STATEMENT OF

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BEFORE THE

SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, ARTIFICAL INTELLIGENCE AND THE INTERNET
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"Oversight of the U.S. Patent and Trademark Office"

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I. Introduction

Chairman Issa, Ranking Member Johnson, Chairman Jordan, Ranking Member Raskin, and Members of the Subcommittee:

Thank you for this opportunity to discuss the operations, programs, and initiatives of the United States Patent and Trademark Office ("USPTO" or "Office").

The USPTO advises the President, through the Secretary of Commerce, on a full range of national and international intellectual property (IP) issues, including patents, trademarks, copyright, trade secrets, and IP enforcement. As the Department of Commerce's "Central Bank of Innovation," every patent or trademark we put into circulation is a potential job, a new business, a competitive advantage, an investible asset and represents an innovator bringing a new concept to the marketplace of ideas and into the real economy, into the real world. IP is a critical engine, powered by American ingenuity that propels our economy, protects the products or our irrepressible imagination around the world, and is a fundamental reason why our great Nation is a global leader in innovation and entrepreneurship. Indeed, a just-released edition of an International IP Index evaluating 55 economies across 53 indicators and providing comprehensive and real-time indicator of how intellectual property systems function around the world, ranks the U.S. first globally, with an overall score-range of approximately 95%. That outcome reveals something remarkable about the American innovation system: Investors invest when the rules are clear, entrepreneurs take risks when the law affords predictable-outcomes and innovators get in the game when they know their ideas will be protected.

I am honored to be here with you today to provide the Subcommittee with an overview of the USPTO's recent activities and accomplishments, and to share the advancements that the USPTO has implemented since the start of the Trump Administration in pursuit of this goal. Under the umbrella of the USPTO, America's Innovation Agency, lay two foundries, America's Invention Agency for patent protection, and America's Branding Agency for trademark protection, as well as the Office of Under Secretary, my office, serving as a policy arm.

None of the USPTO's work is possible without the dedication and hard work of the USPTO's highly educated and talented workforce. You often heard me remark, 'they are the best in the world at what they do' because they are. They are talented, well-educated and dedicated. Even in the face of recent challenges – including the 43-day government shut down, where America's Innovation Agency, being user fee-based, and running efficiently on reserve funding, of course did not shut down, but indeed, went into over-drive to express appreciation of our stakeholders. The USPTO continues to build, retain, and effectively manage the nationwide workforce it needs to uninterruptedly, thanks to you, serve the public and stakeholder community.

Indeed, none of this would be possible without the fee authority so thoughtfully provided to the USPTO, and we are pleased and appreciate that Congress continues to provide us with the authority to spend all anticipated fee collections. This provides the financial agility and resources we need to continue reducing the patent and trademark application backlog, shortening patent and trademark pendency, improving patent quality, protecting the integrity of the trademark register, making our patent and trademark systems more accessible by fostering participation and engaging with inventors where they are, engaging effectively internationally, and investing in artificial intelligence (AI) to improve examination and our information technology (IT) infrastructure.

Since the enactment of the Leahy-Smith America Invents Act (AIA), USPTO's fee setting authority has allowed the agency to more efficiently set user fees to recoup its operational costs. In 2018, Congress extended the USPTO's fee setting authority for eight additional years to 2026. The USPTO ranks atop international IP indexes because Congress' foresight to enact this construct affords stakeholders and innovators confidence in agency operations.
We look forward to working with the Committee this year to ensure that the USPTO maintains this authority, and maintains its global leadership position.

The following provides an overview of some of our key programs and initiatives.

II. America's Invention Agency: Patent "Foundry" Operations and Initiatives

Patent Pendency and Backlog

The timely issuance of patents helps inventors, investors and the U.S. economy grow through catalyzing capital formation, creating jobs, incentivizing commercial research and creating

confidence to invest in long-term innovation.

The USPTO received approximately 475,233 serialized patent applications (new patent filings) in fiscal year (FY) 2025, which represents an increase of 2% over the number received in FY 2024. Despite this growth, the USPTO made significant gains in addressing the backlog of unexamined applications since the beginning of the current Trump Administration. The USPTO successfully reduced the backlog from an all-time high of almost 838,000 applications in January 2025, to 788,229 at the end of FY 2025. For FY 2026, the USPTO is targeting an ambitious, but attainable, reduction in the unexamined patent application inventory, resulting in an end of fiscal year inventory of approximately 688,000.

In terms of processing patent applications, the average time to first office action (first action pendency) has grown from 20.5 months in January 2025 to a current level of 22.2 months in February 2026, and our goal is to reduce that number to 20.2 months by the end of FY 2026. Average total pendency has grown from 26.2 months in January 2025 to a current level of 27.9 months in February 2026, and our goal is to maintain that number at less than 28.1 months through the end of FY 2026. These increases in first action and total pendency are expected because, in the past year, the USPTO has directed its examination resources at the oldest cases in our inventory in order to drastically decrease the volume of our oldest pending applications. The USPTO has set a goal to address the oldest eighty thousand cases in the unexamined inventory. To date, roughly 70% of that pool of cases have received action. By year end, we expect that 100% of this goal will be achieved. This increased output from that portion of the inventory has and will continue to lead to temporary increases in first action and total pendency. However, we expect this growth to plateau and begin decreasing shortly thereafter.

Patent Quality

The USPTO is focused on creating patents that are “born strong” through ensuring that patents are high-quality, valid and robust on issuance, reducing the risk of later litigation or post-grant challenges. Reinvigorating the reliability of patents from issuance increases certainty, thereby enhancing trust in the patent system which fosters investment, boosts U.S. competitiveness and supports economic stability. Our most recent effort includes building a bridge between the Patent Trial and Appeals Board (PTAB) and Patents based on collaborative learning from post grant proceedings. We continue to hone performance standards ensuring employee accountability and rewarding high performance through incentive programs. Patent applicants and the public should be confident that similarly situated applications receive comparable treatment and interpretation of patent law, regardless of the examiner. Leveraging statistics, attention is being afforded to areas with the greatest risk of inconsistency ensuring that quality-enhancing resources are deployed. These efforts reduce variability of outcomes and reinforce confidence in the strength and reliability of issued patents. We continue to prioritize the modernization of examiner tools such as leveraging AI to assist in the identification of the most relevant prior art as early as possible during examination for gains in both efficiency and quality. Further, the USPTO

continues to hone the accurate measurement of our improvement progress through a detailed, Quality Metrics approach.

AI in Patent Examination

The USPTO has been actively leveraging artificial intelligence in the patent examination process and is pursuing new opportunities with AI to enhance efficiency and improve quality. The USPTO takes a human-in-the-loop approach by designing outcome-driven systems to reduce pendency, and lower costs, while emphasizing a continuous focus on ensuring patents are "born strong." The earliest operational use of AI for patent examination began in 2021 with the launch of an autoclassification system for patent classification, the release of the AI-powered More Like This Document search tool later that year, and the implementation of the AI-powered Similarity Search in 2022. Now, the USPTO is accelerating delivery of new AI tools for patent examination with several major changes implemented over this past year: in July 2025, use of these AI patent search tools was made mandatory for every patent application; in August 2025, the USPTO deployed new specialized AI tools to support image-based search for Design Patent applications; and, in February 2026, three new enhanced tools for Similarity Search were deployed.

The USPTO is also focused on using AI to support patent applicants as well. To that end, the USPTO launched the Artificial Intelligence Search Automated Pilot (ASAP!) Program in October 2025. This pilot uses the internal AI patent search tool to automatically generate a list of potential prior art references for each participating patent application. This list is communicated to applicants at an early stage of prosecution to provide them with the opportunity to assess the patentability of their claims prior to substantive examination. ASAP! will run through April 20, 2026, and we will use the results of the pilot to inform our next steps to directly support applicants with AI. In addition to patent search, the USPTO is also developing AI tools to support all aspects of the patent examination process including document quality control on millions of documents per year, patent document classification, AI virtual assistants, Office action creation and review, and increased automation in publishing patent pre-grant publications and patent grants. Examples of how the usage of AI at the USPTO has contributed to better efficiencies include: (1) reduced contract dependencies; and (2) increase in the frequency of foreign prior art being made of record, which strengthens patent quality. The USPTO anticipates that opportunities to leverage AI will be continuously deployed throughout the remainder of FY 2026 and beyond.

Design Patents

The United States has historically lagged behind other countries in protecting digital designs, such as graphical user interfaces and computer icons, leaving U.S. businesses unable to protect their innovations in this increasingly important commercial market. On March 11, 2026, I signed a new guidance document that clarifies that a digital design is eligible for design patent protection in the United States so long as it is a new, original, and ornamental design for an

article of manufacture—such as a computer display screen. The effort to address this gap in design coverage has been underway for almost six years, since December 2020, when the USPTO issued request for information on the topic. I am proud that we finally carried it across the finish line.

Stopping Patent Fraud

Congress passed the Unleashing American Innovators Act of 2022 (UAIA), which provides the USPTO authority to assess penalties for false fee assertions or certifications. These false assertions and certifications of small and micro entity status enable an entity to receive discounted fees which unjustly diminish the resources of the USPTO and shifts costs onto other applicants. In 2025, the USPTO established the Patent Fraud Mitigation Unit (PFMU) to combat improper activities that violate USPTO rules and procedures and to detect and mitigate fraudulent activities in patent matters that impact operations and stakeholders, including identifying applications where entity status appears improper, notifying the entities of the determination, collecting fee deficiencies, and when appropriate, assessing penalties in accordance with UAIA. The PFMU also investigates instances of signatures being entered on official correspondence by someone other than the signatory, and when a falsified signature has been presented, issues sanctions under 37 CFR § 11.18(c). The PFMU counters unauthorized representation in patent matters by reviewing applications for unregistered individuals preparing and filing papers in patent applications (e.g., amendments) in violation of USPTO rules and refers these individuals to the Office of Enrollment and Discipline after taking appropriate action in the patent application. Finally, the PFMU addresses the filing of spurious patent applications by filers who file high volumes of patent applications without paying fees and that have no intent to pursue patent protection. Processing of these applications is a significant waste of USPTO resources.

Patent Trial and Appeals Board (PTAB)

AIA Trial Filings and Ex Parte Appeals

As established by the AIA, the PTAB is a tribunal within the USPTO that, if requested, reviews (*ex parte* appeals) final rejections of patent applications made by patent examiners during prosecution and decides patentability questions for issued patents raised by third parties in *inter partes* reviews (IPR) and post-grant reviews (PGR) (AIA trial proceedings).

In FY 2025, the USPTO received more than 1,400 AIA petition filings and issued more than 1,200 decisions on institution and almost 400 final written decisions without missing any statutory due dates. At the end of FY 2025, the inventory of *ex parte* appeals was approximately 3,100 appeals, with a maximum pendency of 12 months, absent a few exceptions.

Improvements to Post-Grant Proceedings

The USPTO has made several significant improvements to AIA trial proceedings during the past year to better align the Office with the AIA's statutory framework and Congressional intent of creating a faster, cheaper alternative to district court litigation.

Historically, the Director delegated the decision to determine institution of trial to PTAB judges, who addressed both discretionary considerations and merits. This initial operational choice, while well intentioned, over time led to distortions raising structural, perceptual, and procedural concerns – particularly with a consistent application of the legal standard that became inconsistent with the AIA's design, clear language, and intent which affected among other things, the public's rightful expectation of impartiality. At the beginning of the Trump Administration, evaluating discretionary considerations was returned to the Director thereby leaving the determination as to whether a petition should be discretionarily denied with the Director. These changes streamlined patent challenges and reduced litigation costs. Under this new process, over 1,000 requests for discretionary denial have been decided. In October 2025, additional changes were implemented — for petitions that were not discretionarily denied, merits determinations would also be made by the Director. To date, over 100 such determinations have been made.

Returning all aspects of the decision to institute to the Director (Director institution process) has resulted in several benefits. First, it has promoted the consistent application of the discretionary considerations for institution of IPRs and PGRs, which has allowed the public to make informed decisions about whether or not to challenge a patent at the PTAB and whether to file an IPR or PGR. As to institution decision merits, the Director institution process has allowed the Office to consistently apply the reasonable likelihood standard for IPRs and the more likely than not standard for PGRs. These changes have also allowed our PTAB judges to focus on the trial and the legal and technical issues involved in a patentability determination, rather than policy issues. In order to provide guidance to the public, the Director has issued opinions in select cases in order to highlight noteworthy or novel issues and practice points, including a significant change in design patent law and settled expectations for a petitioner. The process also has the added benefit of removing the perception that judges were instituting trials to increase their own workload. Despite the lack of data supporting such an assertion, such a perception undermined confidence in AIA proceedings. In addition, in connection with the Chief PTAB Judge, we are convening comprehensive training to be administered by academic and former industry attorneys on the relevant standards, for all judges and relevant personnel in the Office of the Under Secretary, including the Director, Deputy Director, and General Counsel to ensure consistency and better uniformity of application.

Over the next three months, the USPTO also will be engaging with stakeholders on high-interest topics pertaining to the PTAB, including how PTAB policies and practices affect the life sciences and high-tech sectors, as well as general issues related to PTAB administration and

potential reform. To do so, the USPTO is convening three separate listening sessions, which will host expert panels comprised of ranging viewpoints. The USPTO will use the feedback generated by these listening sessions to identify areas of concern and potential solutions. Second, the Director institution process has enabled the PTAB to reallocate its resources to ensure that the USPTO is providing timely *ex parte* appeals decisions to our stakeholders. In fact, we have seen a significant reduction in *ex parte* appeals pendency – from an *average* pendency of 14 months in early 2025, to a *maximum* pendency of 12 months by the end of 2025. The PTAB expects to reduce maximum pendency to 9 months by the end of September 2026.

Third, the USPTO has used the Director institution process to promote early challenges to patent validity, which helps ensure that U.S. patents are "born strong." This increases investment, commercialization, and job growth, and, importantly, fosters more innovation. The changes implemented reinforce the USPTO's focus on protecting patent owners' investments in commercialization, licensing, and marketing products tied to a particular patent. The changes also provide patent owners with some form of quiet title and allow patent owners, who spend resources on prosecuting a patent, to rely on the patent issued to them.

Importantly, the process has highlighted instances in which the USPTO made an apparent error during the front-end examination process and has allowed the Office to correct errors on the back end, as the AIA intended. The USPTO recently implemented a training series between PTAB and Patents—Learning from Outcomes to Optimize Patents (LOOP) —that highlights examples of potential examination error and uses them as learning moments. These provide opportunities for improvement in patent examination, establishing a robust feedback loop from PTAB to patent examination.

Additionally, the Office has implemented an option for petitioners to provide the USPTO with a voluntary Search Disclosure Declaration that includes a short explanation of the databases, repositories, search fields, filters, or general query approaches used to locate the prior art asserted in an IPR or PGR petition. This practice offers another optional way for a petitioner to support institution considerations and strengthen examination by identifying new or underutilized pathways relevant to patent examiners' search practices.

Further, the Office has observed that many of the most frequent users of IPR and PGR proceedings are large companies that have stated in public financial disclosures that they do not have a significant, existing manufacturing presence in the United States, nor are they taking concrete steps to invest in American manufacturing. This raises a legitimate question about whether the current institution framework appropriately weighs the interests of entities that invest in domestic production. To assist the Office in gathering data about the extent to which AIA proceedings give a tactical advantage to companies that neither manufacture the accused products in the United States, nor are making American manufacturing investment, the Office provided guidance which encourages parties to identify the nexus between the accused product and their manufacturing investments in their discretionary briefing.

Building on these improvements, the Office has issued a notice of proposed rulemaking that makes amendments to 37 CFR § 42.108. The amendments refine the PTAB's institution practices for IPRs to reduce duplicative and serial challenges, preserve APJ capacity for *ex parte* appeals, and increase predictability in the patent system. The USPTO received 2,853 unique comments on the proposed rule and is currently reviewing these comments as part of the rulemaking process.

Finally, because innovation is a key driver of U.S. economic competitiveness and national security, it is important for the Office to know who, exactly, is filing petitions for IPR and PGR. The PTAB's original practices required a petition for IPR or PGR to identify all real parties in interest (RPI) before the PTAB could consider the petition. Over time, PTAB precedent developed and changed that practice, concluding that no RPI analysis was necessary before institution absent some allegation of a time bar or other estoppel issue based on an unnamed RPI. Last year, we de-designated that later precedent and restored the Office's practice of requiring a petition to identify all RPIs for it to be considered for institution. The original practice provides a better interpretation of the AIA and more adequately accounts for important policy considerations, such as national security considerations. For example, companies posing national security threats—including Yangtze Memory Technologies Co. Ltd, DJI, Huawei, Semiconductor Manufacturing International Corp., and TikTok—have filed a substantial number of IPRs, and if those companies were treated as a single petitioner, they collectively would be among the top 10 IPR petitioners from 2019–2024. Furthermore, the original practice allows the Office to manage conflicts of interest and ensure estopped parties are excluded from AIA trial proceedings.

Fee Setting Authority

The USPTO's fee setting authority, as established in 2011 by the AIA, permits the agency to set and adjust fees to ensure that the USPTO fulfills its statutory missions and maintains long-term financial sustainability. To date, the USPTO has used its AIA fee-setting authority eight times, most recently with both Patent and Trademark adjustments that went into effect in January 2025.

The USPTO's fee structure is complex. Fee setting authority is one of the most important risk mitigation tools the Office uses to maintain financial sustainability and meet agency mission requirements. The USPTO prepares budget forecasts annually and performs a deep analysis of fee rates and unit costs every two years. As a responsible steward of its fees and fee setting authority, the USPTO will continue to regularly review our operating budgets and long-range plans to ensure the prudent use of USPTO fees. Any proposed fee changes will undergo a thorough assessment, including whether changes sustain a dynamic patent system that bolsters innovation, protects inventors, and benefits the American economy.

However, absent Congressional action, the USPTO's fee setting authority under section 10 of the

AIA will expire on September 15, 2026. Fee setting authority ensures the Office has the resources required to address priorities, such as reducing patent pendency and responding to the public's demand for patents. If it were to expire, USPTO is at risk of fee schedules becoming stagnant and not performing as desired to address changes in the economy or cost profile. The USPTO looks forward to working with the Committee this year to ensure that the Office maintains this important authority.

III. America's Branding Agency: Trademark "Foundry" Operations & Initiatives

The USPTO registers marks (trademarks, service marks, certification marks, and collective membership marks) that meet the requirements of the Trademark Act. Federal trademark registration provides important benefits to trademark owners that help them to enforce rights in their mark against unauthorized users and to enlist the help of U.S. Customs and Border Protection to exclude counterfeit goods from importation.

Trademark Pendency

The USPTO's Trademarks Organization (Trademarks) is guided by the strategic goal to optimize trademark quality and timeliness. Average first-action pendency — the time from filing to the initial examination — is at 4.5 months, down from a high of 8.5 months in 2023. Average disposal pendency – the time from filing to abandonment or registration -- is down to 10.2 months from a high of 14.7 months in 2023. Through a combination of improving application forms, increasing examining attorney output, and incorporating AI and automation, the USPTO is making progress in bringing down the unexamined inventory and expects to make even more progress in the coming months.

To increase examination efficiency, the USPTO, in January 2025, updated Trademark Center with "smart" application forms and implemented a fee rule that incentivized more complete incoming applications. Since then, complete applications increased from 66% to 83%; the length of identifications of goods and services decreased; and first action pendency decreased from 6.1 months (as of December 2024) to 4.5 months currently. Additionally, we saw increases in production output from our examining attorneys due to process improvements through IT enhancements, automation, AI, simplifying first office action drafting, hiring examining attorneys, and incentive awards.

Over the last two fiscal years, USPTO has seen a 19% increase in productivity on new trademark application examination. The Trademarks Organization examined 146,708 more first action application classes in FY25 than in FY23.

The Accuracy of the Trademark Register and Fraudulent Trademarks

In 2018, Trademarks began to see an increase in suspicious filings from China. Since then, scams

have proliferated in number and sophistication, targeting entrepreneurs as well as the USPTO. In particular, customers contacting TMScams@uspto.gov share that they get duped by low-cost trademark registration services that turn into high pressure demands from USPTO impersonators for unnecessary fees, services, and attestations through fake USPTO payment portals. USPTO received 13,200 scam victim emails in FY25, up from 4,800 in FY24.

Protecting the integrity of the U.S. patent and trademark system is of the utmost concern to the USPTO. The USPTO created a fraud detection and mitigation group in the Trademarks Organization in 2020 due to a rise in suspicious filings. The USPTO launched a series of initiatives designed to lock down the filing system, invalidate filings that violate USPTO rules, and raise awareness of scams. These initiatives included requiring US counsel for foreign domiciliaries, requiring identity verification of USPTO.gov accounts, requiring form authorizations, implementing Trademark Modernization Act reexamination and expungement nonuse proceedings, and establishing an administrative sanctions program that terminates invalid applications and registration proceedings and shuts down bad actor accounts.

In its effort to combat fraud, the USPTO has disciplined U.S.-licensed attorneys found to have violated USPTO's Rules of Professional Conduct related to scams; shut down 970 USPTO.gov customer filing accounts; invalidated tens of thousands of applications and registrations for rule violations; enforced USPTO trademark registrations against 500 domain names used to impersonate the USPTO and scam customers; thwarted attempts to hijack applications and registrations by blocking access to certain filing forms and shutting down USPTO.gov accounts; denied serial numbers and filing dates to nearly 8,000 applications where there is unambiguous evidence of fraud that results in a failure to meet minimum filing date requirements; cancelled nearly 100,000 goods and services in reexamination nonuse cancellation proceedings; and worked with other federal agencies and organizations to get the word out about trademark scams and support law enforcement investigations.

AI in Trademark Examination

Trademarks is incorporating AI tools into the application filing and examination lifecycle. The first project launched in February 2026. Trademark Center now uses real-time AI to fill in certain administrative data that assists in searching applications. This allows newly filed marks to appear in search results much sooner. Previously, this data was not available until it was added manually. The AI tool adds design search codes for marks that include a visual design, international classes when an applicant has not specified a class, and pseudo marks (alternate spellings and variations) to improve text searches.

Later this spring, Trademarks will add a feature in Trademark Center so that an applicant for a mark containing a design element can opt-in to have AI provide a description of the design element in the mark. If there is color in the mark, the tool will suggest the applicant make a claim. Soon after that, the USPTO plans to offer an AI image search tool for customers to use

when searching images in Trademark Search. This will allow customers to search more effectively for confusingly similar images, potentially preventing them from spending money on an application that was likely to get refused due to a pre-existing design. Breathtakingly, in robust testing, this tool provided what previously took over 5 months to complete for classifications, now 5 minutes or in certain cases, 5 seconds.

Additionally, the USPTO continues to seek AI solutions to address fraudulent filings, including a possible automated USPTO.gov account monitoring tool that would identify anomalous filing behavior as well as an AI tool to predict the risk that an incoming filing might be part of a widespread scam. Furthermore, the USPTO continues to evaluate other AI use cases in examination and support functions to increase efficiency and optimize processes.

AI creates opportunities as well as challenges, and Trademarks is exploring ways to counter AI misuse. One such issue is the unsupervised use of AI in trademark submissions. Another emerging issue is the use of AI deepfakes to impersonate celebrities and athletes. The USPTO is creating an outreach plan to educate the public about how the trademark system can be useful in protecting name, image, and likeness from unauthorized uses.

IV. OUS "Policy Arm" Domestic and International Intellectual Property Policy

The USPTO plays a leading role in promoting strong and balanced protection and effective enforcement of IP at home and abroad. In particular, the USPTO "advise[s] the President, through the Secretary of Commerce, on national and certain international intellectual property policy issues," and advises "Federal departments and agencies on matters of intellectual property policy in the United States and intellectual property protection in other countries."

101

Section 101 of Title 35, United States Code, sets forth broad statutory categories of patentable inventions: "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." These thirty-six words, deceptively simple yet profoundly expansive, unlock the door to patentability. Those categories were written deliberately broadly to endure and to accommodate technological revolutions unforeseen by the drafters—just as their words encompassed the telegraph, the telephone, and the airplane, so too must they encompass the blockchain, quantum processors, and diagnostic algorithms.

Though the Supreme Court rightly recognized judicial exceptions to patentability—laws of nature, natural phenomena, and abstract ideas—those exceptions are narrow and limited. Indeed, patentable subject matter was once summarized as "anything under the sun made by man." That principle is not a relic—it should remain our guiding principle today. The expansiveness of Section 101 is not a flaw; it is a feature. To that end, the USPTO has been actively engaged in efforts to restore clarity and fidelity to the statutory text of Section 101.

On my first full day confirmed as Director, my first official act was to sign into issuance two patents—one in the field of distributed ledger/crypto technologies and another in medical diagnostics, recognizing the importance of such critical technologies. That same week, I authored an Appeals Review Panel decision, *Ex parte Desjardins*, which I also designated as precedential to ensure the case reasoning binds all examination and appeals activity. *Desjardins* addressed the subject matter eligibility of an improved method of training a machine learning model to address "catastrophic forgetting"—a concrete, technical improvement to how computers function. This decision provides the framework for the "something more" that *Alice* instructs us to look for—or as I like to call it, "Something Morse," in honor of Samuel Morse's eligible Claim 5 for the telegraph.

The decision also reaffirmed that 35 U.S.C. §§ 102, 103, and 112 are the traditional and appropriate tools to limit patent protection to its proper scope. The USPTO recently published a Memorandum on Advance Notice of Change to the Manual of Patent Examining Procedure in Light of *Ex Parte Desjardins*—to ensure current guidance is readily available to patent examiners and the public. Additionally, the Office issued guidance to examiners in software-related arts, including AI and Machine Learning, reminding them of particular provisions in the MPEP to guide them in evaluating eligibility under Section 101. The USPTO has also issued guidance on the use of Subject Matter Eligibility Declarations (SMEDs) to aid patent practitioners, patent applicants, and examiners in clarifying the record and assessing the eligibility of a claimed invention through objective evidence. The USPTO recently held training sessions with the examining corps to make certain that the recent guidance is applied in a consistent manner and is planning additional training throughout this year to provide examiners with a comprehensive overview of the USPTO's examination guidance. To ensure transparency and public engagement, the Office also held a USPTO Hour that was open to the public.

The USPTO also takes steps to ensure that its litigation efforts reflect this inclusive view of Section 101. In particular, in the rare occurrence the agency has erred in rejecting a patent application claim that recites a patent eligible improvement to the functioning of a computer or an improvement to other technology or a technical field, the USPTO has taken the affirmative step of seeking a remand in an appeal of the decision to correct it. The USPTO has also intervened in an appeal of an AIA proceeding to defend agency decisions finding claims patent eligible. Along with the Solicitor General, the USPTO has also repeatedly identified to the Supreme Court the uncertainties in applying the two-step test for determining patent-eligible subject matter under *Alice Corp. v. CLS Bank International*, 573 U.S. 208 (2014).

I have also convened an internal Section 101 working group to ensure that the agency speaks with one voice on these issues, be it in examining patent applications, deciding matters on appeal at the PTAB, or advocating on behalf of the agency in the Courts, to ensure that Section 101 is applied with fidelity to the statute and in service of American innovation and national security. Patent eligibility is not an abstract legal debate—it is a matter of jobs, investment, competitive

advantage, and global leadership. The USPTO is America's Central Bank of Innovation and every piece of IP we put into circulation is a potential job, a new business, and an investible asset.

Artificial Intelligence Policy

AI is rapidly reshaping innovation across sectors, from healthcare and finance to advanced manufacturing, and national security. Effective IP policy is essential to ensure that AI-driven inventions are protected, with clear and balanced IP frameworks that promote legal certainty for innovators and business navigating emerging technologies. For example, in November 2025, the USPTO issued revised inventorship guidance specific to AI-assisted inventions. The revised guidance provided certainty by making clear that the same legal standard applies for all inventions regardless of whether AI was used. In furtherance of my AI IP policy agenda, I established a new AI Policy Working Group (AIPWG) made up of AI policy experts across the USPTO. The AIPWG objectives include: (1) reporting on USPTO IP policy issues, programs, and initiatives; (2) tracking pending AI legal policy issues and initiatives; and (3) identifying future and emerging AI IP Issues.

The AIPWG is also instrumental in driving US AI policy in the myriad of multilateral IP fora that we participate in including the World Intellectual Property Organization, the G7, the IP5 Cooperation (a cooperation of the USPTO, the European Patent Office, the Japan Patent Office, South Korea's Ministry of Intellectual Property and the China National Intellectual Property Administration), and the Trilateral Cooperation (a cooperation of only the USPTO, the European Patent Office, and the Japan Patent Office). In October 2025, the USPTO hosted the 43rd Trilateral Conference, where the participating Offices agreed to create a Trilateral AI Working Group to collaborate on an AI Vision and shared AI IP goals.

Standard Essential Patents

Standards form the backbone of the modern economy. From the telecommunications networks that connect us to the AI systems that will define our future, voluntary technical standards enable interoperability, create markets, and unlock innovation. Standards shape market access and competitive dynamics. Therefore, early and sustained participation is critical to U.S. leadership in emerging technologies and national security. These standards do not appear out of thin air. They are built on the back of billions of dollars in R&D, sleepless nights in laboratories, and the investment-based risk-taking of American inventors. And they are built on patents. As the Director of the United States Patent and Trademark Office—the Department of Commerce's Central Bank of Innovation—I view Standard-Essential Patents (SEPs) not merely as legal instruments, but as critical assets in our nation's economic arsenal.

When American innovators contribute their best technologies to a standard, they are making a trade. They accept the burdens of fair, reasonable, and non-discriminatory (FRAND) licensing in exchange for the incorporation of their technology into the standard. Yet, the SEP ecosystem has become increasingly hostile to innovators. There has been a rise in "efficient infringement,"

where infringing a patent is treated as a business strategy rather than a violation of property rights, which undermines the very foundation of our patent system. To counter this erosion and ensure that American inventors—whether they work for Fortune 500 companies, small startups, or universities—can obtain meaningful protection, I have established the USPTO's Standard-Essential Patent Working Group in December 2025.

This Working Group, which reports directly to me, has three core objectives: (i) restoring robust remedies for patent holders so that valid patent rights, including SEPs, receive strong, predictable enforcement that preserves incentives to innovate; (ii) facilitate meaningful participation in standards development by incentivizing and enabling broader U.S. engagement in standards development organizations, especially by small and medium-sized enterprises, universities, and non-profits; and (iii) to engage stakeholders and promote transparency around SEP licensing by creating channels for dialogue with patent holders, implementers, standards bodies, and others to surface challenges and identify solutions, and by developing resources to increase predictability in SEP licensing negotiations and standards development. We are working to facilitate meaningful standards participation by American companies and encouraging small and medium-sized enterprises to take a seat at the table through initiatives like our forthcoming SPARK Pilot Program. Smaller entities often possess technical expertise, but lack the resources to sustain participation in standard-development organizations (SDOs). These constraints frequently prevent meaningful engagement and can leave critical U.S. voices and innovations underrepresented as future standardized technologies are defined. To address that gap, on January 13, 2026, the USPTO announced the Standards Participation and Representation Kudos (SPARK) Pilot Program. The program will offer a limited number of acceleration certificates to eligible U.S. entities that make technical contributions to SDOs or otherwise meaningfully participate. The certificates will be redeemable at the USPTO for expedited examination of patent applications or expedited appeals before PTAB, providing tangible value to offset the time and resources invested in standards work, encouraging broader U.S. participation, and reinforcing both stronger, more predictable patent enforcement and wider representation in standards development.

Injunctive Relief

Under my leadership, the USPTO has moved from the sidelines to the front lines of litigation. We are intervening to ensure that courts and the United States International Trade Commission (USITC) understand the economic reality of patents: a patent is a property right, and the fundamental attribute of a patent is the right to exclude. Without the ability to enjoin or stop an infringer with an injunction, a patent is merely a suggestion—a request for a compulsory license at a price determined by courts, not markets.

In the past year, working shoulder-to-shoulder with the Department of Justice's (DOJ) Antitrust Division, we have filed Statements of Interest to reaffirm these truths. In *Radian Memory Systems v. Samsung,* No. 2:24-cv-1073 (E.D. Tex. June 24, 2025) in the Eastern District of

Texas, we made clear that the incentive to innovate is undermined when preliminary injunctions are unduly limited and irreparable harm is common in patent cases precisely because patents are unique assets that are hard to value. We explained that damages alone are often insufficient to capture the loss of market position, reputation, and the "first-mover" advantage that innovation provides. When a court denies an injunction, it often ignores the complex reality of the innovation economy. We followed this with a filing in *Collision Communications v. Samsung*, No. 2:23-cv-0587 (E.D. Tex. Aug. 26, 2025), where we again joined the DOJ Antitrust Division to explain that unduly limiting a patentee's ability to seek injunctive relief undermines the very competition antitrust laws seek to protect.

Perhaps most critically, in the *Certain DRAM Devices* investigation at the USITC, the USPTO filed its first-ever public interest comment where we addressed the misconception that enforcing patents is somehow contrary to the public interest. We stated unequivocally that the public interest is best served when valid U.S. patent rights are fully and effectively enforced. Without the exclusive rights that patents secure, breakthrough innovations would remain stranded in laboratories and workshops rather than reaching consumers through competitive markets.

International Activities

The USPTO, in its advisor role to the Secretary of Commerce on intellectual property, continues to play an important role in ensuring a strong intellectual property climate for business across the world. The USPTO, in cooperation with the Department of State (State), is active in engaging with counterpart intellectual property offices and governments in ensuring the World Intellectual Property Organization (WIPO) successfully advances its mandate of promoting the protection of intellectual property. The global intellectual property system must continue to address new issues that arise as technology advances at lightning speed. We are actively driving the global intellectual property system forward and ensuring American business can protect their intellectual property assets as they compete abroad. In doing so, it is critical we do not burden our global IP systems and framework, such as the Patent Cooperation Treaty (PCT) system, with burdensome requirements that do not relate to fundamental patentability questions. The USPTO remains active and engaged at WIPO and other international forums to ensure that the global IP system that enables U.S. businesses to successfully protect their critical IP assets.

The USPTO's other international activities include the promotion of global IP norms and understandings and technical assistance for foreign governments and U.S. stakeholders, primarily through the USPTO's Global Intellectual Property Academy (GIPA). In FY 2025, the USPTO conducted 77 training programs through GIPA, serving over 3,800 individuals. Approximately 90% were patent, trademark, and copyright officials, prosecutors, police, customs officials, and policy makers from the United States and 45 other countries, including intergovernmental organizations. Approximately 10% of all attendees were representatives of U.S. small and medium-sized enterprises, IP practitioners, and IP owners and users.

The USPTO continues to work for the advancement of global IP harmonization in order to

simplify and streamline processes, improve quality, and save costs. One of our key initiatives in this respect is the Accelerated Patent Grant (APG) Program. Under this program, an applicant who has received a U.S. patent may request a partner office to grant its national patent on a corresponding application that is pending in that office, on the basis of the issued U.S. patent. The partner office issues the national patent without conducting a substantive examination of the corresponding application, instead relying on the search and patentability analysis carried out by the USPTO. The partner office does, however, ensure that granting the patent is appropriate subject to the relevant national laws of that country, for example, subject matter eligibility. As of February 2026, the USPTO has nine such programs in place, the most recent ones being entered into with the IP offices of Belize, Guatemala, and the United Arab Emirates in July 2025. Discussions with other potential partner offices are ongoing as part of USPTO's larger international engagement strategy

With respect to promoting IP policies, the USPTO, along with the International Trade Administration (ITA), has been robustly participating in U.S. government-wide trade policy discussions to improve international IP protections and enforcement practices available to U.S. rights holders. These include bilateral, regional, and multilateral negotiations and dialogues, as well as annual country review processes such as Special 301, which is a congressionally-mandated annual review of the state of IP rights protection and enforcement in U.S. trading partners around the world.

IP Attaché Program

The IP Attaché Program is an important asset that supports the USPTO's efforts to promote strong and balanced protection and effective enforcement of IP rights abroad. The attachés' fundamental role is to advocate for U.S. IP policy positions for the benefit of U.S. stakeholders with governments in the host region; educate foreign government officials on IP matters, including judges, prosecutors, patent and trademark examiners, customs officials, police, and policy makers; assist U.S. stakeholders with IP concerns in the host country or region; build grass-roots support for U.S. policy objectives by conducting public awareness programs on IP with embassy teams; and provide technical expertise to assist embassy officials with IP issues. The USPTO currently has fourteen IP attachés serving in U.S. embassies and consulates in Belgium, Brazil, China, India, Mexico, Peru, Thailand, Ukraine, the United Arab Emirates, the U.S. Mission to WIPO, the World Trade Organization, and South Africa, where most of these attachés cover a broader region. We partner with other agencies to operate the program overseas, including ITA, State, and the Office of the U.S. Trade Representative.

The IP attachés have proven to be effective advocates for U.S. IP in overseas markets and the USPTO appreciates Congress's strong support of this program. The USPTO will continue to work with its interagency partners to expand the program and ensure that their contributions continue to serve and advance American interests abroad.

China-Related Activities

The IP landscape in China remains an area of concern, including the prevalence of bad faith misappropriation of trademarks, infringement of patents, excessive government involvement in licensing transactions, and theft of trade secrets. To assist American businesses in navigating the challenging IP climate in China, the USPTO has delivered a series of China IP Roadshows and webinars, which inform rights holders about the most effective ways of protecting and enforcing their IP in China and here in the U.S. Since 2017, the USPTO has provided road shows to more than 35 cities and has held 20 webinars on specific topics ranging from using design patents, trademarks and copyrights to protect innovative products to a regular series highlighting updates on Chinese IP legislation and how it may impact American businesses pursuing IP protection in China. The next road show will be held at the USPTO headquarters in Alexandria, Virginia on April 16, 2026.

In addition, the USPTO is highly engaged with the broader U.S. government-wide efforts to address threats posed by China, including by advising and coordinating with other U.S. government agencies on strategies to promote U.S. IP policy and combat China's efforts to influence IP policies in jurisdictions across the globe. In particular, the USPTO is focused, along with our law and border enforcement colleagues, in combatting counterfeits, the vast majority of which come from China.

V. Outreach and Engagement

At the highest level, the USPTO promotes American innovation through IP, across all geographic regions of the United States and across all demographics. The USPTO has established several new programs as well as expanded and/or improved existing programs to fulfill this mission.

Outreach Model

The USPTO is actively working to better serve the local innovation economies throughout the United States and its territories from our Regional Outreach Offices. Our headquarters in Alexandria serves the Northeast Region and, pursuant to the UAIA, the USPTO also opened the new Southeast Regional Outreach Office at headquarters. Three additional Regional Outreach Offices are located in Detroit, Michigan (serves the Midwest Region); Dallas, Texas (serves the Southwest Region); and San Jose, California (serves the Western Region). Among other things, these offices serve as hubs for IP outreach and education efforts and provide inventors, small businesses, and entrepreneurs easier access to USPTO personnel and resources, including walk-in services to obtain general IP information; work stations for searching patents and trademarks; a hearing room to host PTAB proceedings; and interview rooms to connect applicants to examiners across the country. In FY 2025, our regional offices met with over 52,000 stakeholders, including small and large companies, independent inventors, universities, and government entities, and held over 1,000 events. Regional office outreach efforts have included

broad-based and issue-specific IP seminars for startups, small business and independent inventors; tech-specific partnership meetings; participation in science, technology, engineering, and math (STEM) education events; and working relationships with regional stakeholders including business interests and federal, state, and local government officials.

Under the UAIA, the USPTO expanded this outreach by establishing three agile Community Outreach Offices on university campuses. In December 2024, the USPTO opened a Community Engagement Office in Durham, New Hampshire on the campus of the University of New Hampshire. In February 2026, we established two more Community Engagement Offices: one in Salt Lake City, Utah at the University of Utah, and the other in Bozeman, Montana at Montana State University. In February 2026, the USPTO published a "Request for Comments on Community Outreach Office Locations in the Southeast Region" in the Federal Register. The comment period closes on March 30, 2026. The USPTO will use these comments to consider locations for one or more Community Outreach Offices in this region, which includes the states of Virginia, North Carolina, South Carolina, Georgia, Florida, Tennessee, Alabama, Mississippi, Louisiana, and Arkansas.

In March 2026, the USPTO established an Emerging Technologies Office in San Francisco as part of our efforts to advance the use of artificial intelligence and engage with the AI industry. For this initiative, the USPTO is working with our partners in ITA. This office has three objectives: (1) to convene stakeholders in AI; (2) to promote AI companies to do business with the government, and (3) to help U.S. companies export AI to other countries.

VI. IT Modernization and AI

IT Modernization Milestones

The USPTO relies on technology for virtually all aspects of its business. In order to provide reliable, modernized systems to employees and the public, the USPTO is committed to improving the efficiency and delivery of its IT systems and continues to invest in IT modernization and retire legacy systems.

The USPTO's Office of the Chief Information Officer (OCIO) teams have upgraded critical products, released new services, and increased overall system availability and security. New systems bring enhanced examination tools and technology to help improve patent and trademark quality, and position the agency for more growth. One major example is the launch of Patent Center in 2025, which retired nine legacy systems and 200+ aging servers to provide a modernized filing experience for Patents customers. The OCIO teams also added IT resources to TM Exam (for trademark examiners) to reduce system downtime, latency, and system errors within Trademarks. Another critical step in modernization includes retiring older, legacy systems. In total, the OCIO team retired 52 legacy patent, trademark, corporate and infrastructure support systems. In the Patents area, teams retired over 40 systems, including major systems like

the Patent Application Location and Monitoring legacy (PALM) system and the Trademark Reporting and Monitoring (TRAM), which have resulted in significant cost savings and ensures that the agency's IT is modern and secure to meet business demands.

Migration to the cloud is critical to modernization efforts for new efficiency. With enhanced performance and availability, cloud-based systems operate faster with less downtime. Today, 58% of our products operate in the cloud across three major platforms, including Patent Center, Patent Search (an internal search system for examiners), the USPTO web site, and many more. With the cloud, the OCIO teams are able to deploy system updates more quickly and scale them. Each new cloud migration also yields cost savings for the USPTO through the reduction of physical, on-premises storage.

The USPTO also moved systems to a new, modern data center that enhanced disaster recovery and improved the security and stability of systems in a new state-of-the-art facility.

AI enterprise wide

The USPTO has been at the forefront of AI adoption in the federal space for several years. AI technology can fuel new efficiency in the patent examination process and ensure consistency in patent workflows. The USPTO's internal, enterprise-wide AI strides include: "Scout, LLM" rolled out to the enterprise in Beta. Users across all business units, including Patents and Trademarks (supervisors) units at the agency are using Scout LLM now in hundreds of ways to automate workflow, research, synthesize inputs and more; AI code assistance tools can assist developers for code review, testing, and more. 400+ developers can now leverage GenAI for software modernization; new AI Hub is live internally for employees to fuel AI literacy and awareness, while the AI Academy offers new workforce training; deployment of a risk framework to ensure AI use cases align with technology guardrails, meets mission demands, and produces tangible outcomes; and new AI functionality is live in an internal IT support portal support portal for all employees.

VII. Conclusion

Chairman Issa, Ranking Member Johnson, Chairman Jordan, Ranking Member Raskin, and all members of the Subcommittee, I appreciate your continued support of the goals, priorities, operations, and employees of the USPTO. Just as a central bank's mission is to ensure the stability and flow of capital through an economy, the USPTO's charge is to help ensure the stability and flow of ideas, and by protecting them, encourage new ones, in a marvelous, virtuous cycle that has sustainably delivered prosperity and bettered people's lives for over 250 years, like no nation before, like no nation ever. We look forward to working with you to promote strong IP rights at home and abroad that incentivize innovation and ensure that America's Innovation Agency remains a key macroeconomic institution and force for a new era.

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