the quality of culture and life is part of what attracts the top talent to the universities, research, labs, innovative companies, and the legal and financial professionals that support these players in the exciting new local and global economy. The USPTO should establish a satellite office in Oakland because the East Bay and the Bay Area are at the epicenter of innovation, but also because it is an exceptional place to live, work, and play.

Please let us know if we can provide more information that is useful to your research of where to locate the USPTO satellite office serving the Bay Area and the western United States.