UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT PUBLIC ADVISORY COMMITTEE MEETING

Alexandria, Virginia

Thursday, November 30, 2023

PARTICIPANTS:

Patent Public Advisory Committee (PPAC) Members:

SUZANNE HARRISON, Chair

HEIDI NEBEL, Vice Chair

STEVEN CALTRIDER

DANIEL BROWN

CHARLES DUAN

OLIVIA TSAI

LOLETTA DARDEN

HENRY HADAD

JUDGE SUSAN BRADEN (Ret.)

USPTO:

KATHI VIDAL
Under Secretary of Commerce for Intellectual Property and Director of United States Patent and Trademark Office

DERRICK BRENT
Deputy Director of the USPTO and.
Deputy Undersecretary of Commerce for. Intellectual Property

JAMIE HOLCOMBE
CIO

BRIAN HANLON
Acting Deputy Commissioner for Patents

VAISHALI UDUPA
Commissioner for Patents

PARTICIPANTS (CONT'D):

ROBIN EVANS
Deputy Commissioner for Patents

GREG VIDOVICH
Assistant Commissioner for Patents

DAN RYMAN
Acting Deputy Commissioner for Patents

REMY YUCEL
Patents

Union Representatives:

KATHLEEN DUDA

CATHERINE FAINT

VERNON AKO TOWLER

* * * * *

P R O C E E D I N G S

(10:07 a.m.)

MS. HARRISON: Hello everybody. My name is Suzanne Harrison, and I'm the current Chair of PPAC, and I'd like to welcome you to our second public meeting this year. We are here to discuss the Annual Report and answer any questions you may have.

Before we start, we're going to do a round of introductions, first on the PPAC side and then on the USPTO side. And for the USPTO folks, if you can also introduce the folks who are online as well, that would be helpful. We're really excited about this meeting and to show you all the hard work we've been doing with Director Vidal and Deputy Director Brent and the rest of the USPTO staff. We're very proud of all of the work that has been accomplished this year, and so we're happy to share that with you.

As I said before, my name is Suzanne Harrison, I'm in my second year of PPAC. My Vice Chair is Heidi.

MS. NEBEL: Heidi Nebel, this is my second year in PPAC, I'm the current Vice Chair, and I'm an attorney in private practice.

MR. CALTRIDER: I'm Steve Caltrider, I'm Vice President and Chief IP Counsel at the Dana-Farber Cancer Institute. I'm in my last year of PPAC. In fact this is my last meeting of PPAC, and I've received my notice I need to turn my badge in today. So it's kind of intimidating, it's almost, we said we weren't going to get tearful and I'm almost getting a little bit tearful because when you get the notice saying turn your badge in, it kind of, it really hits. I've had a terrific run, it's been a great pleasure to work with the office and the staff, and I look forward to at least my last meeting, and hopefully I can contribute in some way going forward. Thank you.

MS. DARDEN: Good morning everyone, my name is Loletta Darden, I am in my first year of PPAC. I am a Professor at George Washington University Law School, and I'm also in private

practice.

MR. DUAN: Hi there, I'm Charles Duan, this is my second year on PPAC, and I am also a Professor of Law at the American University of Washington College of Law.

MS. TSAI: Good morning everyone, I'm Olivia Tsai, I'm head of IP at Cruise Self-Driving Car Company, and this is my first year on PPAC.

MR. HADAD: Good morning, my name is Henry Hadad. I am completing my first year on PPAC, and I am also the Chief Intellectual Property Counsel at Bristol-Myers Squibb.

MS. HARRISON: Dan, can you introduce yourself, please. We can't hear you. So this is Dan Brown, is a Professor at Northwestern and also is the Independent Inventor Rep. And he is in his third year and final year of PPAC.

MS. VIDAL: I'm Kathi Vidal, the Director of the USPTO and the Under Secretary of Commerce for Intellectual Property. I'm just so excited to be here with everyone today and to talk to you about the great work that PPAC has done

over the last year. Derrick.

MR. BRENT: Derrick Brent, Deputy Director of the USPTO and Deputy Under Secretary of Commerce for Intellectual Property. Vaishali.

MS. UDUPA: Hello everyone, I'm Vaishali Udupa, I'm Commissioner for Patents, and you can probably hear from my voice I'm a little under the weather, so I'm making sure no one gets sick in person. But I'm very excited to be here. Thank you.

MS. EVANS: Good morning, I'm Robin Evans, Deputy Commissioner for Patents. And like everyone else said, glad to be here today.

MS. YUCEL: Hello, Remy Yucel from Patents. Thank you.

MR. RYMAN: Dan Ryman, Acting Deputy Commissioner for Patents.

MR. HANLON: Brian Hanlon, Acting Deputy Commissioner for Patents.

MR. VIDOVICH: Greg Vidovich, Assistant Commissioner for Patents. I'm here for Rick Seidel who is the Deputy for Patents.

MR. HOLCOME: I'm Jamie Holcombe, the CIO.

MS. BONILLA: I'm Jackie Bonilla, I'm at PPAC on detail as a Senior Legal Advisor to Director Vidal.

MR. TIERNEY: Michael Tierney, Acting Deputy Chief, PTAB.

MS. HARRISON: Is there anybody else online from the Patent Office that would like to introduce themselves? Okay. Cathy Faint, could you introduce yourself, please.

Before we actually dive into the Annual Report, Director Vidal would like to make some remarks and share some thoughts with you, so I will turn it over to her.

MS. VIDAL: Thank you. Again, real excited to be here today, and I want to thank the PPAC members for all the work that they've done over the past year. We had an Executive Session yesterday and I just wanted to acknowledge that during my tenure we've expanded the role of the PPAC, and by doing that we've had to experiment a

little bit with what the PPAC looks like and how they're leaning in on various measures, and I couldn't be more thrilled with the work we've done over the last couple years. The group has been extremely active. Every time you see something from me they've reviewed it, they provided their input, we've adjusted it based on their input, and in addition to providing all that direct advice to me and to the members of the USPTO, they've also thought hard about how the PPAC can lean in and better support the mission and vision of the USPTO. So I want to thank each of them individually and as a group for all the great work on that.

I also want to thank Jennifer Lo for her dedication to the PPAC. She keeps everything running and makes sure that everything gets done, such an incredible job, especially as we've expanded the role and the PPAC has been extremely active. So thank you, Jennifer.

And then of course I want to thank all of my colleagues that, you know, as we've expanded

the role in the PPAC we've also expanded our role in terms of being more proactive, leaning in more heavily to advance our mission and vision which we all put together as a team. So their hard work, their dedication, they're just excellent skilled colleagues and I'm so delighted to work with each one of them and want to thank them all personally. Wish I could do that every day, try to.

Before I provide some opening remarks I want to honor the three members who are departing the PPAC. And it is, as I mentioned yesterday, I'm excited for our next year, I look at these journeys as year-by-year journeys where, you know, in the first year we define as the year of listening, and the second year we define the year as year of impact, of making change. And this next year we're now working all together to figure out how we're going to define it. But as I'm excited for the future and for the new people who will be coming on board that we'll announce next week, and for the new leadership, it's also a little bit sad to see people departing who have

been such close colleagues in our mission and vision.

With that I do want to acknowledge them right now. I know that Dan Brown is online, I will start with him, and then mention Judge Susan Braden as well, and then Steve Caltrider, who has served as the lead of the PPAC. I want to make sure that I acknowledge you and present you with a few things.

So in terms of Judge Susan Braden, she was here yesterday, I don't believe she's able to be with us today. She's going to receive a certificate for her service. I'm grateful for the role that she has played, she brought a unique perspective to the PPAC given her background. And like all the members of the PPAC, she's involved in trying to advance a strong innovation economy, a strong IP economy, not just through her work on the PPAC, but through her work outside of the PPAC. So I'm grateful for all of her efforts, and she will be receiving a certificate for that.

As with all three departing members, I

have invited them to continue to dialogue with me on things that they're seeing that they believe we can do better, areas they think we should lean in on, just as I would invite all of you to do so as well.

Dan Brown is online, and he has been extremely active during his tenure representing the individual inventor, which is a very important voice. We're not going to lose the voice of the independent inventor as we move forward, at the same time we particularly also do not want to lose Dan Brown's voice. So he's going to continue to work on some of the work that we're doing to think about how we solve for things keeping the individual inventor in mind. So I really look forward to the work that we'll do together, and also want to thank him for leaning in heavily on that area and just advising generally on everything that we're doing from the perspective of the individual inventor. So, Dan, I'm sorry that you're not here in person, I know that you come here often in person to advance the work that

we've done, really appreciate that, and we'll be sending a certificate to you as well.

Steve is here in person so he can give his badge back. Steve is here in person, and he gets to be presented with both a certificate and the USPTO flag that flew over the USPTO since he did serve as the PPAC Chair. I want to thank him for, you know, all the great work that he's done. You know, Steve has represented not only his industry, the pharmaceutical industry, but has brought a perspective that's been very balanced. He's played a very balanced role in terms of leading the PPAC, in terms of making sure everybody's voices are heard, not only his own, in particular also with Dan Brown to make sure the individual inventor's voice is heard in everything that we're doing. So I thank him for his tenure, he's been a trusted advisor and a good friend, so really appreciate everything you've done.

And again, this is not the end, this is just a transition, you continue your work without a badge or pay. So I appreciate you signing up

for that. So with that I would like to present you with both the certificate and the flag. Here's the Certificate of Appreciation, and here's the U.S. Flag.

I also want to take a minute to thank our outgoing leadership. They have been extremely active in the last year and have really worked to rethink the PPAC's role as we've done the last two years to make sure that PPAC is more active in the work that we do and to think about how we advance the PPAC in a way and the USPTO's work in a way that helps our economy and that helps national security, which are two things that are top of mind when it comes to intellectual property protection.

The outgoing PPAC Chairs, Suzanne Harrison, thank you for your leadership. Thank you for leaning in in those incredible ways. And the outgoing Vice Chair, Heidi Nebel, I want to thank you both for rethinking things, for rethinking and aligning the work that you do with the work that the USPTO does, which is not just on

topic, but on project-by-project basis, which I think that vision of aligning the way we've aligned, which is on the project-by-project basis, has been very productive.

I do want to announce and congratulate the new PPAC Chair and the new PPAC Vice Chair who are going to, as we did when I came into the Agency, take a fresh look at everything, and the same thing that Heidi and Suzanne did, while keeping in mind that a lot of the stuff that we do is great and we want to double down on it, but there's also a fresh view that we can do better, every year we can do better.

So I want to introduce the new PPAC Chair, Lolita Darden. So congratulations you two. And the new PPAC Vice Chair, Charles Duan. Thank you.

I also want to thank the PPAC members again for everything they worked on over the past year. It's been a lot of work, including the fact that we are doing. I know that put an extra burden on the group. But hearing your voices on

how we set these was extremely instructive because it's a very complicated process. We needed to make sure that we're doing the right thing, that we get it right, that we provide the right incentive for the behavior that we want to see, but that we still make the whole enterprise accessible to those who are small and medium-sized enterprises and to the individual inventors. So thank you for that, thank you for the 2023 Annual Report, and for increasing awareness of the importance of intellectual property, both as members of the PPAC and in your individual capacities. It's critical that our nation continue to recognize the importance of intellectual property, that we realize that it drives our economy, that it creates solutions for things like COVID, and that it's critical to everything we do, including GDP and national prosperity. So thank you for all of that.

I do want to reflect a little bit on the past year. And I know that we have leaned in very heavily when it comes to inclusive innovations. I

think the work that the team has done has been remarkable. I will share just a couple stories.

So there was a woman that I first met in Phoenix, and this woman, Ruth Elawaza, drove from San Diego to Phoenix to attend one of our women entrepreneurship events. And she wanted to show us the three patents that she received. Ruth initially had been put out of her job, she got into an accident and couldn't work. She ended up working cleaning hotels. And during that process she realized that there could be a better system for cleaning hotels, there's a better bedding system so that sheets could be changed more quickly. And luckily Ruth came upon the USPTO. She came to some of our innovation events. And through that process she learned the value of intellectual property. And so she patented her bedding system and actually received three patents in total on her bedding system.

So she believed so strongly in how the IP system had helped her, had lifted her out of somebody who was working cleaning hotels into an

entrepreneur. And so she was excited about that that she wanted to come meet me and bring her three patents to show me.

Along the way she actually got a flat tire, and she was not deterred. As most entrepreneurs, she was not deterred. She stopped in a couple towns to get the tire replaced and was unable to find somebody to do it quickly. So she proceeded to drive the rest of the way between San Diego and Phoenix on a flat tire to get to the WE event to see me. And told me her story and took a picture with me and her three patents.

Her story just embodies the type of people that we want to not only help find us, but we want to go out and seek and find them and bring them into the IP ecosystem, to lift them and their communities out of their circumstances to make sure that they all equally contribute in the fruit of what is America.

I will also say that as I meet people across the globe, even our youth, what I find is that people are innovating in areas that matter to

them, and they're innovating in areas that are emphatic. So for example, I was in Ronda, Spain on a base there, a joint base with the U.S. Military and the Spanish military. And there were kids who were innovating before I got there in anticipation for my arrival. And three of the kids had invented something called a Pocket Therapist.

So they had recognized that in our schools there's a lot of issues around mental health and that people struggle. And so they invented a Pocket Therapist where the Pocket Therapist looked basically like an iPhone but would have buttons on it. So you could push a button if you were feeling sad. And it would say, did you think about talking to your friend, Derrick Brent. Of give you other suggestions on what you might want to do to lift yourself out of different moods.

When I was in Hawaii this year on a military base, when we were there for IP5, the kids, each of the kids had to create an invention

and then they had a board where everybody posted their invention by subject matter. And one of the boards was climate. And there were so many posted things on climate, you couldn't barely see postings on the other subject matters.

These kids were inventing things like, and these are 9, 10-year-old kids. Inventing ideas like gloves where you could swim through the oceans and the gloves would absorb plastic particulates.

So just thinking about everybody that we've met across the globe, including across America, the work that we do on inclusive innovation is critical. It's work we do with the PPAC. We are working on a national inclusive strategy, and the PPAC will be reviewing that, giving us their insights on that, and we look forward to continuing to advance that work.

So with all that work I know that that gets a lot of attention and it's very exciting, but there is a lot of work that we're doing on the substance. Every day we're working on the

substance to make the system better for you.

I will say that this year we did celebrate our 1 millionth design patent. It was a very exciting celebration. It was given to Augustina Huckabee from Fort Worth, Texas for a dispensing cone. And, you know, as part of that we honor the great work, not to all of our patent examiners, but our design patent examiners as well.

When I came on board I did mention that I felt like design patent protection was a protection that deserved equal attention to the utility patents and other forms of IP protection. And we've acted on that as a team. We've elevated design patents within the USPTO. That is something that was a reorganization that we sent through Congress, so very excited about that.

We recently issued guidance, we are doing work in the courts, and we brought on a Marian Crock scholar to actually help us with our work, including with training. So we recognize the importance of design patent protection. We

are receiving more than 50,000 new design patent applications every year, which is the most ever. It took us 181 years to reach 1 million design patents, at the rate of 35,000 new grants per year, it will only take us 28 years to add another 1 million. So much work being done in the design patent space.

Beyond that we are working to address patent tendency and timeliness targets. We identified the need to do that and we've made great improvements. I just want to share a few. So we implemented something called Catch up Overtime. We changed the production unit being output by our patents group by 750 production units. We changed our examiner game sharing award. That added about 4,700 additional production units. It was the first improvement in pre-examiner productivity since 2019, and it is the largest improvement since 2015. We've updated docketing programs to examine cases in proper first-in, first-out date order. This resulted in over 3,000 first actions per month being properly

redirected to our oldest cases.

We are going to continue that work while continuing to focus on the robustness and reliability of patent rights. We did ask you, the public, for your feedback on robust and reliable patents, thank you for that feedback and all the feedback you've given us. We are also focused on the clarity of the record. We've worked with the PPAC over the last few weeks on some very quick turnarounds so that we can advance those measures. I want to thank them for the work on that. We are constantly working on the robustness and reliability, whether it's introducing new AI searching, whether it's providing the right training to our patent examiners, whether it's the new work that we did over the course of the last two years allowing examiners to be able to collaborate to make sure that if a patent application involved multiple technologies that they could get the resources that they needed.

We also retired the EFS Web and Private Pair. We retired that on November 15th in favor

of Patent Center. That is part of a long-term effort led by Jamie and by the patent group to update all of our technology. Before Jamie came on board we would have technology go down for long periods of time, it was antiquated. I heard a story yesterday that we'd have to sometimes search on eBay for technology to like replace parts of our technology because it was so antiquated, it was unbelievable. We know change is hard, we know that as we improve you will find things that we can improve on in terms of the technology.

We are not done listening, we listen a lot before we made the final move. It was after many years of Patent Center being in place, we're still listening. If you see individual instances, feel free to send them to me directly, somebody did this week. I will forward it along. You can send it to Vaishali, you can send it to Jamie or anyone, because we want to make sure we're continuing to improve the new technology. It's far and above better than what we had before, but that doesn't mean that we can't make it much more

user friendly, which we're aiming to do.

In terms of other USPTO programs, I will say that in terms of expanding innovation, there's a lot that we rolled out. We rolled out a first-time filer program where those who are new to the IP ecosystem can receive their patent more quickly if they're under resourced. We are working on having ambassadors throughout the country, we are working on expanding the number of patent and trademark resource centers so that you can find us in your local library.

I wrote a letter recently to 600 libraries across the country, Virginia Tech immediately signed up, we just found out recently that one of our patent examiners went into his library in HBC and they decided to sign up as well. So we're onboarding at a very fast clip to make sure we're providing the right resources. And we're rethinking what PTRCs can do to make sure that when you step into your library you know immediately some of the services that they have to offer.

We are educating our youth. Last year we educated approximately 350,000 children across the United States. We want to expand that as well. It's important that we look at the IP and innovation ecosystem from bottom up to make sure that we're growing the work, that we're creating in America that understands the value of IP from the beginning, that understands that they can benefit, and the country can benefit and the world can benefit from all of their ideas and there is the mechanism to making that happen.

Just recently we introduced a new semiconductor technology, actually not just recently. It's going to be introduced this week, so very excited about that. The Semiconductor Technology Expedited Review Pilot Program. So we are aligning our work across government and across the needs of the country, including when it comes to advanced technology, emerging technology, and supply chains. And so this is part of the work that we're doing with CHIPS on supply chains.

We're in the last phase of our study on

the pro bono program, which as I mentioned so many times, we double downed on immediately when I came on board, we increased the funding, we're increasing the role of the pro bono, and we've had remarkable results. And I know I've quoted this often, but where it is right now the percent of women on U.S. patents is between 12 and 13 percent. When we get out there and reach people where they are it jumps to 43 percent women that benefit from the program. 35 percent of those who benefit from the program identify as African-American or Black. And I could go down the line, but the data just shows that there's innovation everywhere, and while we are working really hard to improve the system, including when it comes to the PTAB, which I'll mention in a second, it's really important that we bring more people in as we improve things.

So also want to thank the PTAB and the work everybody's done to think about everything that PTAB does to work on the ANPRM and move that to the ANPRM and move forward with what we

believe, based on your feedback, we should move forward with. The PTAB is an incredible group of dedicated judges and others who are really focused on, you know, obviously rendering decisions that they believe are fair based on the evidence. But beyond that, so we can advance policy to tweak the role of the PTAB to ensure that it best serves the country. We are working hard to do that in many vectors, as you're seen, and to be more transparent and open and to make sure that the system has the integrity it deserves based on those who are in the PTAB. We've done a number of measures, including on director review related to that, etcetera. So just real excited about that work.

So I will pause there. There's a lot that we've done in the last year, all of it, all of it on the patent side was with the help of PPAC. They're indispensable to everything that we do. It's important that we hear your voices, it was all done with your voices as well. They've looked at your voices. When we try and solve for

things they will also need your comments and help advise me, they are the group that is my trusted advisors. By statute I've taken maybe full, maybe a lot of advantage of that, but just really appreciate all that they've done.

And then other than that I would just encourage you to spread the word on everything that we're doing to make sure you're playing a role in your communities advancing all the things that we're advancing. You can play a role when it comes to anything that we're doing, amplifying the work with the Patent and Trademark Resource Center, it's amplifying pro bono, getting innovation education into the schools, getting the word out on the importance of intellectual property. So really appreciate this.

I'm going to watch the rest of this from my office, I don't want to miss anything. But just want to say thank you again to everybody who's listening in and everybody sitting around the table and in the other row today. Thank you.

MS. HARRISON: Thank you, Kathi. We at

PPAC have been really honored to have worked with you so incredibly closely. And as she said before, this is the year of impact. So we're going to talk a little bit about, with the report, some of that work that we have done. You will be seeing some of those things in the coming year as she brings them forward.

And I would also just like to say that this is the 24th year of PPAC. PPAC has been going on for quite a long time. And I think that over time, how the office and directors have used PPAC has changed. And as Kathi said, she's actually a very prolific user of PPAC, which we really appreciate, it's been really lovely to be able to work with the Agency so closely.

And we are aligned 100 percent on how to utilize patents for the benefit of the nation. And I cannot stress how impressed we at PPAC are with the dedication of the staff of the USPTO. I mean it is, you know, when you get behind the curtain you don't understand how hard everyone works to really help bring patents to impact and

really to benefit the nation. And so I just want to say thank you to everyone at the USPTO for all of your hard work, and we really appreciated working with you guys this year.

Now we're going to talk a little bit about the report. I know Kathi has to go back to her office. I would like to ask for those online, if you have questions, please feel free to put them in the Chat. We have PPAC members as we're going through the report that will answer some of the easier ones. And we will be taking questions at the end for anybody in the room or for those online that need a little more discussion. So next slide, please.

So our agenda today is we are going to work through a little bit of each of the working groups that we had this year for PPAC. I'm going to do an introduction, then we're going to go through a little bit about what is PPAC, shockingly we still get questions about who we are and what we do so we thought we would clarify that for you. The rulemaking process and a lot of what

went into that this year, the general finances, a discussion about artificial intelligence, working with other government agencies, the FDA and USDA, of course PTAB. And then bringing this to impact and the impact on GDP. So next slide, please.

So as we've said before, the goal of PPAC this year was to focus on how to utilize patents for the benefit of the nation. And so we really worked hard with Director Vidal to first off link patents and inventions to increasing GDP, right. I think first and foremost it is really about jobs and money in the end, right. If you can't invent something and bring it to market and sell it, then these things aren't helpful, right. So the more we can tighten that link the more we can show that this is a path to wealth for individuals and corporations, the better our national economic bottom line.

We've also been focused on getting more and different people into the invention ecosystem. And so again, how can we get more of an invention mindset in the United States, bring more people

into inventing all over the United States. This is something that starts in early education, that continues forward, we want this profession to be not one that people accidentally end up in, but one that people want to go into intentionally. And so again, the USPTO has been working very hard to bring that intentionality to a lot of what's been going on.

The USPTO and PPAC wanted to make sure that they're good financial stewards. First and foremost as patent owners and patent participants, your fees go to the running of this organization, and we want to make sure that it's being done in a very effective manner. And so again, we'll be talking about the results of that and how that works.

But, the USPTO does not deal with patents in a vacuum. Other government agencies also touch invention and innovation, and so more collaboration with other government Agencies to ensure that robust and reliable patents are issued is required. We're going to talk a little bit

about the work that the USPTO has done with the FDA and the USDA to help put forward that collaboration and ensure that they have the best data possible for robust and reliable patents.

And finally, we really want to make sure that we increase stakeholder engagement. We want to hear what the public has to say. And you can see that through the request for comment, the rulemaking process. This has been a banner year for many of that, and so again, trying to ensure that the public is heard, that we at PPAC have heard you, and made sure that your voices are represented as we go forward. Next slide, please.

So one of the things that we did at PPAC was we talk a little bit about national competitiveness, and you can see this in the report. And national competitiveness is defined as economic competitiveness, technological competitiveness, and national security. And really the process of invention and patents is critical to each one of those components, right. So as we link invention and patents to GDP, that

helps us with economic competitiveness, keeping technological competitiveness, and ultimately even national security, as more and more of our invention is in the private sector and not just the public sector or in the military.

I think a quote that was put in our letter to the President that says today patents are sources of both value and risk for companies and both political and geopolitical tools for nation states. This plurality of roles means that patent stakeholders, including individual inventors, companies, universities, federal agencies, Congress, and the courts, are still learning about these new uses of patents and how they effect the system today and in the future.

Patents are working hard in multiple dimensions. And I don't think that we as a nation have completely grasped how that works and how those things come together. And I think the USPTO is doing a massive effort to try and educate and understand those plurality of roles and what their role is in bringing forward the value of the

right. And again, everyone here is working really hard, and at PPAC we're very fortunate to be able to work with them. Next slide, please.

And finally, again, as we prepare for the future there's some really large issues that are going to impact, you know, our economy overall in the next coming years that relate to patents. So we have artificial intelligence, I mean you can't pick up a newspaper without hearing about that. That's going to have an immense impact on both invention, inventorship, tools, and innovation, right. So we're going to look forward to understanding those as that comes forward next year.

Again, we have a period where the AIA was implemented for over 10 years now, and so again, beginning to look and see, did the implementation of that meet the intentionality of that. And again, some of that is related to data which the USPTO has and will be sharing forward. Collaborating with other agencies. As we said before, the PTO needs to reach out as part of one

of many stakeholders in the government to have a clear view of how patents can help the nation. And so the more they can entertain and work with other agencies, they can share data, the better off we are as a nation. And so happy again to report out on some of those activities.

And finally, working with the White House, Congress, and the Department of Commerce, the USPTO is working hard to make sure that patents can help keep the nation safe, right. That's first and foremost what we need to be looking at is how does it help the nation, and keeping that view of the nation in our minds first and foremost at a system level is the most important thing.

So again, just happy to share all these thoughts. I do want to say one thing just for you to keep in mind. One of the things we did in the report was to try and actually prepare something to talk a little bit about the rate of technological change that's happening in our nation. And I want to share a little vignette

with you.

It took 121 years for the USPTO to grant the first million patents. In 2023, the USPTO granted 340,000 patents, which means at that rate, the next million patents will be granted in 35 months. That number continues to drop. I can't stress enough how that volume of innovation is affecting the agency. The rate of change is enormous. It is only going to get faster as AI becomes a tool that more and more people use. And so as an Agency, we are all working very hard to figure out how to handle that volume, how to manage that volume, how to utilize it for the benefit of the nation. And so again, I look forward to all of us sharing our insights and now we'll move forward. Next slide, please. I think it's over to you, Olivia.

MS. TSAI: Thank you so much, Suzanne. Hey, everyone, Olivia here again. I'm here to give an overview of what is PPAC. Who are we and what do we do.

Question, who are we? We're nine

private sector contributors from the IP community and three USPTO labor organization leaders. We serve three-year terms, those of us from the private sector, that may be renewed once.

So what do we do? We are in a very unique position to contribute, connect, and enhance work. For example as Director Vidal mentioned, she often engages us in pre- decisional confidential discussions on potential changes and guidance and other questions from the USPTO. We also break into subcommittees and project groups to support USPTO initiatives. And we offer connections and context, bridging people outside the USPTO with the USPTO in the form of guest speakers and other two-way introductions. And all of this in no more than 60 days per year. So that is our limit. Next slide, please.

I'm also going to speak on the rulemaking activities. You can go to the next slide. With our review of the rulemaking activities and other notices published in the Federal Register by the USPTO. The rulemaking

timeline is generally one week, sorry, one year, it's a one-year process. The first half of the year it's generally for the NPRM phase, which is the notice of proposed rulemaking phase. That is when you guys see the notices in the Federal Register, and then the second phase, which is final rulemaking. So, all of that roughly equates to one year.

And in addition to that, as Director Vidal mentioned, there are other optional tools that the USPTO uses such as the ANPRM, you know that there was one that had a lot of written comments this year. We also support the USPTO in publishing their RFC, or Request for Comments, as well. And Director Vidal and her team also do a lot of live engagements with the public through various listening sessions and other engagements.

The table there we can see is a summary of various notices that were published, the volume of notices, and the comments received by the USPTO which they take into consideration to come up and collaborate with the best-fit solution together.

So next slide, I will turn it over to my colleague here, Charles, who will speak on finance. Thank you very much.

MR. DUAN: Thanks, Olivia, that was a fantastic presentation. And so I'll be talking about the finance section of the PPAC Report. I'd like to start just by thanking Jay Hoffman, the CFO, and the rest of the finance team. They've been incredibly helpful on helping us understand what's going on. This is a large and complex Agency and they've really done a really nice job of breaking down what's been going on, helping us to understand and be able to evaluate the financial situation of the Agency.

So to begin with I think it's useful to just give a little background on what's going on in terms of finances. In fiscal year 2023 the USPTO processed 515,000 new patent applications and granted over 340,000 patents. That's with a staff of over 8,000 patent examiners. That's a very large operation for patent examination. Patent examination accounts for the largest

portion of the Agency's costs, that was 2.9 billion in fiscal year 2023. If you'd go on to the next slide, please.

For most agencies this money would come from Congressional appropriations. But with the USPTO it doesn't take any money from Congress, instead it recovers all of the costs of its operations from a fee funding model. Appropriations are still required, Congress has to provide authorization for the USPTO to use the money that the Agency collects in fees. But through the fees that the Agency collects for examination and then through maintenance fees and other fees that the Agency collects on granted patents, those are what drive the ability of the Agency to perform high quality examination and to perform the services of granting patents for the nation.

This isn't simply a cost for service operation though. Because of the fact that we want to make sure that there are opportunities for small inventors to be able to enter the system

because we want to make sure that applicants are able to have a fair chance at getting patents on their inventions, the PTO offers a number of different ways in which it encourages more people to enter the system.

One of these are small micro entity discounts. Small entities pay less fees for examination. And also a lot of the costs are essentially backloaded. The cost of applying for a patent are generally lower, and then the cost of examination are made up through maintenance fees that are paid after the grant of the patent. And so these are ways in which the Agency is still recovering its costs but is able to accommodate the interest in ensuring that there is access to the patent system.

To sort of smooth things out, one of the things that Jay has been really helpful in explaining to us is that the PTO maintains an operating reserve. This is essentially like a savings account or a checking account that allows the PTO to weather differences in patent

application filings to make sure that if filings are very high and they need to spend a lot on examination, they have the resources to do that. They're able to smooth out those sorts of costs. Could you move on to the next slide, please?

One of the biggest things that we talked about in terms of finances were changes that had happened recently and are potentially going to affect the finances of the Agency going forward. The two major changes that we contemplated were the Unleashing America's Inventor Act, which was enacted recently. This increased the discounts for small and micro entities, which again is important, and PPAC supports because of the fact that it increases opportunities and access to the patent system. But it also means that the overall fee revenues forecasted for the Agency are going to go down.

In addition, inflation and pay raises and the costs of personnel are anticipated to go up by about $173 million per year. Based on the current forecast that we received from the Finance

Office, we understand that the operating reserve for the Patent Office will still remain above the minimum required levels but will be on a declining trend, and the Agency is taking a number of measures that we think are very important to try to address that oncoming challenge. If you could move on to the next slide, please.

The biggest initiative of these is the fee setting process. And so PPAC was very engaged with that, we held a hearing in which we heard testimony from a number of the members of the public, we also received comments, we received written comments from members of the public. I'd like to emphasize that we are incredibly grateful for that feedback. I read all of the comments, my colleagues read all of those comments. We prepared a report that summarized the views of the public that was based on the comments that we received. Those comments were incredibly important for us in advising the Agency on how they should move forward with the fee setting process.

Again, we think that this fee setting process is incredibly important in view of the financial challenges and situations that we've heard about, but we also want to make sure that the views of the public are heard in that, and we will continue to remain engaged in that process as the PTO continues with its fee setting efforts.

Additionally, we've been told that the Agency is taking on a number of other cost-saving initiatives. It is relinquishing a number of the building leases that are forecasted to save about $27 to $50 million a year. It's also investing in technology like artificial intelligence that will again hopefully save costs and increase the productivity and effectiveness of the Agency's operations. Next slide, please.

I think our key takeaways based on our review and our discussions with the Agency are that the USPTO is in good financial shape, it recognizes what the future situations are going to look like and has a good handle on how it should address those. Cost recovery for the PTO's

examination efforts and maintaining a strong operating reserve continue to be critical.

As we detail in the report, we believe that there are opportunities for the Agency to work with Congress on greater flexibility and fee setting and also addressing other concerns, in particular concerns that the Agency has raised in the past about unavailable collected patent fees of about $950 million. We provide recommendations for the Agency working with Congress on how to do that and how to generally continue working with Congress to maintain the financial viability of the Agency and to maintain the strength of its operations.

All right. And I think next we have, are you doing artificial intelligence, Lea?

MS. TSAI: No, that's Dan.

MR. DUAN: Dan, yeah, okay, Dan will be presenting on artificial intelligence.

MR. BROWN: I hope everybody can hear me. Sorry, I was talking to myself in the introductions. Take a second to thank everybody.

This is my third year, and I'm rotating out of the PPAC but I have to say it's been an amazing experience. The quality of people, both in the PPAC and in the office is truly amazing to me, and I never expected such a fantastic life experience of being able to contribute here.

I'm going to be speaking about AI. And while AI tools are already being used in a limited way, we have thoroughly looked through this and the office is completely immersed in AI in terms of how it can assist as a tool in searching and working with the efficiency and the quality of the searches.

I'm sort of hearing some background. Anyway, AI has two principal areas, one is inventorship, and the other is research. And while inventorship is really statutory in terms of who can be an inventor, AI is actually -- I hear some background noise coming in.

MS. HARRISON: Dan, we can hear you just fine, you just need to stay closer to the mic.

MR. BROWN: Did you hear that?

MS. HARRISON: No.

MR. BROWN: I'm basically going to take my speakers down. In regards to inventorship, the office is engaged in the statutory level of inventorship where humans are inventors but being challenged by the complexity of how AI is going to be assisting inventorship, and that is going to be an ongoing challenge. I think that the most important aspect of AI and inventorship is the fact that there's a presumption that AI is going to give us a much higher quality and a much lower cost and more efficacy in our searches. And I think the PPAC would stress that we want to be cautious here. We want to avoid the unintended consequences of thinking that the AI is going to save or even replace the examiner, which I just cannot see that personally, and I don't believe that that cost savings and that efficiency is going to come out as fast as everybody would want it to.

The reality is the critical thinking of the examiner is extremely important in the

process, and within that we need to proceed with caution and also proceed in a way I think where, as AI is being brought in as a search tool, that it is used in a way that is also a redundant system, a good objective comparable analysis as to what is actually happening at that point, and not just assuming, as many people do with the new technology of AI, that it's going to replace the critical thinking of the human. To that extent, next slide.

So I'm going to introduce the next person, I'm not sure, I don't have that in front of me right now. Henry's going to talk about USPTO, the FDA, and the cooperation. Thank you.

MR. HADAD: Good morning everyone, again. Before I start I did want to thank once again Director Vidal and our colleagues at USPTO for their partnership throughout the last year. It's been incredibly informing to me, and I've learned so much from you all, so I appreciate it. I also wanted to thank my colleagues at PPAC, and in particular our Chair and Co-Chair for their

leadership over the past year.

So turning to the issue of USPTO/FDA communication. In July of 2021 there was an Executive Order issued requiring that the FDA communicate with USPTO to ensure that the patent system on incentivizing innovation does not unjustifiably delay generic and biosimilar competition. And following that there were similar requests made from Congress, particularly focusing on the potential of conflicting statements made to the FDA during review and during USPTO examination.

Before we get into it, it's important to note that there are very different roles of the USPTO and FDA. FDA determines the safety and effectiveness of new biopharmaceuticals. And underlying this review is data generated during pre-clinical and testing and clinical trials that can take place over a decade. The drug discovery and development process is extremely risky, with many more failures than successes and can cost billions of dollars. Which is why the biopharma

industry is the most R&D intensive industry. For these reasons it's critical that the biopharmaceutical industry, and particularly products, have a meaningful period of exclusivity to recoup these expenses, cover the successes and many failures, and invest in the next generation of cutting edge therapeutics to treat patients with serious medical needs.

So a robust, reliable, and high-quality patent right is critical in driving biopharmaceutical innovation, and that's where USPTO examination comes in. USPTO examination determines whether the claims of a patent application meet the statutory requirements for patentability, e.g. primarily novelty, non-obviousness, and the disclosure requirements under Section 112. For these reasons FDA review and PTO examination look at very different things. And while there may be occasional overlap on technical issues, it's more often not the case.

USPTO and FDA have worked diligently this year and the preceding years, to explore with

each other and key stakeholders whether information sharing can improve patent quality and if so, what's the best way of doing that. And since the 2021 Executive Order, I know that USPTO and FDA have engaged in various cross-training exercises, listening sessions, request for comments, and creation of a website to enhance accessibility to publicly available patent term extension information.

PPAC supports USPTO's ongoing efforts to review whether information sharing with FDA would improve patent quality. So long as this information sharing does not publicly disclose confidential or trade secret information, provides meaningful improvements in patent quality, and in no way impedes USPTO examination or FDA review.

While PPAC is supported by these efforts -- we can go to the next slide now -- it is important to note that PPAC has not been presented with any data that suggests that potential inconsistency of representations to each agency is a practice warranting significant changes in

either FDA review or USPTO examination.

The Hatch Waxman Act has been in place for nearly 40 years, and over that time thousands of patent cases have been litigated. Despite this, only two cases have been cited as examples of a potential problem, neither involving innovator biopharmaceutical companies, and in both cases the system worked and the patents were found unenforceable.

This is illustrative of a larger trend where at times unsupported statements around IP practices are often taken as reality or when facts are cited they are either inaccurate or misleading. This could lead to significant and inefficient use of Agency time reviewing off-target policy proposals or even worse, lead to the adoption of ill-informed policies.

To be clear, PPAC believes any patent reform proposals should be clearly supported by facts and believes that USPTO is uniquely positioned to provide this data and champion evidence-based policy reform. In 2022 Senator Tom

Tillis noted in some communications that several of the main sources driving the narrative around biopharmaceutical patent practices do not appear to meet the fundamental criteria of being based on accurate facts and being from reliable, unbiased sources. And for that reason he requested that USPTO and FDA conduct an independent study assessing data from several data sources about patenting practices in this industry.

PPAC supports USPTO and FDA efforts to complete this report as a generation of relevant patent and exclusivity data and accurate market exclusivity data will assist policymakers in making informed decisions on patent related policies. This is really important.

PTO has the independence, the data, and the expertise, and should be utilizing it to test these narratives. Equally important, USPTO also has an important role as a champion of the IP system and driving innovation, and makes sure that narratives and rhetoric are tested against the facts and then any policy changes are focused on

ensuring a more robust and reliable patent right to drive innovation, economic growth, and global competitiveness.

And with that I will stop and turn it over to Heidi.

MS. NEBEL: Thank you. I would like to thank our PPAC Chair for this amazing year that we've had and for all that you've done to elevate the role of PPAC within the Patent Office and within the country.

First of all I would like to talk a little bit of background about plants. It is a well-accepted statistic that by 2050 the global population is expected to reach 9.7 billion, which will require a 70 percent increase in agricultural productivity. Combine that with climate change and dwindling land available for crop production, 90 percent of the required increase to feed this increased population will need to come from technological advances in farming practices. Food security is national security.

Several high-profile prosecutions in the

U.S. access or economic espionage by foreign nationals, including China, of plant breeding materials and technologies have raised awareness. The FBI Director, Christopher Ray, said American agriculture is one of the softest targets for IP theft. Whether through access to privileged company research, transfer of information out of university or government research facilities, or by the simple act of digging up plants in a field. Next side, please.

The United States has the strongest system for plant protection in the world. We have three different regimes for protection of plant developments. We have plant patents, we have utility patents, and we have PVPs, Plant Variety Protection Certificates, which are administered by the United States Department of Agriculture. Strong IP protection gives Americans weapons to fight germ plasma theft and spurs investments in plant breeding.

In 1985 the case of ex parte Hibberd endorsed the protection of utility patents for

plant varieties. And so with that we had an opportunity to see something that was heretofore unpatentable, now becomes patentable. And what changes did we see in the agricultural economy? According to conservative estimates, the introduction of patent protection increased the total value of U.S. agricultural land in 2002 by 7.5 percent, roughly $80 million. $117 billion in 2020 dollars. This increase occurred despite the presence of plant patents and plant variety protection certificates that were available, indicating the perceived value of utility patents. Next slide, please.

So with all this background we look at the July 2021 Executive Order from President Biden encouraging collaboration among agencies. So the USPTO and the USFDA are now collaborating to increase, and USPTO created an interagency working group on competition and intellectual property in seeds and other agricultural input. This group has continued to work together and much has been done to secure strong IP rights while also

promoting healthy competition in the agricultural sector. Increased transparency between these two agencies should be continued to secure both rights and to maintain the vitality of both rights.

The working group has included a website that has been introduced to the USFDA to identify patent varieties that are the subject of patents, to increase accessibility of seeds that have come off patent, and outreach to farmers to provide education and the role of IP, including cooperation between the USFDA PVP system and the USPTO system for prior art.

It is important to remember however, that these are two separate systems with separate rights that are granted and separate exemptions. Attention remains to maintain the advantage of utility patents in our national security and our global economy and to avoid compilation of patents and PVPs to one entity. We must proceed with caution with this continuing cooperation while it does have advantages and the patent office has aggressively pursued this cooperation.

With that I will turn it over to Steve.

MR. CALTRIDER: Thank you. We've heard from the Director as well as Suzanne in her comments today about the importance of the strong innovation economy in a role of the patent system. And I wanted to start my comments off with just a reminder of the constitutional foundation for that. Of course the U.S. Constitution Article I, Section 8 provides for the U.S. patent system to promote innovation. And that system is absolutely essential to drive jobs and prosperity. And to do so though, you need to have confidence. The patent right has to be reliable, has to be robust, and that's one of the reasons the Patent Office, as well as the PPAC, is focused so much on that today.

I also want to comment that the staff, and this is echoing comments of others, the staff in the PTAB, the staff at the Office of Examination Corp have done just simply an outstanding job. I don't think there's a person that I've encountered during my entire tenure of

PPAC, but certainly this year, that is not focused in understanding the importance of the patent system and is not truly dedicated and committed to the role of the patent system to drive a strong innovation to the economy. People get it. We are working very, very hard to make improvements, and I will cover today a number of improvements that are ongoing, not only in the advanced roles that promote rule making, but in other steps that the PTAB and the examination corp have taken to just do that to improve the system. Next slide, please.

Of course the Patent Trial and Appeal Board -- next slide, please -- started in September 2011, it was established by the AIA. The proceedings are intended to establish a more efficient and streamlined patent system that will improve the quality and limits unnecessary counterproductive litigation costs. It also was recognized that it could be a vehicle for harassment. The Patent Office has been trying to balance those two considerations. How do you

provide quick and cost effective alternatives to litigation, at the same time recognizing that there could be abuse in the system and harassment of patent owners, and how do you mitigate that. So those have been the dual priorities of the AIA from day one.

It's been in place about 20 years now, so we do have data that continue to inform how things are going. And I think it's important to look at those data and recognize where there's opportunity to improve and where things are going well, and we want to reinforce those actions.

The data I'm sharing today are predominately available on the Data Digitalization Center on the Website. And so I'd encourage you to go there. There's obviously a more robust collection of data that you should take a look at. Next slide, please.

Let's start with IPR remains the most prevalent proceedings on the AIA. 98 percent of the petitions go to AIA, or to IPR, sorry. There's probably some considerations on that that

aren't surprising. You can file an IPR at any time, and oftentimes we'll talk about, in a bit, they're triggered by litigation. So those two considerations probably have driven those. But I can say, just because I was involved in some of the discussions leading to the AIA as well, this is unexpected. People didn't expect to see 98 percent IPRs and a relatively low percentage, 2 percent, of PGRs. And so this is something that we need to learn from, we need to understand, we need to decide, is this the balance that we expected to have, or is this something that should be addressed more fulsomely.

One of the most prevalent pieces of feedback that the PPAC has received over the course of this year, even during the fee setting hearings and in past years, has been how disruptive IPRs can be to the expectation of investors and inventors. You can challenge them at any time, that means they can occur at any time and often times it's after the investment's been made and after some of the market has been

developed, and that puts a great deal of strain in the system. And again, that's one of the reasons this needs to be studied further.

The other aspect notable is 80 percent of IPR proceedings have parallel litigation in Federal District Court. It's worth noting that 20 or 30 percent of the Federal District Court proceedings don't have a parallel proceeding, so it's clear there's still a balance. But 80 percent really goes to that question on is it more cost effective or is it just really providing a second vehicle to challenge a patent in which case costs are increased and the level of complexity increased. Again, it's a question that really needs to be considered further.

The office in this regard, however, has done a tremendous job in studying this issue. The Director has issued guidance on this to try to clarify when it's appropriate to have Federal proceedings and when not. The PTAB has issued a number of precedential opinions on this. So it is something that is an active body of work not only

this year but in the years going forward because it's obviously a key consideration on whether or not the objectives of the AIA are being achieved in the system.

The PPAC applauds the USPTO for staying on top of this and continues to study this issue, and encourages the USPTO to continue to do so in the future years. Next slide, please.

Institution rates have been relatively flat. Again, I think this speaks volumes on the work of the PTAB to provide clarity on the criteria for institution and when things will be denied and when things won't be denied. There's been a number of precedential opinions and guidance from the office in this regard. It is a trend to continue to watch, it's something that even though it remains flat year to year, generally speaking, it is a trend that should be watched, particularly the last four years have increased slightly, and so just watching that to continue to understand and dig into the data in a little more detail on why that may be the case.

Next slide, please.

Outcomes by patent. 42 percent of the patents with AIA challenge in the year 2023 resulted in a final written decision, which is the FWAD on the slide. 26 percent of patent challenges resulted in denial of institution, 27 percent settled before reaching a final written decision, 5 percent were terminated or dismissed for other reasons. When looking at the final written decisions by patent, of the 42 percent that reached a final written decision, 67 percent of those resulted in all challenged claims being found unpatentable. Approximately 17 percent resulted in mixed results, that is some claims patentable and some claims unpatentable, and about 16 percent resulted in all claims being upheld.

Again, the most consistent feedback we heard from the public and stakeholders is the importance of reliable and durable patent rights. The PPAC applauds the USPTO for keeping the reliability and the durability of a patent right a top priority. It certainly properly is given the

role of patents in the ecosystem.

One item since the AIA now is 20 years in its making is the opportunity to use each decision and each outcome as an opportunity to learn and understand. In past PPAC years we've referred to this as closing the group or closing the gap, and all sorts of different nomenclatures. But it really is just continuous learning that the opportunity presents itself with the PTAB issuing a decision in terms of what happened. The PTAB, the office has called this their Outcome Study. I encourage the office to continue their Outcome Study as it provides very, very insightful data from which applicants, as well as the office, can learn and improve. Next slide, please.

In this Outcome Study, and this was the calendar year 2021 sampling the data, successful challenges having at least one claim found invalid in a final written decision were sampled to generate these data. 93 percent of the challenges find the unpatentability of at least one independent claim were based on prior art not

cited in prosecutions. 74 percent it was the only new prior art, 19 percent were based on a mixture of previously cited art and art, and 7 percent of the challenge presented finding one independent claim unpatentable were based on prior art cited in the examination of the patent.

Notably in the 7 percent of challenges that found at least one independent claim unpatentable, 82 percent of those had more than 100 references cited by the applicant and information disclosure statement. There's certainly not enough data to statistically establish this, but that leads to at least an inference from the data that over citation can be counterproductive to the robustness and reliability of the patent right. Certainly the PPAC encourages the office to continue to study these and understand whether changes in ideas, practice, need to be considered in view of some of these data. Next slide, please.

So what are the takeaways? First and foremost, the Outcome Studies from the office

should continue. The PPAC thinks it's extraordinarily invaluable data, and continuing to build this data set will further inform not only actions by the office, actions by applications, but also actions by Congress to improve the system.

Percent of final written decisions framed on patentability over at least one independent claim based only on prior art not cited in prosecution. That's a lesson to applicants. The USPTO doesn't bear the sole responsibility for quality. Applicants bear a tremendous responsibility for quality, and obviously finding the right prior art, the office has a role in doing that, applicants have a role in doing that, it's very, very important. So the applicants need to take on these data and understand what the implications are if they file patents blindly without searching the prior art, the likelihood of a different outcome than you expect might be there. If you search the prior art and work with the office to make sure those

prior arts are appropriately before the examiner, there's a pretty good chance the office is going to get it right according to these data.

The PPAC encourages the office to continue to study and engage the applicant community to understand the implications of search, understand the barriers that perhaps limit the applicant's willingness to engage the office productively, that is for example, inequitable conduct and whether or not reform of those issues would be more beneficial to having a robust and reliable patent right.

Finally, 80 percent of the IPR proceedings having parallel litigation in Federal District Court. This is a concern because it adds on top of costs, adds on top of complexity, it's something that needs to be continued to be studied. The efforts by the office to mitigate the instances, the duplicates in litigation or duplicate proceedings is extraordinary and should continue. But it's certainly an issue that needs to be, warrants further study by the PPAC as well

as the office.

Thank you.

MS. DARDEN: Good morning again. Before I begin I just want to thank Director Vidal and the colleagues at the PTO for all the hard work and support that you've given PPAC over the year. We've done a lot, so thank you for giving of your time to us.

I'd like to thank our outgoing leadership for all your direction and guidance over this year. You pushed us, we got a lot of work done, and I think we've done some great work on behalf of the stakeholders.

And to my colleagues on the PPAC, thank you again. Steve, we'll miss you. Dan and Judge Braden, as you move off to bigger and better things in life, but know that we will continue the hard work and may be calling on you in the future for your continued guidance.

I have the privilege of wrapping up the content of our report, and we're going to talk a little bit about what Director Vidal has already

keyed up for you this morning in her remarks, and that's reaching more inventors.

I'd like to tell you a little bit about why that is so important. If we quadruple the number of inventors we could increase the overall level of USGDP by up to 4.4 percent. For some, for a reference as to what that means, that could mean adding up to at least a trillion dollars to GDP annually.

There are also reports that show that by increasing the number and the diversity of innovators that we bring into the innovation ecosystem, companies with above-average diversity in their innovation team produce a greater proportion of revenue from innovation, 45 percent of the total, than companies who did not have diverse or inclusive innovation teams.

So when we think about using patents to sustain GDP, support economic development, incentivize innovation, inclusive innovation is a big part of that. So key takeaways from the work that has been done this year are that the USPTO

has been successful in increasing national competitiveness through both increasing invention activity and making patent protection available to more inventors around the U.S.

Director Vidal talked about some of the initiatives that have been taken place over the past year. The women entrepreneurs initiative, she talked about the pro bono program, the effectiveness of the K through 12 program. One of the things that we want to continue to do with our educational outreach is to move beyond K to 12 and start looking at some of the community colleges, vocational, educational institutions so that we again start to grow and continue to grow that pool of unrepresented inventors.

Another takeaway. The USPTO has successfully increased its outreach, education, and pro bono efforts to more effectively reach students, practitioners, and communities in under-represented geographies and demographics.

A highlight of this year is the Patent Pro Bono Program and the impact it's had.

Particularly with a 45 percent year over year increase in applicants in 2/1 of 2023. We expect to see that program continue to grow and serve under-represented inventors in the future.

The USPTO has also been successful in partnering with both private and non-profit sectors to provide more education, awareness, tools, and assistance, to students, practitioners, entrepreneurs, and unrepresented geographies and demographics. And one of the programs that has been a highlight of this year is the Pro Se Assistance Program. So the office is engaged in quite a few activities to help grow that pool of under-represented inventors, and we expect to continue that work in the future. Thank you.

MS. HARRISON: Well that wraps up so far our presentation on the report. We want to open it up for questions for those of you that have anything you would like to say in the room or online. If you're online could you please send in your questions via the Chat function. I'm looking over here in the room to see if anybody has any

questions or we were so incredibly explicit that it was perfectly understandable?

Give everybody a second, they're going to type quickly. While we do that I also just want to say one thing for our departing members, Dan and Steve and Judge Braden. You really and truly will be missed, and it's really just been a pleasure to work with you, and we will continue to work with you in the future, you can't get away once you've participated on PPAC.

Any questions coming through? All right. Well I guess that we were so incredibly clear that we don't need to worry about it. But if you do have questions in the future, you can go ahead and email PPAC at USPTO.gov, we will answer those questions as they come in.

And again we want to thank you for taking the time with us today to listen to the report. And again, if you have any questions, please go ahead and send them to us. We want to thank the office for their participation in this year, Heidi and I have been very happy to work

with all of you. And again to all our colleagues at PPAC, it's been a fun year.

And then we want to hand the torch over to Loletta and Charles to take up the reins for next year. So stay tuned and we'll be seeing you soon. Thank you so much.

(Whereupon, at 11:29 a.m., the PROCEEDINGS were adjourned.)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

COMMONWEALTH OF VIRGINIA

I, Thomas Watson, notary public in and for the Commonwealth of Virginia, do hereby certify that the forgoing PROCEEDING was duly recorded and thereafter reduced to print under my direction; that the witnesses were sworn to tell the truth under penalty of perjury; that said transcript is a true record of the testimony given by witnesses; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this proceeding was called; and, furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

(Signature and Seal on File)

Notary Public, in and for the Commonwealth of Virginia

My Commission Expires: September 30, 2025

Notary Public Number 256314