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S. 2326

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Action:

Remarks by Mr. Hatch.

**S. 2326—THE SMALL BUSINESS  
 PATENT PROCUREMENT FOR  
 NEW DEVELOPMENTS AND  
 TECHNOLOGIES**

Mr. HATCH, Mr. President, with the exception of persistently high interest rates, perhaps the greatest outside threat to establishing a small business and making it prosper today is the impact of Government policies and regulations. Because such regulations often place disproportionate burdens on small businesses, I believe it is important that we, as public policy-makers, act responsibly to insure that a healthy regulatory environment is maintained for the small business community.

For this reason, I am pleased to be a cosponsor of S. 2326, along with Senators WEICKER, THURMOND, DECONCINI, and KENNEDY. This bill is designed to maintain an equitable regulatory framework for small businesses procuring patents for new developments and technologies.

Under the administration's proposal to recover 100 percent of the cost of maintaining, filing, and issuing patents, small businesses would be required to pay approximately \$3,200 to obtain a patent; a prohibitive sum for a small inventor. Although this schedule is not unreasonable to the development of a large firm, I believe it would have a significantly negative impact on the small business community, and consequently, to the Nation's development as a whole.

The accomplishments of small businesses in providing the market with new technology and responding to changing market conditions have always been, and continue to be, remarkable. It is a well-known fact that small businesses continually outperform large businesses in the area of research and development. Their breakthroughs not only supply the Nation with vital new technology, but also provide the Nation with more jobs. In fact, an MIT Development Foundation study indicates that young technology companies with sales equaling only 2 percent of those in major industry created 34 percent more jobs than those created by major companies.

S. 2326 will allow small businesses to pay 50 percent of recovery costs to the Patent Office, and as amended in H.R. 6260 will provide for price indexing adjustment of the fees every 3 years. The Patent Office has assured sponsors of the legislation that the enactment of this payment schedule will pose no administrative difficulties.

Because of the substantial contributions made by small businesses in the area of research and development and because I believe the 100 percent recovery fee schedule will place a disproportionate economic burden on small businesses, I have endorsed and cosponsored S. 2326, and thank my colleagues WEICKER, THURMOND, DECONCINI, and KENNEDY for their efforts in securing passage of this legislation.