

**Statement Of Senator Patrick Leahy (D-Vt.),  
Chairman, Senate Judiciary Committee,  
Hearing On Executive Nominations  
December 10, 2014**

Today the Committee is considering nominees to two important leadership positions charged with supporting our Nation's creators, artists, and inventors. I take a strong personal interest in these positions both as a leader of this Committee, and as the senior Senator for Vermont. Vermont is home to a diverse range of artists, writers, and creators. Every year, it ranks among the most innovative States that have the highest patents per capita. Vermonters know firsthand that creators and innovators are the lifeblood of this country—fueling our imagination while creating jobs and contributing billions of dollars to the economy.

The two nominations we are considering today play a central role promoting this important work. The Intellectual Property Enforcement Coordinator or "IPEC" was created by legislation I authored in 2008 that was reported by this Committee and passed the Senate with unanimous support. Our objective was to take a comprehensive approach to intellectual property enforcement within the U.S. government, to ensure that law enforcement has the tools it needs and that agencies are working together efficiently. The IPEC plays a valuable role bringing together members of the Internet ecosystem to address the complex problem of online IP theft. Earlier this year, Ranking Member Grassley and I sent a letter to President Obama urging him to nominate someone to fill this position, which has been vacant for well over a year. Today's confirmation hearing is an important step in filling this vacancy. I hope the nomination will move swiftly so the IPEC Office can return fully to its important work.

Compared to the IPEC, the position of Director of the Patent and Trademark Office, or "PTO," is not so new: our Nation's first official charged with granting patents was Thomas Jefferson, when he was Secretary of State. Since its early days, the PTO has grown to play a vital role driving the engine of our economy. Close to 600,000 patent applications and 450,000 trademark class applications are filed with the Office each year. By serving America's innovators, the PTO helps Vermonters and citizens across the country build their businesses and bring their inventions to the global marketplace.

Three years ago, Congress came together to pass the Leahy-Smith America Invents Act, the greatest transformation to our patent system in over 60 years. This Committee worked for six years to pass that landmark legislation and bring our patent system into the 21st Century. The AIA has helped simplify the process for patent approval, reduced backlogs at the USPTO, and harmonized our patent system with the rest of the world.

The AIA sought to improve patent quality by creating new and more efficient administrative proceedings at the PTO. Three years later, the PTO has now received over 2000 petitions for post-grant review. These measures are important to help businesses that fall into the cross-hairs of over-broad patents. But improving the quality of patents also improves their value for inventors and investors, too. The PTO is doing tremendous work to implement these new programs. Because of the AIA, there are now four satellite offices around the country to make the PTO more accessible to inventors and small businesses. The PTO has strengthened its pro bono program, and used its fee-setting authority created by the AIA to gain better financial

independence. The PTO has been without a Senate-confirmed director for almost two years. I want to hear more from Ms. Lee about these and other efforts as the PTO continues its work to deliver on the promise of the AIA. I am pleased that in the funding bill released last night, we were able to ensure that PTO receives a budget of \$3.46 billion, reflecting amounts it collects through user fees that were strengthened by the AIA. Full funding of PTO should remain a priority.

Congress needs to do more work to strengthen our patent system. This Committee has worked for the past 18 months to address misconduct by bad actors who are abusing the patent system. When these so-called patent trolls send threatening letters to small businesses in Vermont and tie up companies across the country in bad-faith law suits, they hamper innovation and harm our economy. We dedicated months of Committee time to this issue and we made significant bipartisan progress. I look forward to continuing that work in the new year.

I also look forward to continuing this Committee's productive relationship with the IPEC. The role of the IPEC is particularly important in addressing counterfeiting and infringement online, a complex, global problem that requires creative, multi-party solutions. Every business that operates in the Internet ecosystem has a role to play. Last month, I sent a letter to major credit card companies urging them to do more to prevent use of their payment networks for illegal theft online. Since then, my staff has had productive conversations with the companies, and Visa, for one, has taken proactive steps against a number of cyberlockers engaged in online piracy. I have asked the companies to continue that conversation with the new IPEC once the position is filled. I hope the IPEC will also renew the Office's work with advertising networks that drive so much of the online economy. Smart solutions are also needed for the "whack-a-mole" problem that plagues copyright holders online, where illegal content or sites are taken down only to spring back up again moments later in a new location.

The nominees before us are eminently qualified to fill these roles. Mr. Marti is currently the managing partner of the Washington, D.C. office of Kilpatrick, Townsend & Stockton LLP. He has spent his entire legal career specializing in intellectual property law, with a focus in trademark law and the protection of intellectual property both domestically and internationally. Mr. Marti is a graduate of Georgetown University and Emory University School of Law.

Ms. Lee currently serves as the Deputy Director of the U.S. Patent and Trademark Office. She previously was the first director of the Silicon Valley satellite office of the PTO, and has served on the PTO's Public Patent Advisory Committee. Prior to joining the Office, Ms. Lee was Deputy General Counsel and Head of Patents and Patent Strategy at Google. She earned an advanced degree in electric engineering and computer science from M.I.T. and her law degree from Stanford Law School. I welcome both witnesses and look forward to working with Senator Grassley to consider your nominations.