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CONGRESS SHOULD PASS THE IDEA ACT TO CLOSE THE PATENT GAPS AND PROMOTE U.S. ECONOMIC GROWTH AND TECHNOLOGICAL LEADERSHIP

American inventors developed the lightbulb, the airplane, the MRI, the mobile phone, and millions of other inventions that save lives, connect people, create jobs, and improve quality of life today and in the future. Supported by constitutionally guaranteed rights,¹ the genius of the American inventor allowed the United States to become a global technology superpower.

If we are to remain the global leader in innovation, we must maximize our inventive potential. A 2023 World Intellectual Property Organization study found that the United States ranked 14th globally in unique women inventors on patents granted from 2016 to 2020, and that China is growing its capacity of women inventors at a substantially higher rate than the United States. To continue outpacing China and other foreign competitors in cutting-edge technologies, the United States must expand innovation capacity, including by harnessing all available talent.

Research has found that women, people of color, and individuals with lower incomes patent inventions at significantly lower rates than their representation in the U.S. population, but **we do not have a complete picture of the problem because the U.S. Patent and Trademark Office (USPTO) does not collect demographic data from inventors**, leaving researchers to rely on names and zip codes as proxies for gender, race, and socioeconomic status. Collecting demographic information directly from inventors on a voluntary basis is a crucial step toward understanding disparities and broadening participation in inventing and patenting.

The Facts on Underrepresentation in Patenting

- **Gender:** Less than 13% of all inventors listed on U.S. patents are women. Women hold only 5.5% of commercialized patents.
- **Race/Ethnicity:** People of color are woefully underrepresented among inventors. Black individuals make up almost 13% of the population but less than 2% of inventors. Hispanic individuals make up more than 16% of the population but less than 4% of inventors. Multiracial individuals make up nearly 3% of the population but only 1% of inventors. American Indian and Alaska Native individuals make up almost 1% of the population but only .3% of inventors.
- **Income:** Children in the top 1% of family income are 10 times more likely to patent in their lifetimes than children in the entire bottom half of family income.
- **Geography:** Almost half of all U.S. inventors are concentrated in just 20 counties across the country.
- There are no statistics on inventors' **military/veteran status** or inventors with **disabilities**.

¹ United States Constitution. Art. I, § 8, cl. 8 (“to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries”).



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Closing Gaps in Patenting Would Strengthen the U.S. Economy and Create Jobs

- Patents are crucial to the U.S. economy. The U.S. Patent & Trademark Office (USPTO) has estimated that IP-intensive industries account for more than 40% of U.S. economic activity and support 63 million jobs—44% of the U.S. workforce. Imagine the possibilities for our economy if we tapped into the inventive potential of every American.
- According to research by Dr. Lisa Cook, a member of the Board of Governors of the Federal Reserve System, including more women and African Americans in the “initial stage of the process of innovation” would increase annual U.S. GDP by up to \$1 trillion.
- A National Bureau of Economic Research study found that startups that obtain a patent increase their employment growth by an average of 55% after five years, compared to startups that do not obtain a patent.

Inventors and Small Business Owners Benefit from Holding Patents

- Patents create opportunities for individuals and families. Inventors with patents tend to earn higher wages than the general population, with the majority of inventors (63%) in the top 10% of all earners. Inventors with patents also personally benefit from new promotion and job opportunities, broader social networks, and heightened prestige.
- Patents also increase businesses’ likelihood of going public by 128%, being acquired by 84%, securing a loan using the patent as collateral by 119%, and attracting venture capital funding by 47%.

Congress and the Administration Should Enact the IDEA Act To Promote Broad Participation in Inventing and Patenting, U.S. Economic Growth, and U.S. Technological Leadership

- The bipartisan, bicameral Inventor Diversity for Economic Advancement (IDEA) Act ([S.4713](#)/[H.R.9455](#)) led by Sens. Mazie Hirono (D-HI) and Thom Tillis (R-NC) and Reps. Nydia Velázquez (D-NY-07) and Young Kim (R-CA-40) would authorize the USPTO to create a mechanism for inventors to directly and voluntarily share their demographic data with the USPTO. It would also require the USPTO to publish annual reports with deidentified, summary information about the demographic characteristics of inventors.
- Collecting demographic data from inventors would allow the USPTO and the public to accurately examine the inventor diversity gaps and track progress toward closing them.

