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April 21, 2015

The Honorable Michael Burgess
Chairman
Subcommittee on Commerce, Manufacturing, and Trade
House Committee on Energy and Commerce
2123 Rayburn House Office Building
Washington, D.C. 20515

Subject: Support of the *Targeting Rogue and Opaque Letters (TROL) Act of 2015*

Dear Chairman Burgess:

The Small Business Technology Council (SBTC) is the nation's largest organization of small, technology-based companies in diverse fields. Our mission is to protect the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs to help grow the American economy, create jobs, and facilitate the public/private partnerships to develop the next generation of new technologies. SBTC is the largest organization representing SBIR/STTR award winners working across government agencies. SBTC serves as the Technology Council of the National Small Business Association. NSBA is a nonprofit small business organization that serves over 150,000 companies. For over 75 years, NSBA has provided small business advocacy, and was the founder of the "small business movement" in the United States.

On behalf of the 5,000 firms who participate in the Small Business Innovation Research[1] (SBIR) and Small Business Technology Transfer[2] (STTR) programs. I am writing to support the TROL Act and to raise our concerns regarding the detrimental effects that other "Patent Reform" bills such as H.R. 9, the so-called "Innovation Act," will have on small inventing companies. We would like to add small business to the list of universities, venture capitalists, technology startups, small inventor entrepreneurs, former patent commissioners, conservatives, liberals, and Patent Court judges that oppose H.R. 9 and support the TROL Act.

Small Businesses employ 37% of scientists and engineers.[3] SBIR firms have received about 121,000 patents,[4] and small businesses create ***16.5 times*** more patents per employee than large firms.[5] And SBIR firms employ 7.28% of all of America's STEM workers.[6]

While ostensibly aimed at curbing a small number and anecdotal instances of abusive patent litigation, the overbroad and sweeping proposed legislation in H.R. 9 will have the effect of suppressing patent rights of *all* patentees, and in particular, will hurt the small high-tech, job-creating SBIR businesses, and thus the economy.[7] Simply stated, patents are far more important to small businesses' survival than to large businesses. And licensed patents are the only way universities can commercialize their research.

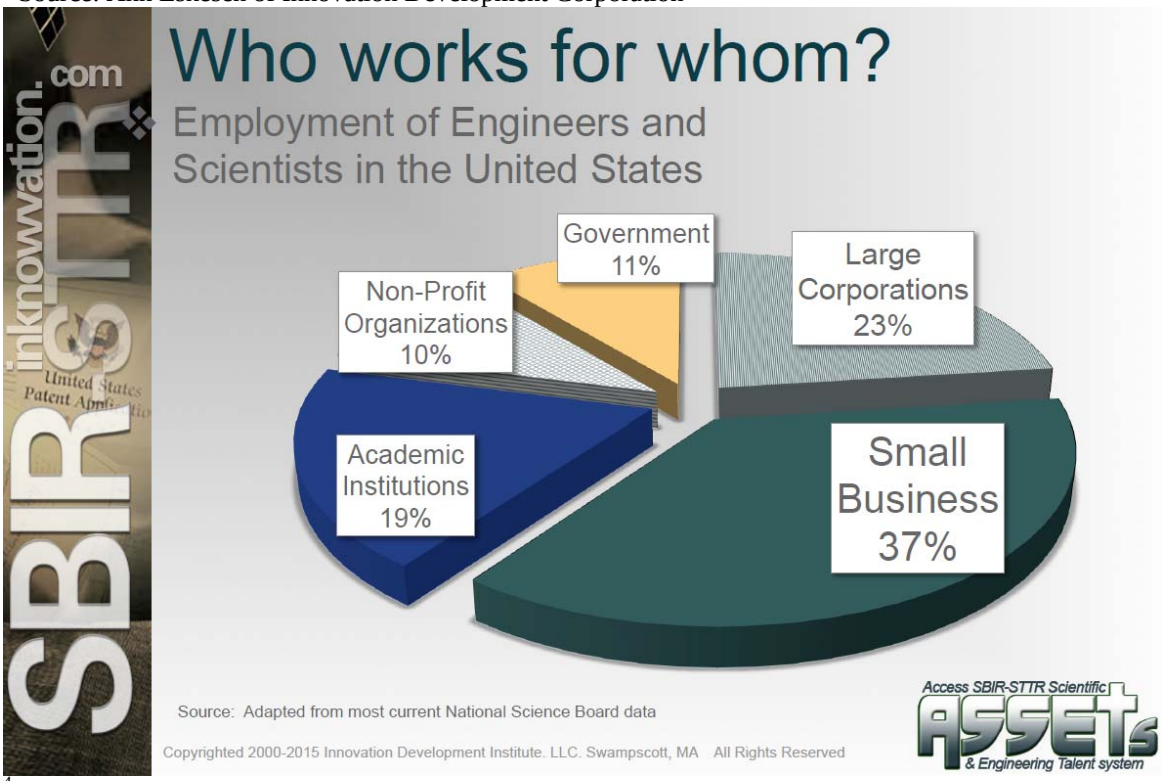
On the contrary, the TROL Act has no such negative consequences; hence, we can strongly support it. SBTC, like many others, appreciates your thoughtful approach to this legislation to curb abusive patent litigation practices while maintaining and strengthening important patent-holder rights and protections. We also strongly support the state law pre-emption provision, which would allow the legislation's standards to apply uniformly in all 50 states.

Thank you for your efforts. Should you have any questions, please feel free to contact me at rschmidt@CleveMed.com or by phone at 216-374-7237.

Sincerely,

Small Business Technology Council
Robert N. Schmidt, Co-Chair

[1] https://www.sba.gov/offices/headquarters/oca/resources/6827
[2] https://www.sba.gov/offices/headquarters/oca/resources/6828
[3] Source: Ann Eskesen of Innovation Development Corporation



[4] www.Inknowvation.com

[5] https://www.sba.gov/sites/default/files/sbfaq.pdf

[6] Source: Ann Eskesen of Innovation Development Corporation

Analysis of extent to which SBIR-STTR Awardees by State and overall are a factor in US STEM employment

State	Number of SBIR-STTR Awardees	Calculated SBIR-STTR employment	STEM Jobs (2011 data)	% STEM employment being SBIR connected	STEM jobs as percentage of total employment	Percentage of all US STEM jobs
		Notes 1	Note 2		Note3	
AK	28	488	19,902	2.45%	8.01%	0.29%
AL	281	11,592	79,700	14.54%	5.43%	1.16%
AR	71	388	40,087	0.97%	4.24%	0.58%
AZ	378	6,990	123,994	5.64%	6.06%	1.81%
CA	4,514	110,067	895,461	12.29%	7.06%	13.06%
CO	742	12,200	167,347	7.29%	8.85%	2.44%
CT	334	7,612	88,996	8.55%	6.39%	1.30%
DC	88	1,156	72,143	1.60%	15.26%	1.05%
DE	63	1,601	24,847	6.44%	7.20%	0.36%
FL	707	13,637	294,372	4.63%	4.66%	4.29%
GA	347	5,164	171,747	3.01%	5.38%	2.51%
HI	95	1,316	22,186	5.93%	4.59%	0.32%
IA	122	2,069	57,066	3.63%	4.60%	0.83%
ID	86	1,628	34,725	4.69%	6.89%	0.51%
IL	563	7,279	260,730	2.79%	5.38%	3.80%
IN	246	3,941	106,432	3.70%	4.40%	1.55%
KS	93	979	64,069	1.53%	5.95%	0.93%
KY	130	1,306	60,908	2.14%	4.18%	0.89%
LA	84	1,531	59,848	2.56%	3.89%	0.87%
MA	1,797	53,214	249,900	21.29%	8.84%	3.65%
MD	1,061	22,529	202,100	11.15%	9.98%	2.95%
ME	105	1,671	22,397	7.46%	4.60%	0.33%
MI	567	10,291	231,148	4.45%	6.85%	3.37%
MN	308	8,056	157,681	5.11%	6.93%	2.30%
MO	206	3,941	118,544	3.32%	5.42%	1.73%
MS	58	705	31,658	2.23%	3.74%	0.46%
MT	102	1,125	19,447	5.78%	5.59%	0.28%
NC	515	7,859	184,958	4.25%	5.73%	2.70%
ND	36	1,160	12,893	9.00%	3.74%	0.19%
NE	58	1,115	38,768	2.88%	5.08%	0.57%
NH	169	4,578	35,069	13.05%	3.55%	0.51%
NJ	674	16,762	225,629	7.43%	42.79%	3.29%
NM	312	6,075	45,908	13.23%	1.44%	0.67%
NV	85	1,399	32,548	4.30%	5.40%	0.47%
NY	1,090	20,848	392,267	5.31%	5.46%	5.72%
OH	740	14,332	242,913	5.90%	5.60%	3.54%
OK	108	2,275	57,176	3.98%	4.68%	0.83%
OR	302	6,486	87,500	7.41%	6.38%	1.28%
PA	948	22,723	273,038	8.32%	5.59%	3.98%
RI	97	3,402	20,750	16.40%	5.29%	0.30%
SC	113	1,449	73,464	1.97%	4.97%	1.07%
SD	49	456	13,825	3.30%	4.20%	0.20%
TN	229	4,726	84,300	5.61%	3.76%	1.23%
TX	954	21,282	579,264	3.67%	6.46%	8.45%
UT	301	6,757	66,055	10.23%	6.56%	0.96%
VA	1,064	38,928	302,219	12.88%	10.32%	4.41%
VT	69	1,319	15,991	8.25%	6.47%	0.23%
WA	615	13,336	238,417	5.59%	10.02%	3.48%
WI	311	8,043	120,704	6.66%	5.21%	1.76%
WV	44	696	23,021	3.02%	4.06%	0.34%
WY	49	622	11,620	5.35%	5.48%	0.17%
Totals	22,108	499,104	6,855,732	7.28%	6.20%	100%

Notes:

Note 1 Tracking by Innovation Development Insitute of employment in SBIR-STTR involved firms is by 12 ranges: small for lower ranges (1-4; 5-9 etc) to large for limited number of larger firms (250-499). Firms having exceeded SBIR Size standards (500 employees) are designated 500+ (not small) Except for those Awardees only recently SBIR-STTR graduated and then only for those employment numbers at time of last award, latter not factored into estimated employment numbers used inthis analysis

Note 2 Source data: EMSI | Economic Modeling Specialists International.

[7] Patents are critical to the success of SBIR Program participants. The Innovation Act makes patents harder to get and to keep, which will likely retard some companies from commercializing, thus causing them to be removed from the program. This is another way the Innovation Act will decrease company success and employment in the US.