

Congress of the United States

House of Representatives

Washington, DC 20515-3302

October 30, 2025

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Dear Secretary Lutnick:

We write to express our serious concern regarding reports that the Department of Commerce is considering a proposal to impose valuation-based fees on patent holders. Such a policy would represent a significant departure from the principles that have long underpinned the American patent system, which has been a cornerstone of our innovation, economic growth, and global competitiveness. For over two centuries, the American patent system has fostered ingenuity by granting inventors exclusive rights for a limited time, encouraging risk-taking and private investment. This framework has enabled the development of transformative technologies across industries.

A valuation-based fee structure, however, would fundamentally alter this dynamic by treating patents as taxable assets, subject to recurring charges based on speculative and often volatile assessments of their value by government bureaucrats.

If implemented, this approach would disproportionately harm startups and small businesses, which frequently rely on patents as their primary assets to attract investment and drive research and development. In fields like semiconductors and biotech, early-stage companies often operate without revenue for years, focusing instead on advancing groundbreaking technologies. Furthermore, there is significant federal revenue garnered through the income tax system that will much more accurately reflect the true value of patents after they are commercialized. Imposing unpredictable and potentially prohibitive fees would stifle innovation, deter investment, and slow the commercialization of critical advancements.

Worse still, this proposal would deter participation in the patent system, pushing innovators toward secrecy rather than public disclosure. This move would further hinder collaboration and slow technological progress. At a time when global competitors are enhancing their intellectual property frameworks to attract talent and investment, the United States must not adopt policies that weaken its own. A valuation-based patent fee model would increase the cost of innovation, undermine efforts to reshore manufacturing, and conflict with the administration's stated goals of strengthening American industry and technological leadership.

We urge the Department of Commerce to reconsider this proposal and instead prioritize initiatives that reinforce the U.S. patent system. Efforts to improve patent quality, reduce examination backlogs, and create a fair and predictable environment for innovators will better serve the nation's long-term economic and technological interests.

Thank you for your attention to this critical matter. We look forward to your response and stand ready to collaborate to protect and enhance the U.S. intellectual property system, support job creation, and secure America's position as a global leader in innovation.

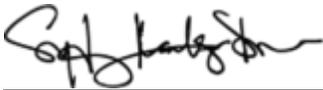
Sincerely,



Deborah K. Ross
Member of Congress



Kevin Kiley
Member of Congress



Sydney Kamlager-Dove
Member of Congress



Thomas Massie
Member of Congress



J. Luis Correa
Member of Congress



Nathaniel Moran
Member of Congress