

Untitled

From: Eric Schinfeld [e-mail address redacted]
Sent: Monday, January 30, 2012 7:06 PM
To: SatelliteOffices
Subject: USPTO response - Seattle Metro Region

To Whom It May Concern,

It is my pleasure to submit a response to your Request for Comments on Additional U.S. Patent and Trademark Office (USPTO) Satellite Offices for the Nationwide Workforce Program. The Seattle metropolitan region would be an excellent location for a satellite USPTO office, allowing you to 1) increase outreach activities and connections to patent filers and innovators, 2) enhance patent examiner retention and recruitment, and 3) improve patent quality and examination speed.

Please find attached our comment letter, and feel free to contact us with additional questions or requests for more information. In addition, we would like to invite you and your staff to Seattle to see for yourself what our region has to offer.

We would be thrilled to welcome a satellite USPTO office to the Seattle metropolitan region. Thank you for your thoughtful review, and we look forward to hearing the results of your process.

Yours,
Eric Schinfeld
Federal Policy Director
Seattle Metropolitan Chamber of Commerce
[e-mail address redacted] | [phone redacted]



Request for Comments on Additional USPTO Satellite
Offices for the Nationwide Workforce Program

City of Seattle Response

JANUARY 30, 2012





January 30, 2012

Azam Khan
Deputy Chief of Staff
US Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

Dear Mr. Khan:

We are pleased to submit a response to your *Request for Comments on Additional U.S. Patent and Trademark Office (USPTO) Satellite Offices for the Nationwide Workforce Program*. **The Seattle metropolitan region would be an excellent location for a satellite USPTO office, allowing you to increase outreach activities and connections to patent filers and innovators, enhance patent examiner retention and recruitment, and improve patent quality and examination speed.**

We support your vision, and the goals of the America Invents Act (AIA), to create a network of regional patent offices as a way to encourage high-value innovation and make the patent process more responsive to the needs of innovators. Your goals match well with the economy of the Seattle metropolitan region, which is an internationally recognized hub of innovation and entrepreneurial activity, and home to companies that create transformational technologies that change the world. Not only are we the birthplace of some of the most innovative companies in the world – such as Boeing, Microsoft and Amazon – but we are also at the cutting edge of entrepreneurship in fields as diverse as interactive media, biotechnology, clean energy and global health.

By locating a satellite office in the Seattle area, you will be able to take advantage of four key factors that will help meet your stated goals (further expanded upon in Appendix A):

- 1) **Alignment with USPTO Customers:** One of the important factors in the decision to locate a satellite office is alignment with customers – both because this will allow an increase in patent quality and examination speed, as well as the overall relationship building that can occur with customers. According to USPTO statistics, the Seattle region has filed close to 15,000 patents in the last 5 years, led by our innovative companies and research institutions – both public and private. This places us near the top in the country. Our regional economy is strong in the industries that require the most patent support and we are a hub of entrepreneurial activity. We should also point out that – in addition to the major research institutions located in the Seattle area – there are other major research institutions, such as the Pacific Northwest National

Laboratory and Washington State University, located just outside our region that would also be able to take advantage of this satellite office.

- 2) **Presence of a Highly Educated Workforce:** In order to recruit and retain an effective patent examination staff, USPTO needs to identify areas of the country whose workforce fits your needs. The Seattle metropolitan region is that place. Not only does Washington state have more than 1,000 patent agents and attorneys, but also our scientific workforce aligns well with your review needs and backlog. Information technology is a significant portion of the demand for your review, and scientists and engineers make up 22 percent of Washington state's workforce. In fact, our region employs more engineers per capita than any other region in the county. Recent national projections suggest that this trend will continue, with four percent growth by 2015. We are also producing an increasing number of these skilled workers, thanks to our local colleges and universities which are leaders in the training of new lawyers and engineers. Notably, our workforce is relatively affordable in relation to other high technology hubs, meaning that the USPTO's personnel budget would go further if you located an office here.
- 3) **Availability of Real Estate and Infrastructure:** In order for you to locate an office here, you need to be confident in your ability to find affordable, appropriate real estate and related infrastructure. Our region's commercial real estate costs are well below those in Silicon Valley and the Bay Area (CA), and we have several available spaces for such an office. For example, the Seattle-based Henry M. Jackson Federal Building has 35,096 square feet of available space and the Federal Office Building has 20,338 square feet available. In terms of related infrastructure, we are one of the best broadband regions in the country with an extensive fiber network throughout the region. We realize that the Seattle satellite office would also serve other regions throughout the West Coast and the Pacific Northwest, which is why we have included statistics in Appendix A that highlight Sea-Tac Airport's connectivity to DC, Asia and many west coast cities.
- 4) **High Quality of Life:** The final factor for your workforce recruitment and retention is our region's amazing quality of life, with its diverse, vibrant culture and accessible natural beauty. Our region consistently ranks at the top of lists ranging from number of arts organizations per capita to most literate cities. Notably, we are also one of the youngest cities in the country and have one of the highest in-migration rates in the country (because so many people want to move here to take advantage of our region). Appendix A outlines a wide variety of metrics that show that our region would be highly attractive for USPTO employees.

The Seattle metropolitan region, and the entire state of Washington, has prioritized the attraction of a USPTO office, which will allow our diverse mix of innovation clusters to more easily access your services and lead to increased commercialization of technologies that fuel job creation and expand exports. As you can see from the signatories to this letter and the attached letters of support from key regional stakeholders (see Appendix B), this proposal has widespread support in the Seattle region and throughout the state.

We would like to invite you and your staff to Seattle to see for yourself what our region has to offer. We would be thrilled to welcome a satellite USPTO office to the Seattle metropolitan region. If you have any questions about our submission – or would like to discuss further the possibility of locating an office here – please do not hesitate to contact Shauna Larsen, Federal Relations Director for the City of Seattle,

Mr. Khan
January 30, 2012
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at 202.659.2229 or shauna.larsen@seattle.gov, or Eric Schinfeld, Federal Policy Director for the Seattle Metropolitan Chamber of Commerce at 206.795.4388 or erics@seattlechamber.com.

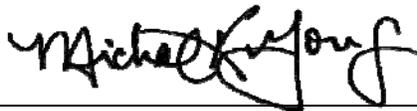
Thank you for your thoughtful review, and we look forward to hearing the results of your process.



Michael McGinn
Mayor of Seattle



Phil Bussey, President
Seattle Metropolitan Chamber of Commerce



Michael K. Young, President
University of Washington



Jeff Marcell, President & CEO
enterpriseSeattle

Appendix A

Detailed Data on Key Satellite Office Location Criteria

Founded in 1869, the city of Seattle is a center for commerce, culture, science and innovation in the Pacific Northwest region. Seattle lies 113 miles (182 km) south of the U.S.-Canadian border and serves as a hub for travel and transportation to Alaska, Pacific Asia, Europe, and the inland marine waters of Washington state and British Columbia. Surrounded by mountains and water, the Seattle area features picture-perfect views, a mild climate and abundant recreational opportunities year round.

With our history of innovation and entrepreneurship, the Seattle metropolitan region is uniquely qualified to host a satellite office of the U.S. Patent and Trademark Office (USPTO). We will help you achieve the five goals outlined in the America Invents Act of 2011 (AIA) for the creation of these offices. These goals are:

- 1. Increase outreach activities to better connect patent filers and innovators with the Office;**
- 2. Enhance patent examiner retention;**
- 3. Improve recruitment of patent examiners;**
- 4. Decrease the number of patent applications waiting for examination; and**
- 5. Improve the quality of patent examination.**

We will help you reach these goals through:

- **Our alignment with USPTO customers**
- **Our highly educated workforce**
- **Availability of real estate and infrastructure**
- **Our high quality of life**

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I. Alignment with USPTO Customers

Supports AIA Goals:

1. **Increase outreach activities to better connect patent filers and innovators with the Office;**
2. Enhance patent examiner retention;
3. Improve recruitment of patent examiners;
4. **Decrease the number of patent applications waiting for examination; and**
5. **Improve the quality of patent examination.**

A. SUPPORTING EXISTING USPTO CUSTOMERS

A significant advantage of locating a USPTO satellite office in Seattle is proximity to USPTO’s existing customers, thereby increasing outreach activities, decreasing the number of patent application waiting for examination, and improving patent quality. As Microsoft Corporate VP & Deputy General Counsel Horacio Gutierrez points out, “having access to examiners locally will -- in our view -- produce significant benefits in terms of decreased pendency, increased efficiency, and higher quality, core goals that are shared by both the Office and applicants.”¹

The Seattle-Tacoma-Bellevue MSA is already the sixth largest source of patents in the country, led by Microsoft, Boeing, Intel, Zymogenetics, and the University of Washington (UW).² The Seattle-Tacoma-Bellevue MSA is also sixth largest generators of patents in the country (See Table 1).

TABLE 1: Patenting In Technology Classes, Breakout by Origin, U.S. Metropolitan and Micropolitan Areas, 2006-2010

U.S. Region (MSA)	2006	2007	2008	2009	2010	Total
San Jose-Sunnyvale-Santa Clara, CA	8,129	7,191	7,213	7,840	10,074	40,446
New York-Northern New Jersey-Long Island, NY-NJ-PA	4,947	4,284	4,398	4,603	6,383	24,614
San Francisco-Oakland-Fremont, CA	4,810	4,337	4,298	4,711	6,290	24,446
Los Angeles-Long Beach-Santa Ana, CA	4,443	3,693	3,591	3,864	4,992	20,582
Boston-Cambridge-Quincy, MA-NH	3,461	3,027	3,039	3,165	4,330	17,022
Seattle-Tacoma-Bellevue, WA	2,290	2,346	2,622	3,378	4,052	14,687
Chicago-Joliet-Naperville, IL-IN-WI	2,689	2,314	2,192	2,312	2,933	12,440
Minneapolis-St. Paul-Bloomington, MN-WI	2,399	2,098	2,012	2,031	2,827	11,366
San Diego-Carlsbad-San Marcos, CA	2,220	2,043	1,900	1,964	2,993	11,120
Austin-Round Rock-San Marcos, TX	1,912	1,794	1,951	2,137	2,449	10,243

Source: U.S. Patent and Trademark Office

¹ Letter to Under Secretary David Kappos from Horacio Gutierrez, Microsoft Corporate VP & Deputy General Counsel, December 16, 2011.

² See Patenting in U.S. Metropolitan and Micropolitan Areas Breakout by Organization, Count of 2006-2010 Utility Patent Grants, By Calendar Year Grants, Seattle-Tacoma-Bellevue, WA at: http://www.uspto.gov/web/offices/ac/ido/oeip/taf/cbsa_asg/142660_asg.htm

In addition, King County (which includes Seattle, Bellevue, and Redmond) is the second largest source of patents of all counties in the country and the number of patents in the King County is increasing every year.³ From 2006 to 2010, the Seattle region has increased patent activity by 79 percent, which is significantly higher than peer high-tech regions.⁴ Finally, Washington state is only behind Idaho in the number of patents issued per 1,000 workers (See Table 2).

TABLE 2: Number of patents issued to companies or individuals per 1,000 workers

The Top Five	Adjusted Patents per 1,000 Workers
1 Idaho	2.47
2 Washington	2.18
3 California	1.53
4 Vermont	1.32
5 Delaware	1.25
U.S. Average	0.73

Source: *The 2010 State New Economy Index*.

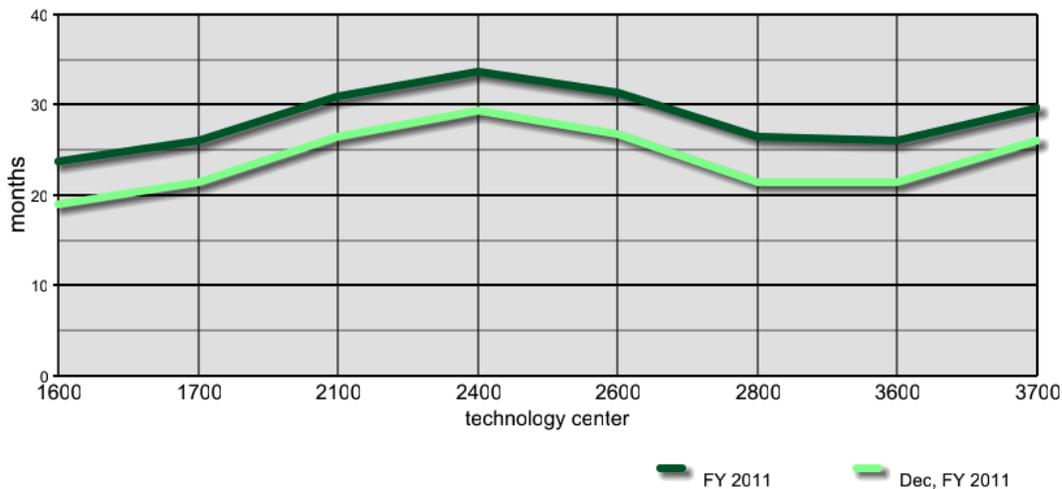
The AIA identifies as one of the goals for creating a satellite USPTO office as decreasing the patent applications waiting for examination. One measure of backlog is First Action Pendency. First Action Pendency is the average number of months from the patent application filing date to the date a first office action is mailed. Figure 1 below highlights the First Action Pendency for various Technology Centers, including: 1600 (Biotechnology and Organic Chemistry), 2100 (Computer Architecture, Software, and Information Security), 2400 (Computer Networks), and 2600 (Communications). These technology centers align with areas where the Seattle metropolitan region has strong industry clusters.

³ See U.S. State Patent Breakout by Regional Component, Count 2006-2010 Utility Patent Grants as Distributed by Calendar Year of Grant at: http://www.uspto.gov/web/offices/ac/ido/oeip/taf/countyall/usa_county_gd.htm

⁴ Presentation to the Puget Sound Regional Council, December 7, 2011, pg.9: <http://psrc.org/assets/7137/RESTAGUpdate.pdf>

FIGURE 1: First Action Pendency

First Action Pendency by Technology Center



Technology Centers

- 1600 - Biotechnology and Organic Chemistry
- 1700 - Chemical and Materials Engineering
- 2100 - Computer Architecture, Software, and Information Security
- 2400 - Computer Networks, Multiplex communication, Video Distribution, and Security
- 2600 - Communications
- 2800 - Semiconductors, Electrical and Optical Systems and Components
- 3600 - Transportation, Construction, Electronic Commerce, Agriculture, National Security and License & Review
- 3700 - Mechanical Engineering, Manufacturing, Products

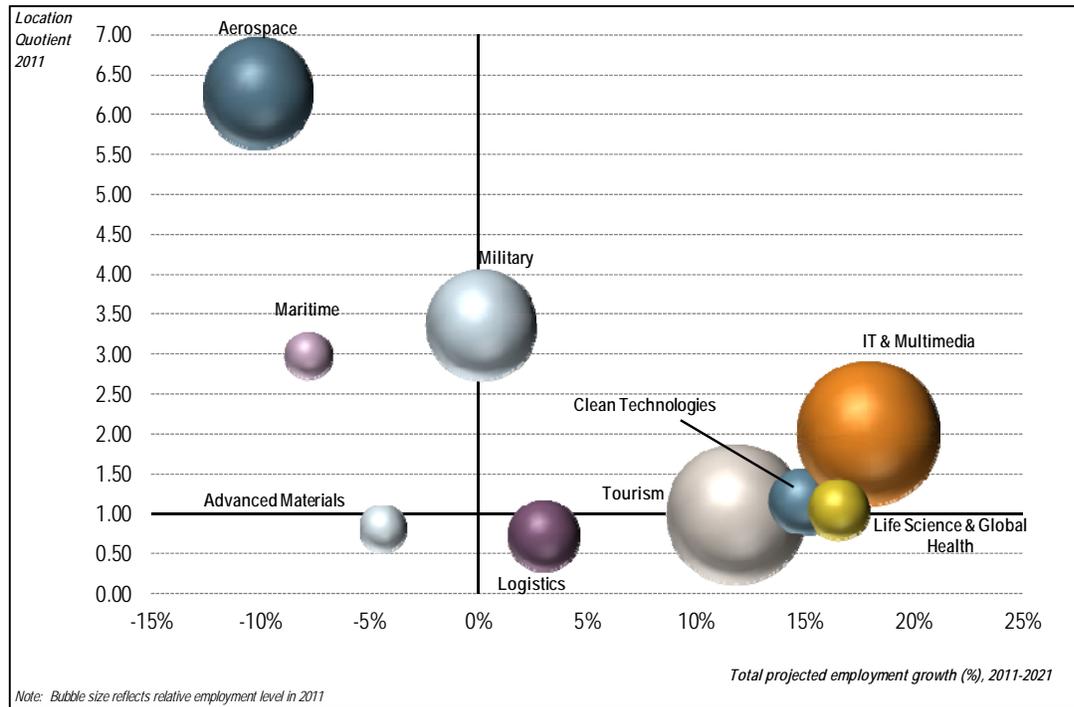
Source: U.S. Patent and Trademark Office

The Puget Sound Regional Council has identified the information technology and life sciences⁵ industry sectors as areas of strength for the region. Other strong industry sectors are aerospace and clean technology. These industry clusters all align back with key areas of workload and backlog for the USPTO.

Another way to look at the strength of the region’s industry clusters is through a chart showing the location quotient and dynamism for different industry clusters. Figure 2 shows the location quotient and dynamism for selected industry clusters in the region. The size of the bubble indicates the number of jobs and the location of the bubble on the y-axis indicates the number of times larger than the national average that number of jobs represents. For instance, IT & multimedia in the Seattle region has around twice the national average in terms of employment concentration than other regions. The further to the right on the x-axis indicates employment growth, so information technology and life sciences are fast growing employment clusters.

⁵ There are 163 biopharma companies, 249 medical device companies, and 36 non-profit research institutions in the United States. For more information on the state’s Life Sciences industry, see: <http://washbio.org/associations/11076/files/2011%20Life%20Sciences%20Impact%20Report%20Final%2011-17-11.pdf>

FIGURE 2: Seattle Metropolitan Regional Industry Clusters by Location Quotient and Dynamism



Source: Prosperity Partnership Regional Economic Strategy, Puget Sound Regional Council, 2012:
<http://psrc.org/econdev/res>

B. INFORMATION TECHNOLOGY SECTOR

Seattle/King County is home of the most recognizable names in the software and information technology industry. These pioneers include Microsoft, Nintendo, Amazon.com, RealNetworks, T-Mobile, Expedia, and many more. This means that not only is the region strongly focused on technology, but that we have one of the highest concentrations of technology expertise in the country.

- Washington is the largest employer of software publishing workers in the U.S.
- Washington ranks first in the nation in the creation of new software companies
- King County is home to Microsoft, Amazon.com, Expedia, as well as engineering and operations for Google, Facebook, Intel, Hewlett Packard, Oracle, Yahoo!, and Adobe
- Washington State is a leader in RFID technology

With such a strong base of businesses, it is no surprise that information technology is one of the largest employment clusters in the region, directly supporting over 100,000 jobs. The region has many strengths in the IT sector, including: software development and publishing; interactive media development and technologies; RFID; and wireless technologies and applications.

The rich pool of talent has led other major companies, such as Google and Facebook, to identify the region as a key location for future growth. It is also critical to helping the region establish an edge in new sectors—in particular, the Puget Sound is increasingly recognized as an international hub in the \$42 billion-plus interactive media sector.

According to a report prepared by the Technology Alliance, the software publisher, data processing, and computer systems design & related services sector supported over 343,000 jobs in the Washington economy in 2009, or 11.8 percent of total state employment. Directly it employed 87,425 people, with a relatively high job multiplier of 3.93. This sector accounted for 22.9 percent of technology-based jobs, and through its relatively high multiplier, it was responsible for 28.4 percent of total jobs created by technology-based industries in Washington state.⁶

Companies in the IT sector with significant patent activity include: Microsoft, Intel, Amazon, AT&T, and Hewlett Packard.

C. LIFE SCIENCES SECTOR

The Seattle region is a world-class center for Life Sciences. With a nationally ranked university medical research institution in UW Medicine and renowned organizations like the Fred Hutchison Cancer Research Center and the Bill and Melinda Gates Foundation, life sciences are a part of the local fabric. This expanding cluster has a wealth of talented people and incredible institutions while being unique in its collaborative nature and ability to attract and keep world-class talent.

- The Seattle region is among the top-five largest life science clusters in the country
- King County is home to 160 life sciences companies that employ more than 22,000 people
- 2008 net sales of medical devices from Washington state were recorded at \$2.5 billion

The Puget Sound region boasts one of the most significant concentrations of life sciences companies in the United States. In King County, there are 160 life sciences companies that employ more than 22,000 people. Many of these companies grew out of cutting-edge research conducted at the numerous public and private research institutions based in the region.

Efforts are underway across the region and state to strengthen the development of this critical sector. For instance, over the past 10 years, nearly 2 million square feet of biotech development has taken place in the South Lake Union neighborhood adjacent to the downtown core of Seattle. This development is roughly 50 percent more than was projected in the early 2000s, and accounts for 67 percent of all development for the neighborhood.⁷

Another example is the the Life Sciences Discovery Fund (LSDF), established in 2005 by the Governor and Washington's Legislature to foster growth of the state's life sciences sector and improve the health and economic wellbeing of its residents. LSDF invests monies from the Master Tobacco Settlement Agreement in research across Washington that demonstrates the strongest potential for delivering health and economic returns to the state. In 2009, the Fund announced the addition of a new commercialized grant program designed to promote the commercialization of promising new technologies.

⁶ The Economic Impact of Technology-Based Industries in Washington State, A Report Prepared for the Technology Alliance, May 2010: http://www.technology-alliance.com/documents/TA_EconomicImpact_2010_FINAL-WEB.pdf

⁷ South Lake Union Development Update (2004-2010)

Companies and entities with significant patent activity include the University of Washington, Zymogenetics, and Immunex.

D. VIBRANT RESEARCH COMMUNITY

The Seattle metropolitan region has a vibrant research community, in the public, non-profit, and private sector. This community has a long history of turning research into new businesses, spurring economic development in our community. The UW has long been recognized as one of the leading research institutions in the country. The UW is ranked 2nd in federal research and development dollars, behind Johns Hopkins University (See Table 3). The UW was also awarded \$381 million in American Recovery and Reinvestment Act (ARRA) grants. Washington State University (WSU) was awarded \$52 million.

TABLE 3: Federal Research and Development (R&D) Obligations to Selected Universities and Colleges: 2006 and 2007 (in millions dollars)

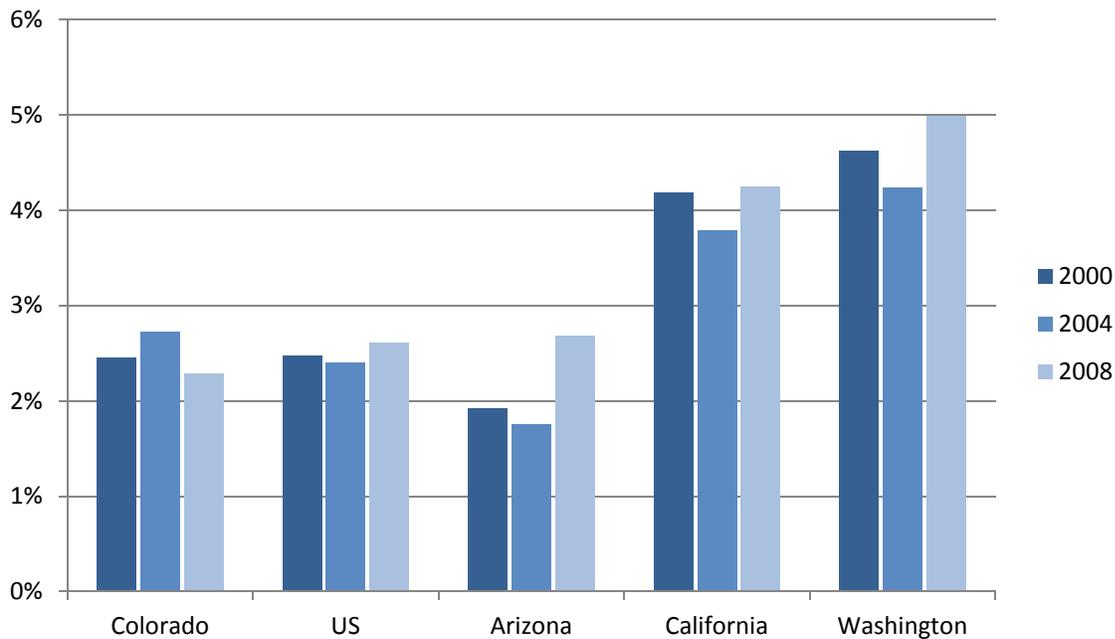
Major Institution	2006	2007
Johns Hopkins University	1,153.2	1,054.9
University of Washington	612.1	608
University of Michigan	516.2	501.5
University of Pennsylvania	497.5	498.5
University of California-Los Angeles	477.6	480.0

Source: National Science Foundation, Federal S&E Support to Universities and Colleges and Non-Profit Institutions, NSF 09-313, 2009. 2007 is the most recent data available.

Washington state is also home to the Pacific Northwest National Laboratory (PNNL), one of the U.S. Department of Energy National Laboratories. PNNL has approximately 4,650 staff members and a business volume of \$1.1 billion for FY09, excluding capital funding and ARRA funding. PNNL has received 80 R&D 100 Awards for significant innovations, and 69 Federal Laboratory Consortium awards for technology transfer. As of 2009, PNNL has 1,761 domestic and foreign patents and more than 200 active licenses. The main campus is located in Richland, Washington (eastern Washington), but also has satellite offices in Seattle and Tacoma, Washington.

According to National Science Foundation, Washington state has a higher percentage of gross domestic product going toward research and development than the national average (See Figure 3). The private sector also has a significant research and development presence in Washington state. For instance, Microsoft’s Redmond campus houses the bulk of their senior developers and engineers and Microsoft Research, one of the largest corporate research institutions in the world.

FIGURE 3: R&D as a percentage of Gross Domestic Product, by state: 2000, 2004, and 2008



Source: National Science Foundation, *Science and Engineering Indicators 2012*

There is also a strong connection between the university and industry research. Washington state ranks 5th in the percentage of industry-sourced R&D expenditures at universities and colleges.⁸

E. ENTREPRENEURIAL SPIRIT AND INNOVATION

In the Seattle metropolitan region, there is also a successful track record of turning research and development in to new business and patents. The technology foundation of Washington's industry is the cutting edge research conducted at the UW, WSU, the Fred Hutchinson Cancer Research Center, Pacific Northwest Diabetes Research Institute, and PNNL. Since 1980, these research universities and non-profit organizations have attracted over \$32 billion into Washington State -- mostly federal research and training money focused on health science. Importantly, nearly one-third of the more than 250 private and publicly traded biotechnology and medical device firms in the state are founded on technologies developed at these institutions. Also important are the collaborative research, faculty consulting and clinical study relationships these and other Washington institutions have with numerous companies, both in-state and out-of-state.

As one of the top research and development facilities in the nation, the UW has a profound impact on Washington state's economic vitality. Nearly 200 UW-spawned companies have developed over the last 30 years that support local industries such as biotechnology, medical technology, and software. These new companies have diversified our state's economy by creating new sectors such as environmental

⁸ Research and Development Expenditures at Universities and Colleges, 2004-2009 at: <http://www.ssti.org/Digest/Tables/072011tc.htm>

monitoring and bioinformatics. Partnering with the UW to bring new technologies to market can leave a lasting impact on both the business world and the community that supports it.

The region has a robust support system for technology transfers. These resources include:

- The **PNNL**, located in Richland, Washington, is a division of Battelle Memorial Institute, the world's largest independent research and development organization. Access PNNL's network of technology commercialization experts and resources through the Economic Development Office, including: available technology for licensing, partnering opportunities, and other business assistance resources.
- The **UW Center for Commercialization** is the UW's technology transfer office. The center's job is to protect and manage intellectual property arising from UW research, and to license intellectual property rights to industry for the ultimate benefit of people. One of their primary goals is to catalyze the creation of new companies based on UW technologies.
- The **WSU Research Foundation** promotes the commercialization, patenting, and licensing of products, processes, and services invented at WSU by researchers and faculty members.
- Through its **Entrepreneurial Law Clinic (ELC)**, the UW serves entrepreneurs throughout the Pacific Northwest. By providing such counseling, the ELC has become one of the cornerstones of the innovation ecosystem in the Pacific Northwest. It teams law and business students with pro bono attorneys and business advisors to provide critical early stage legal and business counseling.

II. Presence of Highly Educated Workforce

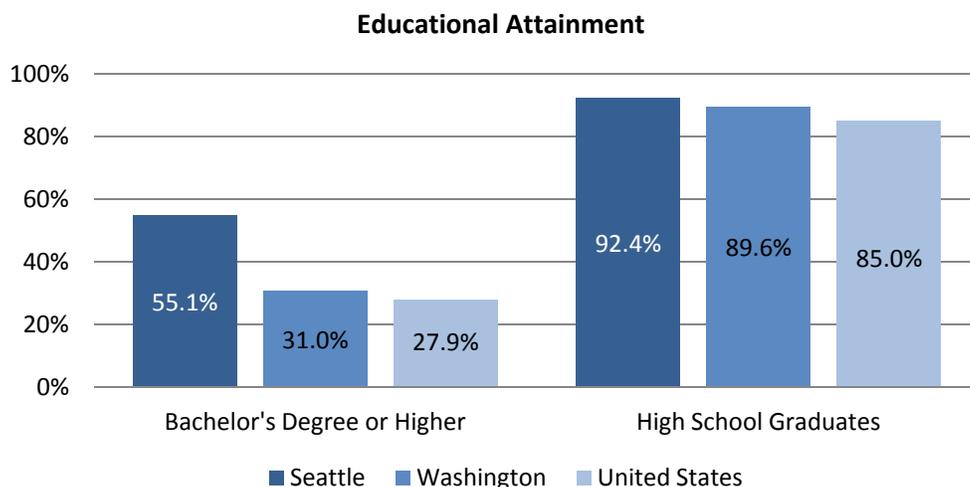
Supports AIA Goals:

1. Increase outreach activities to better connect patent filers and innovators with the Office;
2. **Enhance patent examiner retention;**
3. **Improve recruitment of patent examiners;**
4. **Decrease the number of patent applications waiting for examination; and**
5. **Improve the quality of patent examination.**

Washington state, and specifically the Seattle metropolitan region, offers a diverse and highly educated workforce that aligns well with the USPTO's needs. Washington attracts a talented, educated, skilled and creative workforce that is valuable to entities statewide. According the US Census Bureau:

- Washington ranks **10th** among all states for adults (25 and older) with a bachelors degree or more;
- More than **89 percent** of Washington adults, and **92 percent** of Seattle adults, have at least **12 years of education**, which is well above the national average of 84.5 percent according to the U.S. Census Bureau (See Figure 4);
- Washington ranks **3rd** in the U.S. for tech-sector job growth, leading the country in software publisher employment;
- Seattle has one of the highest rates of college graduates among major U.S. cities.

FIGURE 4: Education Attainment



Source: 2012 American Community Survey Five Year Estimates.

A. SEATTLE AND WASHINGTON STATE'S HIGHER EDUCATION COMMUNITY

Washington state is home to two prominent research universities, a large number of public and private four-year institutions, 34 community and technical colleges, and strong and active workforce programs. The UW, located in Seattle, is a cutting-edge public research university with a long-standing history as the first institution of higher education in the West. With over 40,000 under-graduate and post-graduate students, UW is the largest employer in the city and the third largest employer in the state. The UW receives a significant amount of competitive federal grant funding each year to further its mission as a public research institution. Additionally, the UW has a highly ranked School of Medicine, College of Engineering, School of Law, School of Computer Science, and Michael G. Foster School of Business. Nearly three-fourths of UW graduates remain in the state.

WSU is the state's original land grant institution and has an education and research presence throughout the state of Washington. WSU conducts transformational research and provides quality education to more than 26,000 undergraduate, graduate, and professional students. WSU is committed to research, and there are opportunities for students to get involved in projects as undergraduates. WSU also offers a wide variety of graduate school options, including degree programs through the College of Business, the College of Engineering, and the College of Education.

Washington state also has three regional public universities (Western Washington University, Central Washington University, and Eastern Washington University) and numerous private colleges and universities around the state that provide degrees in Science, Technology, Engineering and Mathematics (STEM) related fields. Other prominent universities located in Seattle are Seattle University, a Jesuit university that boasts a strong law school, and Seattle Pacific University. There are also a handful of smaller schools that provide graduate and undergraduate degrees for working adults; and others mainly for fine arts, business, and psychology. Seattle is also served by a strong community college system that offers pre-engineering courses that lead to certificates and advanced degrees.

B. EXISTING IP COMMUNITY

The AIA identifies the need to decrease patent application waiting times and increase the quality of patent examination. One strategy to achieve this is to locate in a region with a robust Intellectual Property (IP) professional community prepared to support USPTO's efforts. The Seattle metropolitan region fits this criterion.

The region has a large community of IP attorneys and patent agents that is ready to work with a new USPTO office in Seattle. The USPTO lists nearly 1,000 registered IP attorneys and patent agents in Washington.⁹ In addition, the Washington State Bar Association's member demographics identify over 1,100 IP attorneys as well as over 600 patent & trademark attorneys.¹⁰ The UW is one of the top public law schools in the country, with a significant focus on intellectual property law.

The UW and Seattle University offer educational opportunities in Seattle for those pursuing patent and IP law and those interested in learning about the patent system. USPTO employees will be able to take advantage of these opportunities and USPTO will be able to access these students and graduates as part of ongoing efforts to implement a nationwide workforce model. Among these opportunities are:

⁹ These are attorneys and others licensed to practice before the PTO. <https://oedci.uspto.gov/OEDCI/query.do>

¹⁰ <http://www.mywsba.org/Default.aspx?tabid=177>

- **The UW Law, Technology, & Arts Group (LTA):** The UW Law, Technology, & Arts Group (LTA) is an integrated academic unit within the Law School that delivers education, research, and outreach on the law's role in promoting and regulating innovation in technology and arts.
- **Legal Course Work:** The UW Law School offers specialized courses taught by local patent practitioners including Patent Prosecution, Strategic Protection for Technology (patent litigation), and more.
- **The Center for Advanced Study on Intellectual Property (CASRIP):** CASRIP at the UW offers a two and a half week intensive Summer Institute on patent and technology management with a two-day High Technology Protection Summer focusing on domestic and international patent topics.
- **UW Course Work on Patents for Other Disciplines:** Additionally, the UW offers a variety of patent courses to engineering and business school students. For example, the Chemistry and Electrical Engineering departments both offer patent courses, which are taught by law school faculty.

Both the UW and Seattle University look forward to working with you to identify additional opportunities to support the recruitment, retention and continuing education needs of your patent examiners and other staff.

C. INFORMATION TECHNOLOGY WORKFORCE AND WAGES

As highlighted in Section I, a significant portion USPTO's backlog is in information technology industries. To address this patent backlog, USPTO will need workforce with expertise in these fields. The Seattle metropolitan region is one of the leading IT economies in the country, with more engineers per capita than any state in the country (See Figure 5). Many of these engineers are home grown, educated at the UW. The UW's College of Engineering¹¹ is a national leader in educating engineers. Each year the College turns out new discoveries, inventions, and top-flight graduates, all contributing to the strength of the region's economy and the health and vitality of our community. UW College of Engineering is ranked 27th in the nation by the U.S. News & World Report Rankings for 2010, with Computer Science ranked 7th in the nation.

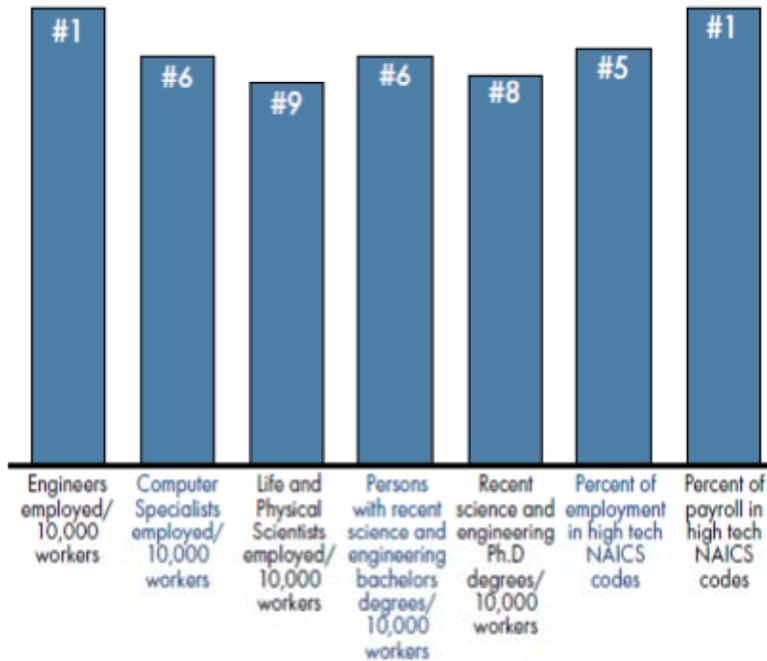
In 2011, Forbes named Seattle the best city for high tech growth and they ranked Seattle 13th on Forbes Best Places for Business and Careers.

In addition, WSU has a strong engineering school with U.S. News & World Report giving high marks to their online engineering degree program. Additionally, both UW and WSU are implementing programs to expand engineering degrees, as well as other STEM degrees.

¹¹ The College of Engineering includes Schools of Aeronautics and Astronautics, Bioengineering, Chemical Engineering, Civil and Environmental Engineering, Computer Science, Human Centered Design and Engineering, Industrial and Systems Engineering, Material Science, and Mechanical Engineering

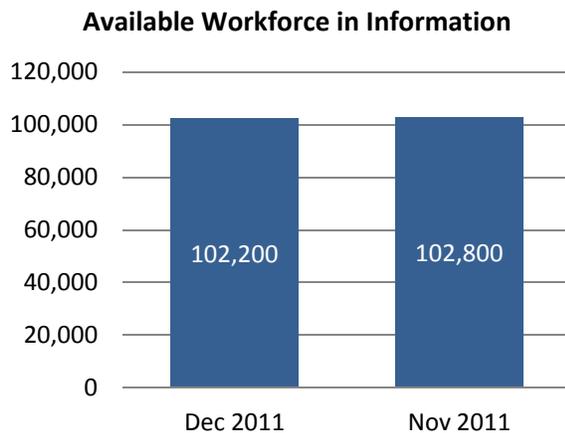
FIGURE 5: Ranking of Washington State in STEM Degrees Per Capita, 2007

Source: U.S. Department of Commerce



The state’s overall available Information workforce exceeds 102,000 workers (See Figure 6).

FIGURE 6: Information Workforce



Source: Workforce Explorer, Washington Employment Security Department

Note 1: Information = Publishing Industries, except Internet, and Software Publishers.

Note 2: numbers only represent employed people in the industry. The Employment Security Department is not counting people filing for unemployment.

Washington state’s workforce is one of the most educated and skilled in the nation. Given that employees for the USPTO would be living in King County, Table 5 highlights earnings for information technology workers in King County. Private-sector earnings of these potential employees, listed below, are competitive with other high technology regions.

TABLE 4: 2011 Median Hourly Earnings for Selected Workforce Categories-King County

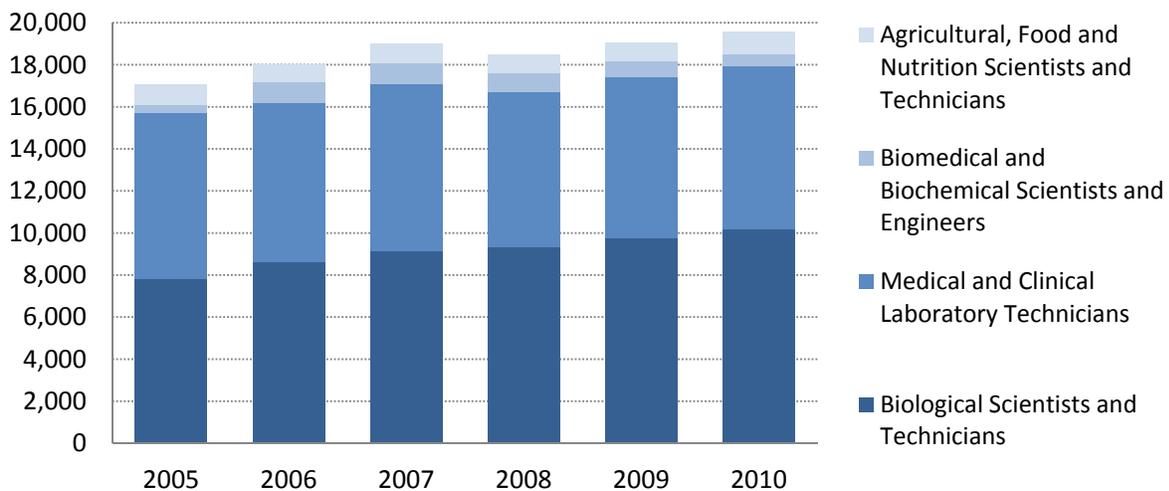
Occupation	2011 Median Hourly Earnings	2011 Jobs
Computer Software Engineers, Systems Software	\$47.81	14,284
Computer Hardware Engineers	\$50.01	680
Computer and Information Scientists, Research	\$51.53	1384

Source: Economic Modeling Specialists, Inc., Talent Report, January 2012

D. LIFE SCIENCES WORKFORCE AND WAGES

The life sciences industry has a strong and growing workforce. Even during the height of the Great Recession, life sciences employment increased, while other sectors decreased.¹² The UW’s Biomedical/Bioengineering program is ranked 5th in the nation. UW also has one of the top-rated Biostatistics departments (ranked 3rd) and the 6th ranked Statistics Department. The state’s overall available workforce in life sciences is close to 20,000.

FIGURE 7: Available Workforce in Life Sciences



Source: U.S. Bureau of Labor Statistics, Occupational and Employment Statistics

Given that employees for the USPTO would be living in King County, Table 5 highlights earnings for life science workers in King County.

¹² See “Trends in Washington’s Life Sciences Industry,” 2007-2011, November 2011, page 21 <http://washbio.org/associations/11076/files/2011%20Life%20Sciences%20Impact%20Report%20Final%2011-17-11.pdf>

TABLE 5: 2011 Median Hourly Earnings for Selected Workforce Categories-King County

Occupation	2011 Median Hourly Earnings	2011 Jobs
Biochemists and Biophysicists	\$23.88	170
Biomedical Engineers	\$35.46	313
Medical Scientists	\$28.93	3,318
Epidemiologists	\$31.73	122

Source: Economic Modeling Specialists, Inc., Talent Report, January 2012

E. CONTINUING EDUCATION FOR PATENT EMPLOYEES

The Seattle region will also provide a myriad of continuing education opportunities for USPTO employees. Below are some of these potential opportunities:

- **Graduate Degree Programs in Other Fields:** The UW has strong graduate degree programs in Public Administration, Health Administration, and Business Administration. A student can pursue these alone or as part of joint degrees with Law or one another. The Evans School of Public Administration offers an evening degree program for working professionals. UW offers several evening degree programs for both undergraduate and graduate students. Graduate students can access evening degree programs to earn their MBA, MPA, MS in Physics, MS in Math, Professional Master’s Program in Computer Science & Engineering, as well as, evening master’s level programs in many additional STEM fields. Seattle University also offers a Masters in Public Administration through both a day program and an evening degree program.
- **Evening Law Program at Seattle University:** The Intellectual Property Focus Area at Seattle University School of Law fosters and relies upon the region's dynamic engineering and legal communities. Offering the region's only evening program, the Law School consistently attracts a number of engineers from local employers (e.g., Microsoft, biotech firms) who continue their work while pursuing a law degree. The Law School's adjunct faculty includes attorneys from many of the leading law firms and technology companies.
- **Cascade Center**
Cascade Executive Programs at the UW’s Evans School of Public Affairs is one of few providers of university-quality professional development training that addresses the specific challenges, opportunities, and constraints faced by public and nonprofit sector employees. The Cascade Center also offers customized courses tailored to the training needs of employees and managerial teams.
- **Microsoft**
Microsoft has a history of contributing to the USPTO’s efforts with respect to patent examiner technical training and looks forward to partnering with the USPTO in offering additional education programs designed to keep examiners abreast of developments in technology areas.

F. FEDERAL LOCALITY PAY

Seattle's locality pay is less than most comparable West coast cities.¹³ Seattle has a pay premium of 21.81 percent from Federal base pay versus 35.15 percent in the San Jose-San Francisco-Oakland area. For the average Patent employee (assuming a GS-9, Level 1 salary), it will cost the USPTO \$5,544 more per employee in salary alone to have that employee in the San Francisco-San Jose area than in Seattle. When adding benefits (using an estimate of 36 percent premium for benefits), the overall cost per employee would be \$7,540 more in San Francisco-San Jose area than in Seattle. Based on an estimate of 120 employees, it will cost the USPTO almost a million dollars more in salaries and benefits to locate in the San Francisco area than in Seattle.

In addition, Seattle and Washington state have no income tax, so employees will take home a larger portion of their salary than those employees located in areas with similar locality pay rates in states with income taxes.

¹³ See the following link for more information on locality pay: <http://www.opm.gov/oca/12tables/index.asp>

III. Availability of Real Estate and Infrastructure

Supports AIA Goals:

1. **Increase outreach activities to better connect patent filers and innovators with the Office;**
2. Enhance patent examiner retention;
3. Improve recruitment of patent examiners;
4. **Decrease the number of patent applications waiting for examination; and**
5. **Improve the quality of patent examination.**

By locating in downtown Seattle, USPTO will have access to a wide variety of real estate options and first class infrastructure and amenities. A downtown Seattle location provides easy connections either by car or public transportation throughout the city and surrounding suburbs, thereby increasing USPTO outreach activities to better connect patent filers and innovators with the Office.

On September 16, 2011, the Council for Environmental Quality released instructions for implementing sustainable locations for federal facilities.¹⁴ These instructions were developed in accordance with Executive Order 13512 to have an integrated strategy toward sustainability in the federal government. Federal agencies will be required to review agency business practices and develop internal policies and procedures that align their facility decision-making to the following recommended principles:

1. Advance local and regional planning goals
2. Seek location-efficient sites
 - a. Prioritize central business districts and rural town centers
 - b. Prioritize locations that promote transportation choice
 - c. Promote walkable and bikeable sites
 - d. Locate in areas that are accessible to a diverse range of employees and visitors
3. Maximize use of existing resources
 - a. Leverage investment in existing infrastructure
 - b. Prioritize brownfield/grayfield and infill development
 - c. Promote the preservation of historic resources and other existing buildings
 - d. Maximize use of existing Federal space
4. Foster the protection of the natural environment
 - a. Preserve existing ecosystems
 - b. Avoid development of green space
 - c. Promote climate change adaptation planning
5. Review workplace standards to promote more efficient facility development
6. Reduce parking demand for single occupancy vehicles

¹⁴ Implementing Instructions- Sustainable Locations for Federal Facilities:
http://www.whitehouse.gov/sites/default/files/microsites/ceq/implementing_instructions_-_sustainable_locations_for_federal_facilities_9152011.pdf

USPTO should use these principles when identifying a location for its satellite offices. When looking at these principles it is clear that the city of Seattle meets all of these criteria and would be an ideal location for the USPTO Satellite Office.

A. FEDERAL GSA SPACE AVAILABILITY

The General Services Administration (GSA) manages two buildings in downtown Seattle: the Henry M. Jackson Federal Building (JFB) and the Federal Office Building (FOB). Currently, the JFB has 35,096 square feet of space available and the FOB has 20,338 square feet of space available. Both buildings are located in the heart of the downtown core. The JFB offers spectacular views of the Puget Sound, Olympic Mountains, Cascade Mountains, and Mount Rainier.

People who work at the JFB can take advantage of multiple commute options. Transit options to all corners of the city and region are located within blocks of the JFB and FOB. The building is located within a couple of blocks of the Link Light Rail system, the area’s fixed rail transit system that runs south from downtown to Seattle-Tacoma (Sea-Tac) International Airport. In 2016, Link Light Rail will expand to the north and the UW. Metro Transit runs buses on most downtown streets and the Washington State Ferry terminal to Bainbridge Island and Bremerton are just east of the building on the Seattle waterfront.

Also in downtown Seattle, USPTO employees will be within blocks of world class dining, shopping, and entertainment. The world famous Pike Place Market, a year-round farmer’s market is located within walking distance, as is the Nordstrom flagship store and many other nationally- and locally-owned retailers. Both Century Link Field (home of the Seattle Seahawks and Seattle Sounders) and Safeco Field (home of the Seattle Mariners) are also just south of the two Federal buildings.

B. COMMERCIAL REAL ESTATE AVAILABILITY

Growth continues to be forecasted in the Puget Sound commercial office market with a number of upcoming developments and sales. Improvement of the market means that a number of development projects currently on hold may move forward. The pricing of office space in Puget Sound is in the middle of the pack in comparison to its peer cities.

TABLE 6: Commercial Real Estate Lease and Vacancy Rates 2011

City/Region	2011 Office Lease Rates (Class A & B)	Vacancy Rates (percent)
San Francisco, CA	\$38.40/ft2	11.2
Silicon Valley, CA	\$33.96/ft2	13
Seattle, WA (Puget Sound)	\$28.13/ft2	17.8
San Diego, CA	\$24.96/ft2	16.6
Phoenix, AZ	\$20.75/ft2	25.5
Portland, OR	\$20.42/ft2	14.5
Denver, CO	\$19.75/ft2	15.7

Source: CBRE Market View, 4th Quarter Reports

C. FIBER CONNECTIVITY

Having access to fiber will be critical for your work and in communicating with USPTO Headquarters in Alexandria, as well as, ensuring that staff can successfully telecommute. Seattle has an extensive fiber network that runs throughout the city. Each fiber route contains between 48 and 288 fibers. This network was built by the City's Department of Information Technology (DoIT) starting in 1996 in partnership with a number of other public agencies: King County, State of Washington, GSA, Seattle Public Schools, Seattle Community Colleges, UW, Seattle, and King County Public Libraries.

While on each route, all of the fibers are allocated, many are unused. This "dark" fiber could be reused for a wide variety of purposes. City ordinance today restricts the use to public agencies - it cannot be used by for-profit commercial firms or non-profit agencies. **The city can work with USPTO and the GSA to best determine how to use the existing fiber network in Seattle or other alternatives to suit USPTO's needs.**

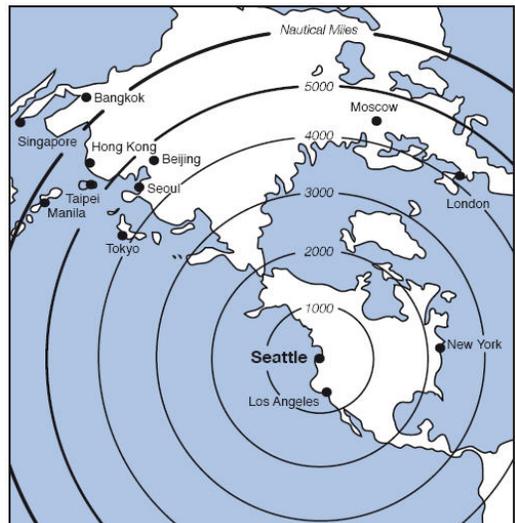
D. ACCESS TO ASIA

One of the key objectives of the USPTO Strategic Plan is to improve patent pendency and quality by increasing international cooperation and work-sharing.¹⁵ The USPTO has entered in to a partnership with the four largest foreign patent offices to develop a collaborative IT structure, processes, and procedures for sharing information. Three of these offices are located in Asia (Japan, China, and Korea). This partnership means that having access to Asia will be an important need over the coming years. Seattle is a major gateway connecting the western United States with Asia. In the continental U.S., **Sea-Tac is the closest airport to Asia** and is approximately 9 hours by air to Tokyo. Sea-Tac offers non-stop flights to Beijing, Tokyo, Osaka, Seoul, and Taipei. The Port of Seattle, the operator of Sea-Tac Airport, recently announced new non-stop flights to Dubai starting in March 2012, providing greater access to India and other south Asia destinations.

E. ACCESS TO WEST COAST CITIES AND WASHINGTON, DC

By locating in Seattle, you will not only be closer to your customers in the Seattle metropolitan region, but also your customers on the West Coast and in the Intermountain West. This proximity to your customers will help you reach your goal of decreasing patent pendency and decreasing your patent backlog.

Seattle is no more than a two hour and forty minute flight from all West Coast and Intermountain West destinations with over a dozen daily round trip flights to San Francisco, Los Angeles, San Diego, Denver, Portland, and Phoenix. Other locations with round trip flights include:



¹⁵ USPTO 2010-2015 Strategic Plan, <http://www.uspto.gov/about/stratplan/index.jsp>

Sacramento, San Jose, Fresno, Las Vegas, Long Beach, Burbank, Salt Lake City, and Albuquerque.

USPTO employees will also have access to daily non-stop flights between Seattle and both Reagan National Airport and Washington Dulles with 5 daily round trip flights to these airports, providing easy access to USPTO headquarters in Alexandria, Virginia.

F. PUBLIC TRANSPORTATION

The region's excellent public transportation system will give USPTO employees additional housing options and access to other amenities that will help to increase USPTO employee retention. Two primary public transportation agencies serve the city of Seattle: King County Metro Transit and Sound Transit. Snohomish County's Community Transit and Pierce County Transit also run commuter buses to Downtown Seattle and, in the case of Community Transit, to/from the UW campus. From Seattle, USPTO employees will be able to access, by public transportation, north to Everett and beyond and south as far as Olympia.

Sound Transit is the regional transit authority and operates a system of light rail, express buses, and commuter rail within the central Puget Sound area. The agency provides a number of regional express bus routes connecting Seattle with neighboring suburbs and cities. Its Sounder commuter rail system consists of two lines, linking Seattle with Tacoma along its Southern run and Seattle with Everett along its Northern run. Several stations in intermediate cities along the lines are also served. The Link Light Rail system includes the initial 15.7-mile Central Link from downtown Seattle to Sea-Tac Airport, which began in 2009. A 3.15-mile extension of the line called University Link will be completed in 2016, providing direct access via light rail between downtown Seattle and the UW lower campus, home to the UW Medical Center and multiple research facilities.

Future extensions are planned to connect the UW to Northgate, Lynnwood and other areas to the north; east across Lake Washington to Bellevue and Redmond; and south to Federal Way.

The city is currently in the process of expanding a modern streetcar network. In December 2007, the city inaugurated its South Lake Union Streetcar line between downtown Seattle and the South Lake Union neighborhood, which is the city's biotechnology hub.

In addition, there are extensive multi-use car-free regional pathways linking the city to the surrounding areas, as well as numerous bike lanes on city streets. Bicycle commuting is a common practice in the Seattle area, with all bus systems providing bike racks to make moving around the region by bike fairly easy.

G. OTHER FEDERAL AGENCIES IN AREA

The city of Seattle has a robust Federal presence with agencies ranging from Region 10 of the Environmental Protection Agency to the Department of Homeland Security.¹⁶

In addition, the Washington State Department of Commerce is co-located with the Department of Commerce Export Assistance Center to provide business with a one-stop shop in how to access

¹⁶ For a complete list of federal agencies in Seattle, see page 6 of the [Seattle Data Sheet](#).

Commerce services. Both organizations do extensive outreach to the business community. Given this established relationship between the Washington State Department of Commerce and the U.S. Department of Commerce, there should be additional opportunities to collaborate around Commerce's Commerce Connect initiative and work with the USPTO to increase outreach to Pacific Northwest businesses.

IV. High Quality of Life

Supports AIA Goals:

1. Increase outreach activities to better connect patent filers and innovators with the Office;
- 2. Enhance patent examiner retention;**
- 3. Improve recruitment of patent examiners;**
4. Decrease the number of patent applications waiting for examination; and
5. Improve the quality of patent examination.

One of the reasons for establishing satellite USPTO Office is for patent examiner retention. Currently, the average tenure of a patent examiner is 3 - 4 years. A key strategy for increasing retention is locating a satellite office in an area with a high quality of life.

The Seattle metropolitan region is internationally known for its high quality of life. Its unique confluence of urban amenities and natural beauty make it a highly sought destination for employers, because they know that they can attract and retain employees here.

In fact, our region has one of the highest in-migration rates in the country, with net migration accounting for 63 percent of regional population growth. Employees — from rank and file laborers to research scientists — want to live and raise their families here. They love the clean air and water, the mountains and lakes, and the safe and friendly communities. The Seattle region's distinctive Northwest lifestyle mixes a progressive, creative culture with a casual nature that makes the state a very attractive place to live, work, and play.

Kiplinger's.com identified Seattle as its number two "2010 Best Cities for the New Decade," highlighting the city's highly educated workforce and world class research university.

Creative Cities ranked Seattle 3rd in its overall vitality index, which looked at such criteria as public access, parks, cultural institutions, street life, sense of place, and lively neighborhoods.

In September 2009, The Wall Street Journal ranked Seattle the number one "Youth Magnet City". Six expert panelists were asked which 10 cities will emerge as the hottest, hippest destinations for highly mobile, educated workers in their 20s when the U.S. economy gets moving again. The panelists—demographers, economists, geographers, and authors on urban issues—picked Seattle based on the criteria they deem most important, from economic diversity to lifestyle.

Anchor to a region of corporate innovators, from Amazon.com to Starbucks, Seattle is "a high-tech and lifestyle Mecca," panelist Dr. Florida says. Expert panelist Mr. DeVol says, "The city's high-tech sector, with 226,300 workers, is just slightly smaller than Silicon Valley's. City officials see rapid growth in biotech; Seattle also has tens of thousands of jobs in music and interactive media. And it enjoys a reputation as home to a lot of brainy people."

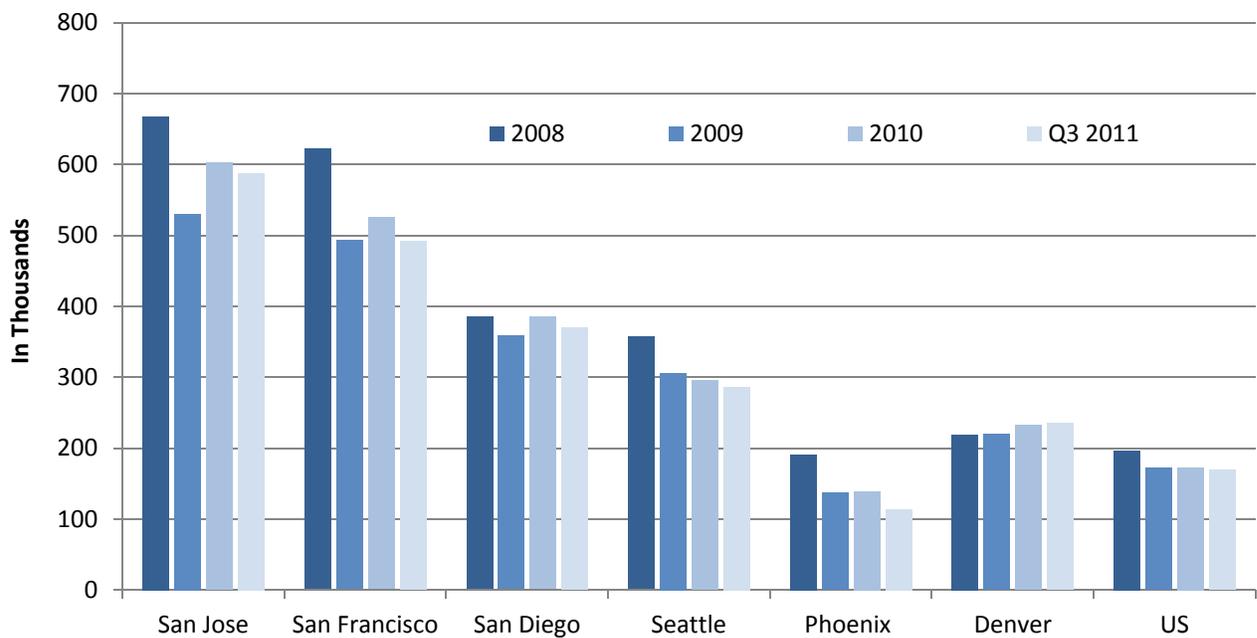
Seattle, and Washington as a whole, continues to attract the best and the brightest our nation has to offer. In spite of layoffs in the finance, aerospace and tech sectors, net migration is up. This is due to the commitment people have to our region as a place they want to live, work, and establish their lives.

A. MEDIAN SALES PRICES AND RESIDENTIAL RENTS

One important aspect of quality of life is affordable housing. Given that USPTO will likely be attracting both workers who are already tied to the area, as well as workers who may come to Seattle to work for the satellite office, the information below includes both home prices and rents.

Median sales prices for single-family homes for the Seattle metropolitan region are comparable to other peer high-tech areas in the western United States (See Figure 8).

FIGURE 8: Median Sales Price of Existing Single-Family Homes for Metropolitan Areas



Source: National Association of Realtor, Metropolitan Median Prices

The region's median gross rent rates are also comparable to other peer high-tech areas in the western United States (See Table 7).

TABLE 7: Median Gross Rent¹⁷ based in Selected MSAs

City (MSA)	Median Gross Rent
San Jose-Sunnyvale - Santa Clara	\$1,422
San Francisco - Oakland - Fremont	\$1,314
San Diego - Carlsbad - San Marcos	\$1,236
Seattle - Tacoma - Bellevue	\$1,009
Denver - Aurora	\$883
Portland - Vancouver - Beaverton	\$866
Phoenix - Mesa - Scottsdale	\$916

Source: NAR, 3rd Q 2011 Metropolitan Areas Report, 2008-2010 American Community Survey 3-Year Estimates

B. COST OF LIVING AND MEDIAN HOUSEHOLD INCOME

Roughly 37 percent of residents are in professional/managerial positions. As a result, median household income in King County is well above the U.S. average. Cost of living is generally higher than the U.S. average, but it is in line with other metropolitan areas with similar income levels (See Table 8).

TABLE 8: Cost of Living Comparison with Competitive U.S. Metro Areas

Urban Area	100% Composite Index
San, Francisco, CA	164.0
San, Jose, CA	156.1
Los, Angeles, CA	136.4
San, Diego, CA	132.3
Seattle, WA	121.4
Denver, CO	103.2
Phoenix, AZ	100.7

Source: C2ER, Arlington, VA, ACCRA Cost of Living Index, Annual Average 2010 (copyright)

Current median household income in the Seattle region is within the GS-9 Federal Locality Pay scale for the Seattle-Tacoma-Olympia area (See Table 9).¹⁸

¹⁷ Gross rents are the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these expenses are paid for by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.

¹⁸ A federal employee at GS-9, Level 7 would be paid almost \$61,000 in Calendar Year 2012. See: <http://www.opm.gov/oca/12tables/pdf/SEA.pdf>.

TABLE 9: Seattle/Bellevue/Everett PMSA Median Household Income

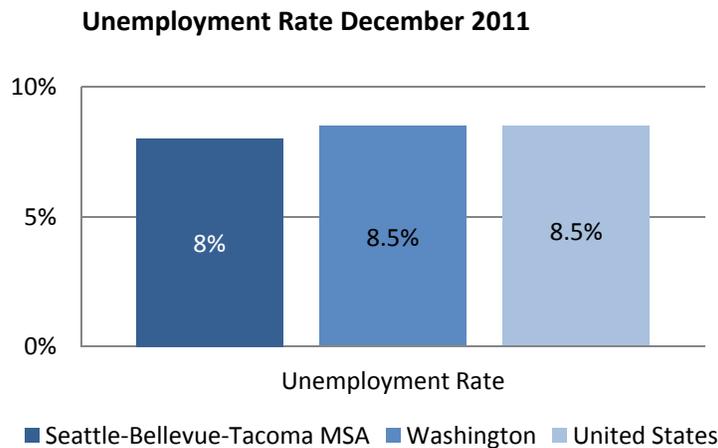
Year	Income
2011 Estimate	\$66,548
2000	\$51,698
1990	\$35,084

Source: Demographic data © 2011 by Experian/Applied Geographic Solutions.
Business List data © 2011 by D&B®. All rights reserved. All D&B information is powered by DUNSRight™, D&B's Quality Process.

C. UNEMPLOYMENT RATES

Unemployment rates in the Seattle metropolitan area are 0.5 percent below both state and national averages.

FIGURE 9: Unemployment Rate



Source: Bureau of Labor Statistics (BLS), United States Department of Labor.

D. RECREATIONAL OPPORTUNITIES

The Seattle region serves as a gateway to numerous exciting and engaging outdoor recreation opportunities. Seattle offers numerous world-class water-based recreation activities including sailing, boating and rowing. Home to REI, one of the leading recreational outfitter in the country, the region is also known for its biking, hiking, climbing, and skiing.

E. ARTS AND CULTURAL INSTITUTIONS

The city of Seattle is known for its robust arts and cultural institutions and its public investments in the arts. In 2008, the city invested \$2.2 million to support 275 artists and cultural organizations.¹⁹ According

¹⁹ <http://www.seattle.gov/arts/funding/default.asp>.

to Americans for the Arts, Seattle has the most arts institutions per capita out of the 50 largest cities in the country. The area boasts more than 40 arts and cultural organizations, eight major museums, 18 major performing arts venues and nine major live music venues.

Within walking distance of the Jackson Federal Building are numerous arts and cultural organizations and venues, including:

- Seattle Symphony at Benaroya Hall
- Seattle Art Museum
- Olympic Sculpture Garden
- Pioneer Square Historic District and numerous art galleries
- Paramount Theater
- 5th Avenue Theater

The Seattle Repertory Theater and Seattle Opera are located at the Seattle Center, just north of downtown, as is the Experience Music Project and the Pacific Science Center.

V. Resources and Information

Below are some resources and information that shed light on the Seattle metropolitan region's business community and quality of life.

- www.choosewashington.com
Washington state government portal providing valuable industry information and resources
- www.business.wa.gov
Everything you need to know to establish a business in Washington state.
- www.seattletechcalendar.com
SeattleTechCalendar is a public service for the Seattle Tech community, created and managed by Roy Leban. Its sole purpose is to be a calendar for the community. Its companion site, [SeattleTechWiki](#), is the shared, community-owned wiki for the Seattle-area high-tech community.
- www.techflash.com
TechFlash is an online news site dedicated to covering the technology industry in the Pacific Northwest.
- www.xconomy.com/seattle
Xconomy is dedicated to providing business and technology leaders with timely, insightful, close-to-the-scene information about the local personalities, companies, and technological trends that best exemplify today's high-tech economy.
- www.washingtonlifescience.com
This network addresses the growing informational and service needs of individuals working or seeking employment in the industry, along with patients, educators and others in their respective states while providing clients the opportunity to cost effectively advertise job openings, events, facility availability, contract research, contract manufacturing and other services by state, region or nationwide at the same low rate. We welcome your comments, suggestions and requests for informational content and supporting services.
- <http://www.seattle.gov/economicdevelopment/pdfs/2009MayLivingSeattle.pdf>
Prepared by the City's Office of Economic Development, this document highlights some of the benefits of living in Seattle
- http://www.seattle.gov/economicdevelopment/press_newsRankings.htm
This links to a list of quality of life, business, and other rankings for the Seattle region.

Appendix B

Letters of Support for Seattle Satellite PTO Office

- Washington State Congressional Delegation
- Governor Christine Gregoire
- Microsoft
- Washington Biotechnology and Biomedical Association
- Washington State Patent Lawyers Association
- Washington Technology Industry Association
- Seattle City Council
- Pacific Northwest National Laboratories/Battelle
- Puget Sound Regional Council
- Benaroya Research Institute
- VLST
- SEED IP Law Group

Congress of the United States
Washington, DC 20515

January 27, 2012

The Honorable David Kappos
Under Secretary of Commerce for Intellectual Property
Director, U.S. Patent and Trademark Office
600 Delaney Street
Alexandria, VA 22314

RE: Satellite USPTO Office in Seattle

Dear Under Secretary Kappos:

We write to urge the U.S. Patent and Trademark Office (USPTO) to establish a new satellite office in Seattle, Washington.

Washington state in general, and Seattle in particular, is an ideal site for a new satellite office. Numerous leading institutions in life sciences, information technology, aerospace, agriculture, and clean technology are based in the Seattle region. A new local USPTO office would serve the interests of both this community and the USPTO.

The volume of patent and trademark activity in the Pacific Northwest continues to grow, and with it comes an increasing need for USPTO services. Based on USPTO's own statistics, King County has the second largest volume of patent activity of any county in the country and this volume is growing every year. A Seattle office will allow the USPTO to reach out to and more easily serve a concentrated and growing number of patent and trademark filers in the Northwest and beyond.

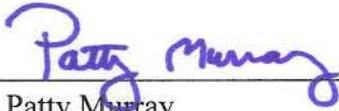
Additionally, the Seattle region's large concentration of scientists, engineers, and patent attorneys is a ready-made workforce that the USPTO can draw upon to begin staffing up the new office. The region's culture of innovation and high quality of life also continues to attract top scientific talent and expertise from around the world, and is thus an ideal location for the USPTO to improve the recruitment and retention of its national body of patent examiners.

Leaders from the business, government, and educational sectors are now joining in an effort to urge the USPTO to locate a satellite office in Seattle to serve the Pacific Northwest region and

beyond. The City of Seattle, the University of Washington, Seattle Metropolitan Chamber of Commerce, Institute for Systems Biology, and other business and trade organizations all support locating this office in Seattle and are committed to working together to support the USPTO as it implements provisions in the America Invents Act.

We encourage you to to make Seattle the home of the next satellite Patent and Trademark Office. Thank you for your consideration.

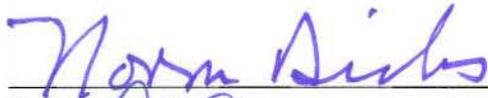
Sincerely,



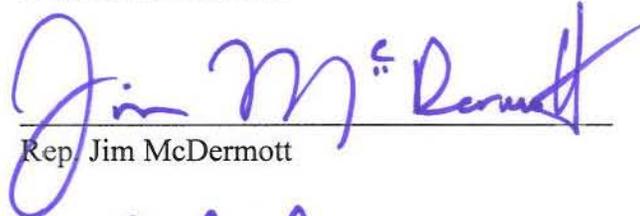
Sen. Patty Murray



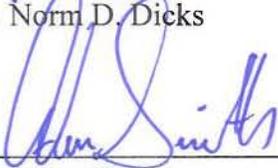
Sen. Maria Cantwell



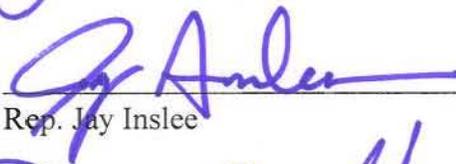
Rep. Norm D. Dicks



Rep. Jim McDermott



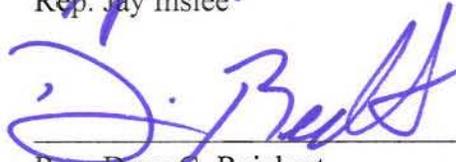
Rep. Adam Smith



Rep. Jay Inslee



Rep. Rick Larsen



Rep. Dave G. Reichert

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

January 26, 2012

Mr. David Kappos
Under Secretary of Commerce for Intellectual Property
Director, United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Mr. Kappos:

I am writing in support of the City of Seattle's proposal for a U.S. Patent and Trademark Office (USPTO) satellite office. As a hub of innovation and patent activity, Seattle would be an ideal location to serve the Pacific Northwest and the West Coast. Also, Washington's thriving entrepreneurial community has a growing need for assistance with patent, trademark and intellectual property issues.

This region is home to dynamic and growing industries such as life sciences, information technology, interactive media, clean technology, wireless communication, and aerospace. A satellite office in Seattle would provide access to our highly educated workforce of patent attorneys, scientists, and technical experts.

There is strong collaboration and support between business, government and educational institutions to locate a satellite office in the Pacific Northwest, and a Seattle location would allow the USPTO to recruit and maintain talented professionals, as well as support the region's innovations.

I encourage you to support this strong coalition in its efforts to make Seattle the home of the next satellite U.S. Patent and Trademark Office. Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink that reads "Christine O. Gregoire".

Christine O. Gregoire
Governor





December 16, 2011

David Kappos
Under Secretary of Commerce for Intellectual Property
And Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Director Kappos,

I write to express Microsoft's strong support for the establishment of a satellite office in Seattle.

Seattle would be an ideal location for a PTO satellite office. In 1986, Microsoft chose to relocate to the Seattle area, drawn by the highly-skilled workforce, excellent quality of life, and the recruitment opportunities presented by proximity to a major research university. Over the past 25 years, the Puget Sound region has – if anything – become stronger in these areas, maintaining a high quality of life while increasing the size and quality of its workforce.

The Puget Sound is home to a number of the world's leading technology companies – including Microsoft, Boeing, and Amazon – and to more engineers (on a *per capita* basis) than anywhere else in the country. Although Microsoft has increased both in size and global presence since moving here, the region continues to be home to our principal research and development efforts and to the majority of our 89,000 employees.

The Seattle area is also home to some of the heaviest users of the Patent and Trademark Office. As you are aware, Microsoft one of the largest customers of the USPTO, with more than 3,000 patents granted and more than 2,500 new applications filed in 2010. Microsoft is also a leading brand owner and applicant, with more than 13,000 trademark registrations to date (almost 1,000 of those in the U.S.).

As a major customer of the PTO, we believe that having a satellite office in the Puget Sound region would bring significant benefits for the Office and for applicants like Microsoft. As an active participant in (and strong supporter of) the Office's First Action Interview Pilot Program, we have seen the enormous benefits of early engagement with examiners in moving prosecution forward more quickly and more efficiently. The increased feasibility of early interviews that comes from having access to examiners locally will – in our view – produce significant benefits in terms of decreased pendency, increased efficiency, and higher quality, core goals that are shared by both the Office and applicants.

A local satellite office would also enhance our ability to partner with the PTO on a number of ongoing efforts in which we already participate. For example, we have been pleased in past years to contribute to the Office's efforts with respect to patent examiner technical training. For obvious reasons, having examiners located within easy commuting distance would enable Microsoft to contribute more heavily and more frequently to these efforts. Our Redmond campus houses the bulk of our most senior developers and engineers – as well as Microsoft Research, one of the largest corporate research institutions in the world, and we would be pleased to partner with the Office in offering educational programs designed to keep examiners abreast of developments in the technology areas that relate both to our development and research efforts.

In sum, for many of the reasons that it has been a fantastic home for Microsoft itself, the Seattle area would be an ideal site for a PTO satellite office, and it is our hope that you will seriously consider Seattle as the decision-making process moves forward.

If you have any questions, or would like any additional information about Microsoft's experience or facilities in the Seattle area, or about our company's Intellectual Property Group and its efforts, I would be happy to discuss any of these topics in more detail at your convenience.

Best regards,

A handwritten signature in black ink, appearing to read 'HG', with a stylized flourish extending from the bottom right.

Horacio Gutiérrez
Corporate VP & Deputy General Counsel
Intellectual Property Group
MICROSOFT CORPORATION

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December 2, 2011

David Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United State Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

Dear Mr. Kappos,

I am writing in support of building a satellite Patent and Trademark Office in Seattle. This Seattle-based U.S. Patent and Trademark Office (USPTO) would serve Region X, including Alaska, Idaho, Montana, Oregon and Washington State.

By locating a satellite office in Seattle, you will be able to take advantage of a highly educated workforce, excellent quality of life, a robust entrepreneurial ecosystem and world renowned research institutions. The presence of a USPTO office will allow our diverse mix of innovation clusters to more easily access your services, leading to increased commercialization of technologies that fuel job creation and exports. We believe that the City of Seattle would be an excellent choice for the next satellite office to serve Region X and meets criteria outlined by the USPTO.

The U.S. economy has tremendous innovative capacity, even in the depths of the current recession. A USPTO satellite office in Seattle would further foster the innovative capacity which exists across Washington State. The Washington Biotechnology and Biomedical Association and its members strongly encourage approval of building a satellite USPTO in Seattle.

Please contact me if you would like to discuss this further or if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris E. Rivera", with a long horizontal line extending to the right.

Chris E. Rivera, President
Washington Biotechnology & Biomedical Association

2011 - 2012

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wspla

washington state patent law association

December 19, 2011

Ms. Tina Vlasaty
Senior Community Development Specialist
Business Services Team
City of Seattle's Office of Economic Development
PO Box 94708
Seattle WA 98124-4708

Re: Proposal for Seattle as a satellite office of the USPTO

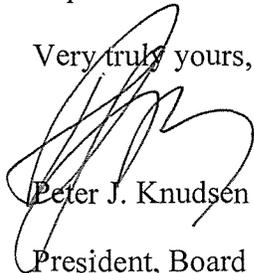
Dear Ms. Vlasaty,

This is a letter of support for the city of Seattle to be considered a satellite office of the U.S. Patent and Trademark Office (USPTO).

The Washington State Patent Law Association (WSPLA) is a leading organization for patent attorneys and other patent professionals in Washington State, providing a forum for patent and other intellectual property law issues, and serving as a valuable resource for patent attorneys, agents, educators, students, and intellectual property owners.

WSPLA wholly supports Mayor Michael McGinn's letter to the USPTO, dated November 14, 2011, and wishes to be considered a co-signatory to that letter's request for a satellite office.

Very truly yours,



Peter J. Knudsen

President, Board of Directors
Washington State Patent Law Association



January 30, 2012

David Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United State Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

Dear Mr. Kappos,

I am writing to express the Washington Technology Industry Association's strong support for the establishment of a USPTO satellite office in Seattle.

The WTIA is one of the largest statewide associations of technology companies and executives in the world. With more than 850 member companies representing more than 100,000 technology sector employees in Washington State, WTIA is a catalyst for setting new industry directions, sharing expertise, fostering collaboration, and delivering key business services.

The Pacific Northwest region is home to global leaders in technology, a world-renowned entrepreneurial ecosystem, and a highly educated workforce that have the technical expertise necessary to fulfill the USPTO's mission. As a hub for the region, a satellite office in Seattle would offer the opportunity to foster the innovative capacity and advance the economic value and global impact of technology companies doing business in Washington.

As a representative for Washington's thriving technology sector, I'm proud to join the collaboration in effort to locate a satellite office in the Pacific Northwest Region. It will serve to further advance the innovative capacity that exists across Washington State.

Please contact me if you would like to discuss this further or if you have any questions.

Sincerely,

A handwritten signature in purple ink that reads "Susan Sigl".

Susan Sigl, President & CEO
Washington Technology Industry Association

2200 Alaskan Way • Suite 390 • Seattle, WA • 98121
206.448.3033 • 206.448-3103 Fax • www.washingtontechnology.org



Seattle City Council

January 24, 2012

David Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Mr. Kappos:

We are writing in support of Seattle's proposal to be the next site for a satellite Patent and Trademark Office as a part of your Nationwide Workforce Program.

Seattle and the greater Puget Sound region have a rich history of entrepreneurship and are home to companies that create technologies that change the world. By locating a satellite office in Seattle, the Patent office will have access to our highly educated workforce with the technical skills most relevant to your work. In addition, Seattle boasts an excellent quality of life, a robust entrepreneurial ecosystem and world renowned research institutions.

We believe that the City of Seattle would be an excellent choice for the next satellite office and meets the criteria outlined by the USPTO:

- **Presence of a Highly Educated Workforce:** Scientists and engineers make up 22 percent of Washington state's workforce. This segment of the workforce is projected to grow four percent by 2015. In addition, Washington state has more than 1,000 patent agents and attorneys. The Washington State Patent Law Association is an active supporter of the City's proposal.
- **Alignment with USPTO Customers:** According to USPTO statistics, the Seattle region has filed nearly 15,000 patents in the last 5 years. Seattle is home to innovative companies from Boeing to Microsoft to Amazon. We also have numerous research institutions, including the University of Washington, the Fred Hutchinson Cancer Research Institute, Seattle Biomedical Research Institute, Infectious Disease Research Institute, Seattle Children's Research Institute, and the Institute for Systems Biology. The University of Washington alone filed 266 US Patent Applications in 2010 and ranks second in the nation in federal research and NIH funding.
- **High Quality of Life:** Another key factor for your workforce recruitment and retention is our region's amazing quality of life, with its diverse, vibrant culture and accessible natural beauty. Our region consistently ranks at the top of the list on everything from number of arts organizations per capita to most literate cities.

City Hall, 600 Fourth Avenue, Floor 2, PO Box 34025, Seattle, WA 98124-4025
(206) 684-8888, Fax: (206) 684-8587, TTY: (206) 233-0025,
E-Mail Address: council@seattle.gov Internet Address: <http://www.cityofseattle.net/council>
An EEO employer. Accommodations for people with disabilities provided upon request.

We would welcome a satellite Patent and Trademark Office to Seattle and would be happy to meet with a delegation to further explore this opportunity with stakeholders in our region. Please let us know what we can do to support an expanded Patent Trademark Office presence in Washington state.

Sincerely,



Sally Clark
Seattle City Council President



Richard Conlin



Sally Bagshaw



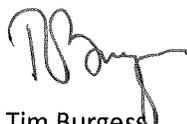
Jean Godden



Bruce Harrell



Nick Licata



Tim Burgess



Tom Rasmussen



Mike O'Brien



Pacific Northwest
NATIONAL LABORATORY

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Tel: (509) 375-2614
Fax: (509) 375-2061
MSIN: K1-71
Mike.schwenk@pnl.gov

January 26, 2012

Mr. David Kappos
Under Secretary of Commerce for Intellectual Property
Director, United States Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

Dear Mr. Kappos:

I am writing to express the strong support of the Pacific Northwest National Laboratory (PNNL) for locating a satellite office of the United States Patent and Trademark Office (PTO) in the Pacific Northwest.

PNNL is a U.S Department of Energy multi-program laboratory that is managed by Battelle for the U.S. Department of Energy. Last year, PNNL's business volume was over \$1 billion. PNNL places a high priority on the commercialization of our technologies. In fact, PNNL has won more awards for technology transfer than any other federal laboratory.

Having filed over 1000 patent applications over the past decade, we work closely with the PTO and have come to realize that there would be a significant benefit in having a satellite office located in our region.

A satellite office in the Pacific Northwest would enhance communication and improve the quality of interactions between the PTO and the patent applicant community. As a national laboratory, we often develop technology that is very early stage. We have found that it is helpful to develop relationships with PTO staff so that they have a better understanding of our business and our technologies. This, in turn, facilitates a faster, more effective review process. This is often difficult to do over the phone.

Likewise, we have found that increased access to PTO staff and the ability to have face-to-face discussions is not only convenient, but actually produces stronger patents.

The Pacific Northwest has been home to the PNNL for almost half a century. We feel it would be an ideal location for a PTO satellite office. We hope that you will seriously consider the Pacific Northwest as the decision-making process moves forward.

Sincerely,

Mike Schwenk, Director
Technology Deployment & Outreach

RMS/MDC/scp

Mr. David Kappos
Under Secretary of Commerce for Intellectual Property
Director, United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA. 22313-1450

Dear Mr. Kappos:

I am writing on behalf all of the talented innovators within the central Puget Sound region of Washington state to encourage your consideration of a Seattle area satellite United States Patent and Trademark office.

The central Puget Sound region is home to the University of Washington, a world renowned research university with strong programs in science, engineering and math. The region is consistently innovating in the life sciences, agriculture, clean technology, global health, aerospace, and information technology. These sectors alone create a growing need for assistance with patent, trademark, and intellectual property issues. There is a growing need for patent assistance from our military sector, which holds many patent applications on its own.

In a recent study of patents from 2006 to 2010, the central Puget Sound region is second only to the Bay Area in terms of utility patents filed.

With our educated workforce and high quality of life, the region is widely regarded as a very desirable area for relocation. We have a diverse population consisting of scientists, engineers, patent attorneys and successful entrepreneurs. This will assist you with employee retention and greatly expedite your processes at the USPTO.

An objective review of the region would reveal that central Puget Sound would score highly on all criteria the USPTO is considering for satellites. Here at the Puget Sound Regional Council, we have much of the data you might require at our fingertips. And we would welcome the opportunity to work with you on establishing one of the next satellite offices of the USPTO here in the Pacific Northwest.

America is inventing here. You won't find a better environment and talent pool to match the USPTO's needs of the future.

Sincerely,



Bob Drewel
Executive Director
Puget Sound Regional Council

January 17, 2012

David Kappos
Under Secretary of Commerce for Intellectual Property
And Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Mr. Kappos:

I am writing to express Benaroya Research Institute's support for establishing a satellite Patent and Trademark Office in Seattle. This Seattle-based U.S. Patent and Trademark Office (USPTO) would serve Region X, including Alaska, Idaho, Montana, Oregon and Washington State.

Seattle is an ideal location for a USPTO satellite office. By locating a satellite office in Seattle, you will be able to take advantage of a highly educated workforce, excellent quality of life, a robust entrepreneurial ecosystem and world renowned research institutions, such as Benaroya Research Institute, Fred Hutchinson Cancer Research Institute, Seattle BioMed, Infectious Disease Research Institute, Seattle Children's Research Institute, and the Institute for Systems Biology. The University of Washington was first in NIH funding in 2010 among public universities nationwide. Washington State institutions have filed over 22,000 patents in the past 5 years. In the five-state region including Alaska, Idaho, Montana, Oregon, and Washington, nearly 41,000 patents have been filed in the past five years.

Washington State is a world-class center for the life sciences and has been ranked as the fifth-largest life sciences cluster in the U.S. according to a recent Milken Institute study. There are 163 biopharma companies, 249 medical device companies, and 36 non-profit research institutions in Washington State. The life sciences industry forms an important and growing segment of Washington's economic base. Various segments of the life sciences industry are estimated to directly employ over 33,500 people in the state. We who work in the life sciences industry understand the importance of patents and protected intellectual property for the advancement of the U.S. bioscience industry in a global economy.

We believe that having a satellite office in Seattle would bring significant benefits for USPTO and for applicants like Benaroya Research Institute. We strongly support building a satellite USPTO in Seattle.

Sincerely,


Jack Nagan
Executive Director



307 Westlake Avenue North
Suite 300
Seattle, WA 98109
tel: (206) 262-5500
fax: (206) 262-5599
www.vlstcorp.com

January 10, 2012

David Kappos
Under Secretary of Commerce for Intellectual Property
And Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 223 13-1450

Dear Director Kappos,

On behalf of VLST Corporation I am writing to express our strong support for the establishment of a satellite office in Seattle.

Seattle would be an ideal location for a PTO satellite office. The Puget Sound is home to a number of leading Biotechnology companies — including Amgen, Seattle Genetics and Dendreon as well as many other world renowned research organizations such as the University of Washington and the Fred Hutchinson Cancer Research Center.

Seattle is an emerging global biotechnology center and the hub of biotechnology activity in the Puget Sound region. The Pacific Northwest is ranked 5th in the nation for biotechnology industry concentration. Approximately 7,600 people work for 55 companies in Seattle's biotechnology industry sector. As a result the Seattle area is also home to some of the heaviest users of the Patent and Trademark Office. As a customer of the PTO, we believe that having a satellite office in the Puget Sound region would bring significant benefits for the Office and for applicants like VLST Corporation. The increased feasibility of early interviews that come from having access to examiners locally will — in our view — produce significant benefits in terms of decreased pendency, increased efficiency, and higher quality, core goals that are shared by both the Office and applicants.

The Seattle area would be an ideal site for a PTO satellite office, and it is our hope that you will seriously consider Seattle as the decision-making process moves forward.

If you have any questions, or would like any additional information about VLST Corporation or our company's Intellectual Property Group and its efforts, I would be happy to discuss any of these topics in more detail at your convenience.

Best regards,

A handwritten signature in black ink that reads "Martin A. Simonetti". The signature is written in a cursive, flowing style.

Martin Simonetti
CEO & President
VLST Corporation

January 27, 2012

Karl R. Hermanns
KariH@SeedIP.com

Seed Intellectual Property Law Group PLLC

Mr. David Kappos
Under Secretary of Commerce for
Intellectual Property and Director of the
United States Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

Re: Proposal for Seattle Satellite Office

Dear Director Kappos:

We are writing in support of the City of Seattle's proposal for locating a satellite office for the USPTO in Seattle as part of the Nationwide Workforce Program.

As a leading intellectual property law firm in the Pacific Northwest, Seed I.P. Law Group services many clients nationally and from around world. Of the five states in Region X, Washington is the gateway to the Asian and Australian continents, where many of our clients are located. Having a satellite USPTO office in Washington, particularly Seattle, would provide a convenient forum for foreign applicants who utilize Seattle as a travel hub. Because of Washington's substantial international commerce, it has the infrastructure and expertise to support a satellite office.

We join with the other prominent supporters in urging you to give careful consideration to the City of Seattle's proposal.

Sincerely,
Seed IP Law Group PLLC

PP E. Russell Furtak
on behalf of:
Karl R. Hermanns
Managing Partner

2086901_1.DOC

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Seattle, WA 98104
telephone 206.622.4900
facsimile 206.682.6031
website SeedIP.com

City of Seattle's Office of Economic Development
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