

The IDEA ACT of 2021

Inventor Diversity for Economic Advancement

Lack of Diversity in the Patent System Stifles Economic Growth

- » A Biden Administration priority is to invest in and increase the number of women and minority owned small businesses and the IDEA Act is a crucial step in achieving this through ensuring the inclusivity of the U.S. patent system.
- » Women, racial minorities, and the economically-disadvantaged are underrepresented in the U.S. patent system. A recent U.S. Patent and Trademark Office (USPTO) report found that only 22% of U.S. patents list a woman as an inventor and that women make up only 12.8% of all inventors. A report by the Institute for Women's Policy Research found that the percentage of African American and Hispanic college graduates who hold patents is approximately half that of their white counterparts. Another report found that children born into families with incomes below the median U.S. income are 90% less likely to receive a patent in their lifetimes than those born into wealthier families.
- » Closing these patent gaps would drive economic growth. According to a study by Michigan State University Professor Lisa Cook, including more women and African Americans in the "initial stage of the process of innovation" could increase GDP by as much as 3.3% per capita. Another study by the National Bureau of Economic Research found that eliminating the patent gap for women with science and engineering degrees alone would increase GDP per capita by 2.7%.
- » There is a lack of data on the full extent of the patent diversity problem. The PTO does not collect data on applicants beyond their first and last names and city, state, and country of residence. As a result, those wishing to study patent gaps between different demographic groups are forced to explore options that are time-consuming, unreliable, or both.

What Does the IDEA Act Do?

» **Collect Demographic Data on a Voluntary Basis**

Requires the USPTO to collect data on gender, race, and military or veteran status from patent applicants on a voluntary basis, and giving the USPTO Director discretion to collect additional demographic data.

» **Prevent Implicit Bias in Patent Examination Process**

Ensures the USPTO keeps all demographic information separate from the patent application to prevent implicit bias from entering the patent examination process.

» **Patent and Trademark Office Reports on Inventor Diversity**

Requires the USPTO to publish an annual report on (1) the total number of patent applications filed disaggregated by demographic information, and (2) the total number of patent applications issued disaggregated by demographic information, and a biennial report evaluating the data collected.

» **Make Demographic Data Available to the Public**

Underlying demographic data made available to the public to allow outside analysis of diversity gaps and trends over time.