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TO: United States Patent and Trademark Office  
Department of Commerce

FROM: The Rockefeller University

RE: Comment on Notice of Proposed Rulemaking  
Federal Register, Volume 77, Number 104, May 30, 2012  
Changes to Implement Micro Entity Status for Paying Patent Fees

DATE: July 3, 2012

This comment is made in response to the Notice of Proposed Rulemaking concerning “*Changes to Implement Micro Entity Status for Paying Patent Fees*,” Federal Register, Vol. 77, No. 104, May 30, 2012, pp. 31806 et seq.

Summary: The Rockefeller University urges the Patent and Trademark Office (“PTO”) to interpret the Leahy-Smith America Invents Act definition of “micro entity” to include those institutions that are defined as “institutions of higher education” pursuant to the Higher Education Act, §1001, including its subsection (b).

Discussion: The Leahy-Smith America Invents Act includes a new definition of a “micro entity” in 35 U.S.C. § 123. Section §123(d)(1) provides that “a micro entity shall include an applicant who certifies that ... the applicant’s employer, from which the applicant obtains the majority of the applicant’s income, is an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).”

Section 1001 of the Higher Education Act separates into subsection (a) and subsection (b) characteristics that, *in both cases, by the Act’s terms*, define what constitutes an “institution of higher education.” A key difference, from the perspective of The Rockefeller University, which offers only graduate degrees, is the requirement in subsection (a), but not in subsection (b), that the institution offer a bachelor’s or equivalent pre-graduate or pre-professional degree.

Section 101 of the Higher Education Act, defining “institution of higher education” states in relevant part:

**SEC. 101. GENERAL DEFINITION OF INSTITUTION OF HIGHER EDUCATION.**

(a) Institution of Higher Education. For purposes of this Act, other than title IV, the term “institution of higher education” means an educational institution in any State that--

(1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or persons who meet the requirements of section 484(d)(3) [20 USCS § 1091(d)(3) (home schooling)];

(2) is legally authorized within such State to provide a program of education beyond secondary education;

(3) provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree, or awards a degree that is acceptable for admission to a graduate or professional degree program, subject to review and approval by the Secretary;

(4) is a public or other nonprofit institution; and

(5) is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional Institutions Included. For purposes of this Act, other than title IV [student assistance], the term “institution of higher education” also includes--

(1) any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a); and

(2) a public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1), admits as regular students individuals—

(A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or

(B) who will be dually or concurrently enrolled in the institution and a secondary school.

The Rockefeller University urges the PTO to interpret the term “micro entity” as defined by the America Invents Act to include all institutions of higher education that meet the qualifications of 20 U.S.C. § 1001, including its subsection (b). Failing to adopt that interpretation would limit micro entity status to institutions that meet the criteria of subsection (b) and that would satisfy subsection

(a) except that they do not grant undergraduate degrees. The suggested interpretation would avoid a possibly unintended effect of excluding a relatively small group of institutions that grant graduate, but not undergraduate degrees. Among the institutions that grant only graduate degrees are: The Rockefeller University, City of Hope, Fred Hutchinson Cancer Research Center, Mayo Graduate School, Memorial Sloan Kettering Cancer Center, Sanford Burnham Medical Research Institute, The Salk Institute for Biological Studies, The Scripps Research Institute, and Cold Spring Harbor Laboratory.

In order to encourage micro entities to bring new technologies to market, the America Invents Act offers reduced PTO fees to defined institutions of higher education where much of the technological innovation in America is taking place. It would be incongruous and antithetical to a significant purpose of the American Invents Act for a large university that meets the criteria of subsection 1001(a) to be treated as a micro entity while excluding from that status, a small basic research institution that is an institution of higher education under Section 1001 and meets all but the undergraduate degree criterion of subsection 1001(a). There is no rational basis for excluding basic research institutions simply because they do not grant undergraduate degrees.

The Rockefeller University presents a specific and compelling example of the reason that the PTO should interpret the America Invents Act as suggested above. In 1954, The Rockefeller University was given authority by the Board of Regents of New York State's Education Department to grant graduate degrees. The University offers a PhD degree and a Masters degree in Clinical and Translational Research. Key fields of study at the University are biochemistry, medical sciences, human genetics, cell and developmental biology, immunology, microbiology, neuroscience and physics. In partnership with Weill Cornell Medical School and Memorial Sloan Kettering Cancer Center, Rockefeller also trains scholars who will obtain MD-PhD degrees. Founded by John D. Rockefeller in 1901 as the nation's first institute for medical research, the University has a laboratory-based structure that encourages interdisciplinary research. There are 73 laboratories at Rockefeller, each headed by a tenured or tenure-track member of the faculty. Our faculty have garnered 24 Nobel Prizes, 21 Albert Lasker awards, 14 National Medals of Science and 14 Gairdner Foundation International awards. Thirty-five current faculty members are members of the National Academy of Sciences. Research is supported by government and private grants and income from the University's endowment. The University's Center for Clinical and Translational Science was among the first group of institutions to receive a multi-year, multi-million dollar Clinical and Translational Science Award from the National Institutes of Health, and this year, the award was renewed for an additional five years. Though a small institution, with fewer than 2,000 employees, the University has produced and continues to invent and develop innovations in science that contribute significantly to human health and welfare. Many of those inventions have been made possible by grants from the federal government.

We urge that higher education institutions such as The Rockefeller University be treated as micro entities under the America Invents Act. The University qualifies as a small entity under 37 C.F.R. § 1.27. The University also is an "institution of higher education" within the meaning of the Higher Education Act § 1001, specifically subsections (b)(1) and (b)(2)(A). By interpreting the America Invents Act to grant micro entity status to this and other qualifying small but highly productive higher education institutions that do not grant undergraduate degrees, the PTO will bring clarity to the definition of an "institution of higher education" for purposes of the America Invents Act. This interpretation will more robustly fulfill the intention of the America Invents Act by giving a lower fee structure to those graduate degree-granting science institutions of higher education that reliably are engines of discovery of innovative emerging technologies.