

Center for Strategic and International Studies

TRANSCRIPT
Event
Leadership 2025
Welcoming Remarks and Opening Keynote

DATE
Tuesday, April 1, 2025 at 9:00 a.m. EDT

FEATURING
Coke Stewart
*Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the
United States Patent and Trademark Office*

Senator Thom Tillis (R-NC)
Chair, Senate Judiciary Subcommittee on Intellectual Property

CSIS EXPERTS
Kirti Gupta
Executive Director, Leadership; Senior Adviser, Renewing American Innovation, CSIS

Navin Girishankar
President, Economic Security & Technology Department, CSIS

Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

Kirti Gupta: Good morning, everyone.

Audience: Good morning.

Dr. Gupta: (Laughs.) So that means my voice is loud and clear. Well, welcome to LeadershIP. Thank you for coming to the LeadershIP 2025 program.

My name is Dr. Kirti Gupta. I'm an economist and engineer, a senior advisor at CSIS, and I've been leading/running the LeadershIP platform for now a decade. So this is a very special year for us because it's reached the 10-year mark.

It actually started at Qualcomm. I spent a little – over a couple of decades there. And it very quickly grew to be a thing much broader than any one company, one industry could really care about. It was broader IP and innovation issues that the LeadershIP community started coming together and talking about and dealing with. We bring together leaders from the industry, the policy world, and scholars who are focused on IP/innovation/competition issues at this – kind of this intersection, which is really important and the hallmark of LeadershIP.

So today is nice because we are now fully integrated at CSIS in the last couple of years. This is our second CSIS conference. And I think it has taken this forum – which is really important for our times today because we are no longer just talking about the importance of innovation and intellectual property; we are talking about that in the framework of economic and national security. And that changes everything. I think that's a unique advantage that we have here at CSIS, and that is exactly what is needed. For those who you know are well-entrenched in the IP world and the IP community, it's something we've been asking for and trying to develop for a very long time. So it's really special to be here in this kind of a moment and this forum.

I want to say a couple of things before we get started during the – for the day. First, I'd like you to know that we have all launched a(n) IP transition report promoting intellectual property and national security last week. It's on our website. We had a launch webinar with myself and Andrei Iancu and Walt Copan, who are also part of the CSIS Renewing American Innovation program, and Judge Michel, to launch this on Friday. So it's on our website, and we're going to be talking about that today because it gives the framework, a transition report for this administration's IP agenda. And it's about taking this big-picture approach but really getting into the specifics of what are all the IP issues and challenges that different industries are facing. What is the call to action in terms of legislation, in terms of other kind of reforms? And what is it that we could be doing together as a community?

So throughout the day we would like to weave that in. And we want to hear from you what we should be doing over the course of next year at CSIS at our program working on IP issues.

So, with that, like, a quick run of show. I also want to thank our – all the CSIS staff to make this happen, especially Chris Borges, who’s sitting right – standing right there at the end. If everything goes right, it’s Chris who gets the credit. And if anything goes wrong, you can blame me, because he just works hard in making everything happen and look very good.

And I want to thank our steering committee. LeadershIP has a steering committee of advisers who help and come together to provide us guidance. Many of you are in the room already. I see Richard Taffet, Morgan Lewis, over there. Andrei Iancu and Walt Copan are in it. John from Nokia there, Laurie Self, Holly Fechner, Bill Victorman, Brian Pomper. You guys know who you are. I don’t see all of you, but thank you again for being advisers to us.

So with that, I’m going to get started with brief remarks from Senator Tillis, who couldn’t be here in person today. We have a video recording of him. And then we’ll start with the day’s program.

Senator Thom Tillis (R-NC):

(From video.) Hi. I’m Thom Tillis, senator from the great state of North Carolina. Thank you for the opportunity to share a few words with you today.

This Congress, I returned as chairman of the Intellectual Property Subcommittee. For those familiar with my work, I hope you know that I’ve been a strong advocate for reliable and predictable intellectual-property rights. Such rights are essential for driving investments in innovative technologies that are critical to our economic growth, our global competitiveness and our national security.

One of the most significant threats to the U.S. in this regard is the Chinese Communist Party. While the CCP is not the only foreign actor attempting to undermine the U.S. intellectual-property environment, it poses the greatest threat. A key concern for all of us should be the possibility of the CCP evolving from merely imitating U.S. innovations to actually surpassing us as an innovator.

One area that urgently needs reform is patent-eligibility law. Due to a series of U.S. Supreme Court decisions that created categories of judicial exceptions, patent eligibility has become increasingly confusing and restrictive. This has led to inconsistent rulings, uncertainty for

innovators and investors, and unpredictable business outcomes.

This lack of clarity and predictability poses a real threat to the United States leadership in emerging-technology sectors. That's why I introduced the Patent Eligibility Restoration Act of 2023. This legislation is designed to restore clarity and predictability to our patent system, ensuring that the U.S. remains the world's innovation leader. We cannot allow foreign adversaries, especially those intent on harming the United States, to overtake us in innovation.

Thank you. Enjoy the conference. And let's work together to continue to make the United States the home of the innovative workforce that it is today.

Dr. Gupta: Thank you, Senator Tillis.

And with that, I would like to invite somebody special to give a few opening remarks also, Navin Girishankar. He is one of our – he's actually my boss at CSIS. He's one of our new leaders at CSIS running the EST, the Economic Security and Technology program, and comes from over a couple of decades of experience at the World Bank, Bridgewater, and most recently as economic adviser to the secretary of commerce, and now sort of overseeing a number of things at CSIS, including this Renewing American Innovation Project on which we run the IP agenda.

Navin, take it away. Thank you.

Navin Girishankar: Good morning, everyone. Navin Girishankar here. I'm the president of the newly established Economic Security and Technology Department here at CSIS.

Our mission is to ensure that the U.S. and its allies sustain economic and technology advantages that will be essential for our long-term prosperity, for the security of our markets, and for our resilience to shocks. We have a program of about 50 resident scholars, 150 affiliates, focused on this mission, with a research agenda that covers defining economic security tools, assessing how we stack up against our primary adversary and competitor in China across advanced technologies; importantly, what are we doing to build our technological and industrial base here in the United States, and what the future of technology alliances look like.

To put it simply, over the long term there is no economic security without technology innovation, commercialization and scaling. And we need to do that rapidly and better than we've done in the past. And then there's no technological innovation and scaling without strong IP. And I

think that I want to congratulate Kirti, Walt and Andrei, as well as Chris, on putting this report out that they did last week, because it really underscores why the IP regime here in the United States is essential to our long-term national security. You'll see us taking a cue from this report and doing more and more work around this over the next few years.

Unpredictability in the IP regime, unpredictability of intellectual-property rights, has a chilling effect on technology innovation, on capital mobilization, on many other aspects of our ecosystem here in the United States. And so we're really – we think it's a really, really important area for our department going forward.

I want to congratulate Kirti, Walt and Andrei for really leading the charge. I know with LeadershIP you've been doing it for more than a decade. We're really excited that this is the second year hosting it at CSIS. And more and more we would see LeadershIP as really inspiring the work that we're doing here in the department. And you can hold us accountable to that.

Let me bring it back home to my time at Commerce. One of the things that I learned really very early on is, as Commerce focuses on the economic security of the United States and our technological competitiveness, there is no more important resource for Commerce than the PTO and for the country.

And so, with that, I'm really delighted that acting Under Secretary Coke Stewart is here. Thank Coke Stewart for her service for 10 years before at USPTO, and then returning with the administration to do that again in her position. She's been a leader at PTO for many years in the past. And now we're really excited about what she's bringing to the country as the primary IP adviser not only to secretary Lutnick, but, of course, to the president and to government as a whole.

Coke also has many, many years in IP litigation and so has the experience of the private-sector experience of government to bring to the table.

And so, without further ado, I would like to ask acting Under Secretary Stewart to come to the podium and give her keynote remarks. And really thank you for being here, and we're delighted and honored to have you. (Applause.)

Coke Stewart:

Well, thanks so much, everybody. I just want to thank CSIS for inviting us here today to give remarks, and also want to thank Undersecretary Iancu and Undersecretary Copan. It's great, although unsurprising, to

see the success they've had in putting together this report. And I just want to thank everyone here and all the thought leaders for really providing what we so desperately need in the IP community to make sure that we're prioritizing IP. Through your efforts, many more people understand how important strong IP rights are to the future wellbeing and security of our nation.

And finally, I just want to thank everyone who contributed to the report you released last Friday and the webinar you held highlighting its importance. We had USPTO are going to be studying that very carefully.

I'm trying to look over at our table over here. (Laughs.)

So I'd like to start by highlighting the importance of the introduction to the report, which really sums up where I think we are as a country. It says, a strong and predictable system of IP rights, where rights of IP owners are well-defined and enforced, will enable investment and innovation, empower small businesses, and ultimately drive technological leadership. It's a simple message. And one of the reasons why President Trump has defied all odds, I think, to win two purportedly unwinnable elections, is a simplicity of his message, regardless of what side of the aisle you're on. It's a commonsense message, make America safe, make America strong, make America healthy, and, of course, make America great again.

Turning back to the report, you write: Decades of inconsistent policies and weakened protections have eroded U.S. IP framework, allowing adversaries to exploit these gaps and challenge U S leadership. So the question I think we have to think about today is, like the president, how do we frame this problem so that we can simply communicate it and simply solve it? Because right now, the IP system, which is the crown jewel of the U.S. economy, is in peril. So this is the problem. We're looking for a solution. So when in doubt, where do you turn? A good place to turn, I think, is to the Constitution, Article One, Section Eight, Clause Eight provides: The Congress shall have the power to promote the progress of science and the useful arts by securing, for limited times, to authors and inventors the exclusive right to their respective writings and discoveries.

Relying on the IP clause, Congress has protected copyrights and patents in some form under federal law since 1790. Under the IP clause, copyrights and patents are based on a utilitarian rationale that exclusive rights are necessary to provide incentives to create new artistic works and technological inventions. Without legal protection, competitors could freely copy such creations, which would deny the original creators the ability to recoup their investments in time and effort.

Without such protection, there would be little incentive to create in the first place. The IP clause of the U S Constitution thus reflects an economic philosophy that encouraging individual effort through personal financial gain is the best way to advance public welfare, through the talents of individual authors and creators.

Moreover, the framers included in the IP clause and the Constitution the goal to facilitate a uniform national law governing patents and copyrights. And this is the same concept that led to the creation of the Court of Appeals for the Federal Circuit, which is located here in Washington, D.C. If you look at this language, the IP clause is both a grant of power and a limitation. First, it's the grant of an exclusive right. Second, the clause's plain language requires that the exclusive right can only persist for limited times, and the exclusive rights must promote the progress of science and the useful arts. So with this reminder of how our country began, the answer we have been looking for perhaps is right there staring us in the face. The founders provided it over 200 years ago.

It is the founders' economic philosophy that the encouragement of individual effort by personal financial gain is the best way to advance public welfare through the talents of authors and inventors. During the pandemic we as a country lost sight of this guiding principle. Some in the prior administration thought that the way to advance public welfare was by forcibly taking the talents of authors and inventors and giving them away for free. As Undersecretary Iancu then so wisely noted, why would we want to lessen the economic incentive to prepare for the next health emergency? And why do we continue to lessen the economic incentives for artificial intelligence, medical diagnostics, and other emerging technologies by letting confusion persist regarding what innovations are eligible for patent protection?

The IP system is, at times, a system that is at war with itself. But there's hope for change. And let me tell you about five things we're doing at the USPTO to improve the system. First, we are encouraging the innovation community to help strengthen patent rights. Among other tools, the American Invents Act, or AIA, provides the opportunity for third parties to submit prior art to the USPTO when patents are under examination. This helps solve the problem of patent examiners not having the best information to determine whether an invention is new and nonobvious. And who knows better whether an invention is truly new than other inventors in the same field.

The AIA provides another opportunity. Through post-grant reviews, or PGRs, third parties can challenge issued patents claims on any statutory ground within nine months of issuance. Use of this tool can also help

improve the durability of patent rights. I hear that such early challenges are too difficult because so many patents, tens of thousands every month, and hundreds of thousands issued every year. But there are businesses whose entire mission is to scour issued patents for commercial opportunities and to review issued patents to determine if and how they impact these companies' freedom to operate. Slice these patents by subject matter, and the number is not so great.

Unfortunately, these early tools are rarely used because there are other portions of the AIA that encourage competitors to wait until they are actually sued for infringement to participate in this joint exercise to improve the IP system. Fortunately, the AIA permits the director of the USPTO considerable discretion in overseeing AIA proceedings. As part of our newly announced interim processes, we are encouraging parties to provide feedback that permits the director to determine whether petitions for inter partes review will, among other considerations, negatively impact settled expectations, or whether they will positively impact compelling economic, national security, or other health needs. And we are considering ways to encourage early challenges provided by the AIA over late ones.

Second, at the USPTO we are working with the Department of Justice to persuade the Supreme Court to take up cases to make patent eligibility, or Section 101, simple and clear. And I do think we've made some progress in this area. For one thing, we've stopped telling the Supreme Court that the tests that they've put in place is wrong, which is seldom a good strategy when dealing with judges, and instead we're suggesting how they can clarify the test consistent with existing precedent. For example, we've argued that inventions in the scientific, technological, and industrial arch should pass any eligibility test.

We've also looked for opportunities to intervene or file amicus briefs in cases that present good opportunities to influence patent eligibility law. And that includes in the Federal Circuit involving appeals from our own PGR proceedings and our own ex parte appeals. During Undersecretary Iancu's tenure, we also issued guidance to assist patent examiners in assessing whether there is a Section 101 issue in patent applications, and if so how to address it. The guidance has dramatically simplified and improved the work of our examining corps.

Third, we're looking at guidance relating to emerging technologies like AI. As we know, AI has the ability to change our lives like no tool ever before, the ability to rapidly assess vast data sets, identify patterns, and generate insights that will lead to faster innovation across diverse fields such as healthcare, agriculture, and engineering. While AI may usher in this new world order, let's remember it's just a machine, after all – a

very sophisticated machine. But inventors for centuries have used machines. Thus, we at the USPTO need to make sure that our new guidance on AI inventorship does not unintentionally suggest that human beings using AI machines are any less able to obtain an invention than humans using any other kind of machine. We recognize the concerns about the possible misuse of AI, but as the recent executive order removing barriers to American leadership on AI states, we cannot afford to stunt U.S. leadership by focusing only on the negatives and unsubstantiated fears.

Fourth, turning back to PTAB proceedings, we are ensuring that they align with district court standards so that they complement instead of conflict with district court case law. Finding this right balance between offering scientific, technical, and legal expertise that the agency has, while still acting with humility in the face of co-pending proceedings in our court system, has been a challenge. But I think we are making progress. One example of that is a PTAB decision that we designated two weeks ago as informative. In that decision, we told parties that if they take a different claim construction position at the PTAB than they take in district court, at a minimum they need to explain why they changed that position. In the first Trump administration, again, Undersecretary Iancu, we changed the claim construction standard to match the district court standard. And we know that members of Congress have proposed legislation to change the evidentiary standard to match the district courts so that patents have the same presumption of validity before the Office as they do in court. All these efforts could possibly help stabilize the IP system.

Fifth, we are working to modernize examination. This means not only developing and encouraging the use of AI tools, but ensuring that we have secure IT systems so that bad actors cannot commit fraud before the Office and ensuring that parties, particularly foreign filers, do not abuse our special programs designed to assist independent inventors and small businesses. We have embraced a back-to-basics operating philosophy with a focus on our core mission: timely, rigorous, and now modern examination of patents. We are looking at our operations in a new light and finding opportunities to examine applications in a quick and thorough manner.

Finally, let me mention that with a new administration we have great opportunities to address many of the endemic issues that CSIS raised in its report. Some of you may know that I was at the USPTO for 10 years before I was in my current position as acting director. About half that time I was in the solicitor's office, which is in our Office of General Counsel, and about half that time I was in the front office or the Office of the Undersecretary working directly with Undersecretary Iancu. So I've

been through three presidential transitions: From Obama to Trump, from Trump to Biden, and now Biden back to Trump. Each transition brought great change to the USPTO. But what should hope – what should inspire us is the hope for transformation of our IP system, and the experience and the expertise the new administration is bringing to the system.

Think about it. We have the president, who is one of the most important brand owners in the world. We have the vice president, who copyrighted a bestselling book which became a – major motion pictures. We have a commerce secretary who's a prolific inventor in the area of fintech. And now we have USPTO director nominee John Squires, former chief IP counsel at Goldman Sachs with deep expertise in the law and business of patents. There are many other members of the administration with vast experience dealing with trade and foreign IP theft, and will be implementing new policies and systems to deal with it. This is truly unprecedented. It is a sign that IP policy will play an important role in the administration's economic agenda, and that we will have leadership that speaks, finally, with a strong voice on IP.

So while there has been past cause for concern, I'm extremely optimistic that with new leadership in government and with your energy to effect changes that are needed we will reinvigorate our IP system. We will enable our nation to prosper economically like never before. So thank you to CSIS and everyone here for being so committed to this case. It is worthy of all the effort we can give it. I look forward to working with you in the coming weeks and months. Thank you so much. (Applause.)

Dr. Gupta:

Thank you so much for that message of hope. Actually, I didn't know about the IP pedigree of all these – (laughs) – inventors that you just mentioned in the administration, so that's great.

(END.)