

INSIGHTS

## USPTO Opens a Satellite Patent Office in Dallas

July 2, 2012

On July 2, 2012, the United States Patent and Trademark Office (USPTO) announced the selection of Dallas, Texas as the location for one of its satellite patent offices, and it was the sole southern city chosen. The Dallas satellite office could provide an economic boost of over \$400 million dollars to the Dallas-Fort Worth metroplex. The Dallas office is expected to open its doors by September 2014. The USPTO also selected Denver, Colorado; San Jose, California; and Detroit, Michigan as the other three locations for satellite offices. The USPTO's primary office will remain just outside Washington D.C., in Alexandria, Virginia.

### **Purpose of the Satellite Office Program**

As a part of the Leahy-Smith America Invents Act of 2011 (AIA), Congress required the USPTO to establish three satellite offices by September 2014. With the establishment of the new offices, the USPTO should be able to increase outreach activities, enhance examiner retention, improve examiner-recruiting, decrease the patent application backlog, and improve patent examination quality. According to Under Secretary of Commerce for Intellectual Property and Director of the USPTO David Kappos, the satellite offices will allow the USPTO "to better recruit and retain talented patent professionals and allow the agency to better interact with the applicant community."

The creation of USPTO satellite offices is significant in that it marks the first time in the USPTO's 200-year history its operations have expanded outside Washington D.C. The USPTO believes the satellite offices will serve as "hubs of innovation and creativity, helping protect and foster American innovation in the global marketplace, helping businesses cut through red tape, and creating new economic opportunities in each of the local communities."

The USPTO receives an estimated 500,000 new patent applications each year, and there is a backlog of roughly 620,000 pending patents. It currently takes around three years to get a patent approved. The AIA included several provisions meant to address the length of the process and reduce the patent backlog. With regional offices and several hundred additional examiners, inventors should see a significant change in the efficiency of the patent application process.

### **Selection of Dallas, Texas for a Satellite Office**

The AIA outlined five criteria the USPTO was to consider when selecting the locations for satellite offices. According to the AIA, the USPTO:

(A) shall ensure geographic diversity among the offices, including by ensuring that such offices are established in different States and regions throughout the United States;

(B) may rely upon any previous evaluations by the Office of potential locales for satellite offices, including any evaluations prepared as part of the Office's Nationwide Workforce Program that resulted in the 2010 selection of Detroit, Michigan, as the first satellite office of the Office;

(C) shall evaluate and consider the extent to which the purposes of satellite offices listed under subsection (b) will be achieved;

(D) shall consider the availability of scientific and technically knowledgeable personnel in the region from which to draw new patent examiners at minimal recruitment cost; and

(E) shall consider the economic impact to the region

In November 2011, the USPTO requested comments regarding how potential locations for satellite offices would best meet the criteria set forth by the USPTO. USPTO officials met with state and local officials, congressional delegations, and policy leaders in making their determination. The USPTO evaluated over 50 metropolitan statistical areas and reviewed over 600 public comments in response to their request.

Numerous entities from the Dallas community submitted a joint response to the USPTO's request, including the Dallas Bar Association, the Dallas Regional Chamber, the Center for American and International Law, Southern Methodist University, the University of Texas at Dallas, and the University of Texas at Arlington. Bracewell & Giuliani intellectual property lawyers assisted in the effort to secure a satellite PTO office in Dallas.

According to Kappos, Dallas is a "mission-critical partner," because the community has "more than 185,000 technically qualified individuals in its workforce, and a vibrant university and research community that we can work with to accelerate the commercialization of new breakthrough products." The Dallas satellite location serves as the only USPTO office in the southern United States. It will not only provide a more convenience to inventors in Texas, but also those in New Mexico, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Florida, Tennessee, and Missouri. In Texas alone, the satellite office should help offset some of the USPTO's workload, where Austin, Dallas, Fort Worth, Houston, and San Antonio all rank in the top-100 sources of commercialized new patents.

The satellite office should not only serve to help Dallas-Fort Worth to retain more engineers and engineering students, but also create an incentive for those with technological backgrounds to reside in the metroplex. It should also create a more favorable environment for established companies and start-ups.

As always, should questions about the legal issues discussed in this article arise or implications about how the new patent office locations will affect you, please contact your Bracewell & Giuliani LLP technology attorneys.