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June 19, 2012

Electronic submission to [SecrecyOrder.Comments@uspto.gov](mailto:SecrecyOrder.Comments@uspto.gov)

Office of Policy and External Affairs  
Mail Stop Congressional Relations  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
ATTN: Jim Moore

SUBJECT: Notice of Request for Comments Docket No. PTO-P-2012-0012  
Feasibility of Placing Economically Significant Patents Under a Secrecy Order  
(77 FR 23662)

Dear Mr. Moore:

The University of California appreciates the opportunity to respond to the April 20, 2012 Federal Register notice seeking comments on the possibility of imposing secrecy orders on applications which may be for economically significant patents. This proposed approach would mean that the Federal government would "identify and bar from publication and issuance certain patent applications as detrimental to the nation's economic security." This proposal represents a significant shift from the underlying principles of the U.S. patent system that an inventor obtains statutory protection for a limited period of time in exchange for disclosing the details of his or her invention, in order to promote the progress of "science and the useful arts."

The University of California is comprised of ten research-intensive campuses, including five medical schools, and is involved in the oversight of three national laboratories. During FY 2011, the University filed almost 1,300 patent applications, 343 U.S. patents were issued on previous applications and 217 utility licenses were issued by the UC campuses. Unlike proprietary research performed by commercial entities which enter into a research program with an economic interest from the outset, the University maintains a strong interest in ensuring that research collaborations not only lead to the creation and broad dissemination of new knowledge, but also continue to advance scientific discoveries, and the effective use of technology transfer will enable development and commercialization of technologies for the public benefit. The University utilizes the patent system to secure protection that provides an incentive for industry partners to license and commercially develop University technologies.

The University encourages a careful reconsideration of this proposal, as it runs counter to most universities' foundational mission of research, education and public service. We therefore respectfully request that any consideration for a secrecy order on patent applications specifically exempt patents that arise under university-performed fundamental research for the following reasons:

#### Research and Publications

U.S. universities promote an open academic environment to encourage research collaborations and dissemination of research results in a timely manner. The first principle of the University's *Principles Regarding Rights to Future Research Results in University Agreements with External Parties* issued on August 26, 1999 (<http://www.ucop.edu/ott/genresources/082699a.html>) is "Open Dissemination of Research Results and Information" which expresses the most foundational tenet of the University as "the freedom to interpret and publish or otherwise disseminate research results in order to support the transfer of knowledge to others and maintain an open academic environment that fosters intellectual creativity." This intellectual creativity is the essence of innovation that is crucial to the nation's economy and fuels the U.S. knowledge economy. The issuance of a secrecy order on a technology for economic reasons essentially would impose a publication restriction which is contrary to the principles under which the University performs its research mission.

In the academic community, publication is also critical for graduation and advancement; a secrecy order imposed early in an academic's career could have serious repercussions and could even impact a graduate student's ability to obtain a PhD.

#### Higher Education

University researchers across our campuses maintain collaborations with colleagues at other academic institutions, including non-U.S. universities and research institutes. These collaborations benefit the U.S., since a domestic or foreign researcher may be an expert in an area where our scientists need to overcome a technical challenge. It would be detrimental and counterproductive to discourage collaborations that advance science and bring technologies to market sooner as well as increase the likelihood that research programs that arise overseas will bypass American universities altogether and remain overseas without the requisite benefit for the U.S.

Graduate students conduct research that is memorialized in the dissertation that they submit in order to graduate and receive their Ph.Ds. A secrecy order related to a graduate student's research could affect their ability to graduate.

#### Academic Technology Transfer

In order to fulfill their public benefit missions, universities engage in technology transfer so that through industry partners, university discoveries can be translated into useful products that are accessible to the American public. Success of U.S. companies, especially start-up companies, requires strong and predictable domestic and foreign protection. Issuance of a secrecy order for economic reasons would preclude foreign protection, preventing licensees from effectively competing in the global marketplace.

June 19, 2012

Page 3

In addition, if global patent protection is not available, university start-ups may not be able to secure venture capital investments that are necessary to grow and sustain the company through the risky and costly development process.

#### Conclusion

It is critical that the Administration carefully consider whether a secrecy order promotes or hinders U.S. economic competitiveness. To date, the U.S. patent system has been largely compatible with the U.S. academic environment, allowing universities to publish research results in a timely manner while simultaneously preserving patent protection that is necessary for industry to commercialize university technologies. U.S. academic technology transfer is thriving. While there is always room for improvement, we are concerned that secrecy orders on economically significant patent applications would have a significant impact on the academic mission of U.S. research universities, and on the competitiveness of our licensees.

While we feel that secrecy orders for economic security are likely to have an effect opposite to that which is intended, if the PTO feels it must take such steps, we recommend that in the process of drafting rules, the PTO or appropriate federal agency seek additional public comments on the criteria that would be used to determine economical significance, as there will likely be differing opinions on what kinds of technologies should be subject to a secrecy order.

At a minimum, we recommend that if the USPTO feels it must implement secrecy orders for economic security, it adopts a fundamental research exemption similar to that in National Security Decision Directive 189 (NSDD 189) and in the export control laws to allow universities to maintain an open academic environment maintaining the freedom to publish research results in a timely fashion.

Thank you for the opportunity to provide input during the early stages of developing this proposal.

Sincerely,



Wendy D. Streit  
Executive Director  
Research Policy Analysis and Coordination

cc: Vice President Beckwith  
Managing Counsel Simpson  
Associate Director Tom