

November 7, 2025

The Honorable John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Dear Director Squires:

On behalf of the Semiconductor Industry Association (SIA), the voice of the semiconductor industry in the United States, I'm writing to express our concerns with the potential changes to the patent fee structure reportedly under consideration at the U.S. Patent and Trademark Office (USPTO).

The U.S. patent system is foundational to protecting innovation and U.S. technology leadership in the semiconductor industry. To maintain global competitiveness and drive technology advancements, the U.S. semiconductor industry invests on average nearly 20% of revenues into research and development – amounting to \$70 billion in 2024. A significant portion of this investment results in intellectual property that may be patented. This technology can encompass process technology for fabricating the next generation of chips, new architectures and designs to enhance the features or performance of devices, novel materials to provide new functionality or efficiency gains, and other innovations. As a whole, the semiconductor innovation ecosystem helps advance national priorities such as U.S. leadership in artificial intelligence, high-performance computing, advanced communications, and other technologies critical to the U.S. economy, national security, and technology leadership.

The potential assessment of fees based on a government-assigned “valuation” of a patent poses risks to the fairness, predictability, transparency, and operation of the U.S. patent system. Attempts to quantify the value of an individual semiconductor patent are likely to be inherently subjective and arbitrary. Semiconductor technology is typically interconnected and dependent on the contributions of countless other patents; virtually no individual patent in the semiconductor industry operates independently and in isolation of other patents. All segments of the semiconductor ecosystem – from a semiconductor fab and the sophisticated equipment used to fabricate semiconductors to chip design equipment and countless materials, chemicals, and gases – consist of numerous layers of interdependent innovations, some secured with patents and others held as trade secrets. The many inventions and patents contributing to a single product is unique to the semiconductor industry and distinct from many other industries utilizing the patent system. Under these circumstances, it would be difficult or impossible to isolate the contribution of a single patent and quantify a precise value to that patent.

The fee concept is inconsistent with the administration's goal of revitalizing U.S. semiconductor leadership and ensuring that the United States remains the technology

leader in this critical sector. Imposing such fees could discourage patent filing in the U.S., thereby reducing collaboration and transparency that are essential for innovation and technology advancement. In addition, the concept of imposing a fee on the perceived value of patents would disproportionately burden smaller, early-stage companies that can play a vital role in the semiconductor innovation ecosystem. The exclusivity of a patent enables companies to recover costs, reinvest in future innovation, and grow their business. Imposing a fee on such entities, based on an unknown government assessment of what a patent may be worth, would chill investment and innovation in the chip ecosystem. Because sectors throughout the economy are enabled by technology advances in the semiconductor industry, the consequences of this action could multiply throughout the economy.

Maintaining a fair, predictable fee structure is critical to support innovation in the U.S. semiconductor industry, which, in turn, supports the development of the next generation of technology that is indispensable to U.S. economic growth, national security, and technology leadership. In contrast, imposing a new tax on innovation would impede the competitiveness of the U.S. semiconductor industry and make the U.S. a less attractive place to develop new technology. We strongly encourage the USPTO to decline to pursue the reported proposal of assessing a fee on patents based on their purported valuation.

Sincerely,

A handwritten signature in black ink, appearing to read "John Neuffer", followed by a long horizontal line.