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October 10, 2003

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
Washington, DC 20515-6501

Dear Mr. Speaker:

I am writing to express the strong support of the American Bar Association for the enactment of H.R. 1561, a bill to provide for the continued financing of the U.S. Patent and Trademark Office (USPTO) entirely by user fees, and to guarantee that all revenue from such fees is used exclusively to fund the agency.

Patents and trademarks encourage and support invention, innovation, and investment. For American inventors and high technology innovators to compete in the world economy, it is essential that the USPTO act promptly and accurately on applications for patents and trademarks. Unfortunately, this is not happening. The agency has a backlog of almost half a million unopened patent applications, and the trend suggests even worse to come. The PTO projects that the time it takes to obtain a patent, which now averages over two years, will nearly double in the next few years. The quality of patents issued is diminishing, leading to legal uncertainty, costly litigation, and crippling delays in development and marketing.

Insufficient funding for the USPTO is a prime factor in these problems. User fees paid to the agency should be adequate to fix the problems, and the PTO's customers have expressed willingness to pay more if needed. However, for a decade Congress has failed to allow the PTO to use all of its collections. In these ten years, more than \$650 million have been diverted to fund other programs.

H.R. 1561 as reported by the Judiciary Committee is a comprehensive and effective bipartisan response to the funding needs of the USPTO. It would produce the revenue requested by the Administration to carry out USPTO Director Rogan's reform plans, and guarantee that none of that revenue is diverted to fund unrelated programs.

Three years ago, the American Bar Association recognized the need for legislation such as H.R. 1561, and called on Congress to end PTO user fee diversion. In February of this year, we found that need to have grown even more critical, and identified the need to stop PTO user fee

The Honorable J. Dennis Hastert
October 10, 2003
Page 2

diversion as one of the Association's twelve highest legislative priorities. We believe that H.R. 1561 would do the job, and urge that the House approve the bill as expeditiously as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis W. Archer". The signature is fluid and cursive, with the first name "Dennis" being the most prominent.

Dennis W. Archer

