

Selection of Denver is a patently good move

By PETER MARCUS
THE COLORADO STATESMAN

The Denver metro area will be home to a new federal satellite patent office that is estimated to generate \$439 million for the region just over the first five years alone.

The announcement on Monday that Denver has been selected by the U.S. Department of Commerce for one of three new satellite patent offices brought a welcome showing of bipartisanship from Colorado's political leaders, and has been hailed by business and technology experts as a symbol of the state's emergence as one of the top research and technology innovators in the nation.

A specific site for the Denver area has yet to be chosen. Acting Commerce Secretary Rebecca Blank and David Kappos, director of the U.S. Patent and Trademark Office, will travel to Denver next week to meet with local businesses, entrepreneurs and public officials to plan locations for the new office.

After requirements are set forth next week, officials will send out a notification for bids to begin the process.

In a January report issued by the Coalition for a Colorado Satellite

Patent Office — a consortium of public and private organizations dedicated to securing the patent office, including patent attorneys from Denver-based intellectual property law firm Sheridan Ross and the Metro Denver Economic Development Corporation, led by U.S. Sen. Michael Bennet, D-Colo. — several sites were identified as being ripe for the patent office, including:

- The Anschutz Medical Campus in Aurora;
- The Stapleton area in Denver;
- The Denver Federal Center in Lakewood; and
- The Denver Technology Center in Greenwood Village.

The new Anschutz Medical Campus was where leaders gathered on Monday to announce the exciting economic development news for the region. Anschutz is home to groundbreaking bioscience research that will require patents in the coming years, though technological research and development in areas such as Boulder and the Western Slope are also driving the need for a patent office around Denver.

"This patent office will serve as a brand for this region," said Bennet. "It will tell the rest of the world what we already know about Colorado; about our aerospace industry; our energy industry; our bio-science industries; the app makers on the Front Range and on the West Slope. It will tell the world that we're open for business here and we're ready to innovate here and we're not going to take a second seat to any other state, or any other region in the world."

Bennet led the charge in Washington, D.C. to clear the path for additional patent offices, setting the stage for Colorado to compete. He co-sponsored an amendment to patent reform law in 2010 with U.S. Sen. Mark Udall, D-Colo., which authorized the Department of Commerce to establish the new patent offices. The reform aims to reduce the Virginia-based U.S. Patent and Trademark Office's backlog of 620,000 pending applications.

Bennet also worked with the rest of the Colorado congressional delegation, state and local public officials and private interests to secure a location in Colorado.

Gov. John Hickenlooper, a Democrat, said the announcement is "just the



U.S. Senator Michael Bennet, U.S. Congressman Ed Perlmutter, Denver Mayor Michael Hancock and Colorado Governor John Hickenlooper focus on Sheridan Ross patent attorney John Posthumus as he addresses the press conference.

PHOTOS BY JOHN SCHOENWALTER/THE COLORADO STATESMAN

beginning," confirming that Secretary Blank will "urgently" be moving forward with plans to select a site for the location in the next few weeks.

"This is a great day; a great opportunity," said Hickenlooper. "Take a moment and reflect. Too often we take for granted our success and we get back onto the next one. We don't really celebrate appropriately... this is a day of great celebration."

Apparently the lobbying by public officials to President Barack Obama's administration was relentless, with several state and local leaders hounding not only the president's cabinet, but also the president himself.

Congressman Ed Perlmutter, D-Golden, remembered riding in Obama's motorcade on one of the president's visits to Denver. The president's limousine is referred to as "The Beast," and according to Perlmutter, Hickenlooper was not afraid to have a beastly conversation with the president over the patent office.

"The governor's sitting next to the president and he says, 'What about the patent office?'" recalled Perlmutter. "The president says, 'What?' And [the governor] says, 'What about the patent office? Where are you guys on the patent office? Colorado should be really somewhere in the mix on the patent office.'"

Perlmutter said Obama immediately got on the phone with then-Secretary of Commerce John Bryson to get an update.

Denver Mayor Michael Hancock says he was even worse riding in "The Beast" with the president. Hancock says he interrupted a rant by Obama on the NBA lockout that had been ongoing at the time.

"The president was going on and on about how upset and disappointed he was with... the NBA lockout, and I'm sitting there, and the whole time I'm hearing my staff's... voices in my ear, 'Patent office, patent office...'" recalled Hancock. "So, I interrupted the president, [and I say], 'Mr. President... I apologize beforehand for interrupting, but if I miss this opportunity I'm going to be in a lot of trouble. I care about the NBA, but right now, how do we get the patent office to Denver, Colorado?'" "I thought I was going to get kicked out on I-70."

Several other members of the state's congressional delegation who did not attend the announcement on Monday also praised the announcement, including U.S. Rep. Diana DeGette, D-Denver, and Udall.

"After years of fighting in the Senate to bring a regional patent and trademark office to Colorado, I am pleased

that the U.S. Commerce Department has decided to locate a new office in Denver," Udall said in a statement. "The Commerce Department's decision shows that it agrees with what Coloradans have known all along: not only is Denver a great place to live and do business, but it is a center of innovative thinking and job creation."

"Our most important task is to get Coloradans back to work, so the decision to bring one of only three new satellite patent offices to Denver is a victory for our economy and for creating meaningful new jobs right here in our state," DeGette said in a statement. "Many of us have long known that Colorado is leading the nation with innovations that will spark economic development and extensive job creation. Today's announcement is a welcome acknowledgment that Colorado's entrepreneurial leadership is quickly becoming recognized by the nation."

Senate President Brandon Shaffer, D-Longmont, issued similar sentiments. The legislature this year passed a joint resolution supporting the efforts to bring the patent office to Colorado.

"We in Colorado know this is the best place to live, work and start a business, and that message seems to have been heard loud and clear in Washington," said Shaffer. "This office will be good for our economy and will allow us to capitalize on Colorado's spirit of innovation."

Private sector rallies for cause

John Posthumus, a patent attorney with Sheridan Ross, led the private effort on the ground. Posthumus had actually started the process when Hickenlooper was still mayor of Denver and Bill Ritter was the governor of Colorado.

He said that an economic development report put together by supporters as part of their application to the federal government helped to demonstrate just exactly how well Colorado fit into expansion plans.

"The economic impact study ... includes not only the jobs and the salaries, but it includes houses that will be bought by these employees ... they will be living and working in the State

of Colorado ..." said Posthumus.

The study, conducted by the University of Colorado Leeds School of Business, estimates that over the first five years, the new Patent Office will have an economic impact of \$439 million, of which \$389 million will occur in the Denver metro area. The contributing elements will be new jobs, an influx of facility and visitor spending, economic development opportunities and the office itself, which will lead to increased innovation.

The facility is expected to initially generate 230 examiners and support workers, which will grow over five years. Total facility employment is expected to be 440 workers in the first year, growing to 958 over five years.

Tom Clark, chief executive of the Metro Denver Economic Development Corporation, agreed that the economic growth for Colorado as a result of the patent office will secure Colorado as a technological and economic leader in the nation. He said what helped the state's cause was its willingness to work together to benefit the whole state.

"The cool thing about living in metro Denver, and the way I believe that we ultimately won this, is that we were not city against city. We don't do that here," said Clark. "We went as a state; we went as a region; we went as one, and that takes a whole bunch of static out of the line in a selection process."

Phil Weiser, dean of the University of Colorado Law School who also worked on the patent office proposal, agreed that what helped Colorado was its willingness to work across borders and political lines. But he also believes that Colorado's emergence as being one of the top five technological innovators in the nation pushed the state to the finish line.

"People can debate who is in the top five — Silicon Valley is No. 1 — but we have a place at that table, and that's big news because it has been under-the-radar story what's been happening in Denver and Boulder, and this is a very tangible example of what is a robust technology ecosystem here in Colorado," said Weiser. "We came out on top. That's huge."

Detroit, Dallas and Silicon Valley also chosen

In addition to the Denver area office, the other locations will be in the Dallas area and Silicon Valley, Calif. The three offices are in addition to an expanded office that is scheduled to open on July 13 in Detroit.

"These new offices are an historic step toward further advancing our world's best IP system, and reinforcing the United States as the No. 1 destination for innovation capital, and research and development around the world," Blank said in a statement.

"By expanding our operation outside of the Washington metropolitan area for the first time in our agency's 200-plus year history, we are taking unprecedented steps to recruit a diverse range of talented technical experts, creating new opportunities across the American workforce," Kappos added.

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Metro Denver EDC CEO Tom Clark lauds the arrival of the U.S. Patent Office to Colorado.



Mayor Joyce Thomas of Federal Heights is one of several regional mayors to attend the Patent Office press conference.



CU Denver and Anschutz Medical Campus Chancellor Don Elliman listens to Professor James O. Hill of CU School of Medicine before the start of the press conference.



Mayor Ron Rakowski of Greenwood Village joins Cherry Hills Village Mayor Doug Tisdale for a photo op following the press conference.



Senator Michael Bennet and Congressman Ed Perlmutter react to Mayor Hancock's claim that he feels "like Elizabeth Taylor's fifth husband" following such luminaries as Senator Bennet, U.S. Rep. Perlmutter and Governor Hickenlooper to the speaker's podium.