

Remarks at Innovation Panel at San Jose State University, San Jose, California

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Acting Secretary of Commerce Rebecca Blank
Remarks at Innovation Panel at San Jose State University, San Jose, California

Thank you, Mohammad and Carl. It's great to be in San Jose with all of you.

I also want to thank Patrick Kennedy and Eric Kelly for joining the panel today.

Last fall, when President Obama signed the America Invents Act, it was a historic moment for America's patent system. We've come a long way since 1790, when our patent system was created by Congress. At that time, President Washington himself had to sign off on each patent. Thankfully, it wasn't a big job. That year, there were just three.

Fast forward to today. For each of the past two years, the U.S. Patent and Trademark Office has issued over 200,000 patents – more than ever before.

But until this week, there has only been one place where we could do our work – in Alexandria, Virginia – just outside of Washington, D.C.

This past winter, our Alexandria office had a special exhibit on the ground floor – 30 giant iPhones lined up side-by-side. Each one featured one of the many patents that Steve Jobs received. As Steve said, "The ones who are crazy enough to think that they can change the world are the ones who do."

Today, those entrepreneurs, those innovators, and those dreamers – all of you – are the reason I'm so proud to say that the Commerce Department will soon put one of its first four satellite patent offices right here in Silicon Valley.

Today, thousands of inventors here and across the country continue to help lay the foundation for America's long-term growth and leadership. The entrepreneurial spirit continues to thrive here in Silicon Valley. With your help, we have seen 28 straight months of private sector job growth – totaling 4.4 million jobs.

In fact, over 60 percent of the members of the Silicon Valley Leadership Group said they added jobs in 2011.

And the ideas and products that flow out of Silicon Valley not only help businesses here, but they also help all of America's businesses grow and create jobs. But it's clear that we still have much work to do to dig our way out of the deepest recession since the Great Depression. What we can do – right now – is make smart, long-term investments that will drive innovation.

A stronger, more efficient patent system is one such investment. Patents are the fuel for innovation. They protect the intellectual property of Americans who have game-changing ideas.

They help put those ideas to work in our economy and they help us out-compete the rest of the world. That's why Dave Kappos and his team at the U.S. Patent and Trademark Office have been running on overdrive these past few years. And, they've made great progress in improving our patent system. For example, even though patent filings grew 5 percent last year, they were able to actually reduce the patent backlog by 10 percent. That's good news for places like Silicon Valley, which is responsible for about one out of ten patents each year.

The new office here in Silicon Valley is going to help us do even more. It will expand the capacity and productivity of our patent system – both here and nationwide.

To run it, we expect to hire about 100 new patent examiners, intellectual property experts, administrative law judges, and others. And the inventors throughout the region can take advantage of this office. They'll come in and learn to navigate the patent process. They'll meet with examiners in-person and through videoconferencing. They'll be able to search our extensive patent databases, and much more.

And as the new patent office becomes integrated into this community, we'll be able to ask questions that we've never been able to ask before:

What can we learn from businesses and industries in Silicon Valley to make our patent system more effective than ever? How can our patent system grow through new interactions with regional economic development groups and others who share our mission of helping businesses create jobs? And, perhaps eventually: How can we create a tailored suite of IP services for startups, incubators, and accelerators who work in communities like this?

Our vision for this office is to serve Silicon Valley – and the West Coast overall – better than ever before. We want to put more patents in the hands of enterprising Americans so that they can – in turn – attract capital, and put their business plans into action. Because more patents mean more good jobs.

A recent Commerce Department report showed that industries that rely heavily on intellectual property protection support at least 40 million jobs – and about one-third of our GDP. Not surprisingly, we found that California is one of three regions where IP-intensive jobs are most concentrated. But that's not all. That same report showed that these jobs pay about 42 percent higher than others. So a better patent system means good jobs and stronger economic security for

millions of middle class families. But creating a strong life-cycle of innovation requires much more than just a 21st century patent system. There are other pieces of the puzzle, and I just want to mention a few.

First, President Obama is calling on Congress to provide more funding for research and development in his 2013 budget. This includes increased support for critical areas like high-tech and advanced manufacturing. Second, the Commerce Department is helping to lead a commercialization effort with over 200 universities – such as UC Berkeley and San Francisco State. We need to help pull more of their discoveries into the marketplace.

Third, we need to ensure that more bright young people at places like San Jose State have the opportunity to enter and succeed in the science, technology, engineering, and math (STEM) fields. That's why the President's new budget proposes increased support for STEM education.

Fourth, we need to make sure that businesses both here and abroad see the clear benefits of investing right here in America. That means fixing our tax system so that we stop providing tax breaks to companies that ship jobs overseas and start providing tax incentives for our companies to build things stamped with "Made in America" – just like Google did recently with its new wireless media player.

Beyond the government's support for American innovation, it's great to see the private sector itself finding unique ways to support our inventors and entrepreneurs.

For example, I look forward to visiting TechShop this afternoon. Self-described geeks and tinkerers can go to TechShop and get access to high-tech equipment, such as 3D printers. And I should note that 3D printing will be the focus of the pilot project for the National Network for Manufacturing Innovation.

Clearly, we must continue to use all of the tools at our disposal to ensure that America will continue to drive innovation and be a magnet for good jobs for our middle class.

We need to make sure that entrepreneurs with good ideas can successfully start their own small businesses. That helps grow our economy from the bottom up.

In other words, let's pave the way for the next Steve Jobs.

After all, our ability to innovate and compete as a nation will determine what kind of economy – and what kind of country – we pass along to the next generation. Again, congratulations to Silicon Valley on their new patent office. And thank you all in advance for helping ensure its success in the coming years.

On that note, I look forward to hearing your thoughts in the dialogue that we're about to have about the things that the US PTO and the US Department of Commerce need to think about and act on to support the business community here in Silicon Valley. For example, I know there is a lot of discussion right now regarding the rise of open-source platforms, and how the patent system should help – not hinder – areas like software development.

With a little help from this new Patent office, I'm confident that our innovators here and across the country will keep America strong and competitive in the 21st century.

Thank you.