

July 27, 2012

Send to: [micro\\_entity@uspto.gov](mailto:micro_entity@uspto.gov)  
Mail Stop comments—Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Attention: James Engel, Senior Legal Advisor  
Office of Patent Legal Administration  
Office of the Deputy Commissioner for Patent Examination Policy

Subject: Changes to Implement Micro Entity Status for Paying Patent Fees (RIN 0651-AC78)

Dear Mr. Engel,

The Association of American Universities (AAU) is an association of 59 U.S. and two Canadian preeminent research universities organized to develop and implement effective national and institutional policies supporting research and scholarship, graduate and undergraduate education, and public service in research universities. The Association of Public and Land-grant Universities (APLU) is a research and advocacy organization of public research universities, land-grant institutions, and state university systems with member campuses in all 50 states, U.S. territories and the District of Columbia. The Association of American Medical Colleges (AAMC) is a not-for-profit association representing all 138 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems, and 89 academic and scientific societies. The Council on Governmental Relations (COGR) is an association of more than 185 U.S. research universities and their affiliated academic medical centers and research institutes that concerns itself with the impact of federal regulations, policies and practices on the performance of research and other sponsored activities conducted at its member institutions.

Our associations value their good working relationship with USPTO. We appreciate that USPTO has clarified in this notice that the micro entity status for institutions of higher education provided by the Leahy-Smith America Invents Act (AIA) (35 USC 123(d)) is separate from that provided for applicants under 35 USC 123(a). This had been the subject of discussion between higher education association and USPTO representatives, and we appreciate USPTO's responsiveness in providing this clarification.

We believe in general that the proposed rules are straightforward and consistent with the AIA. We do, however, have two concerns. First, in the notice, USPTO invites public comments on whether the term "inventor" should be used in place of "applicant" at any instance in the proposed rules. The proposed language of 1.29(d) implementing 35 USC 123(d) indicates that "applicants" must certify that they qualify as a small entity (d)(1), that their employer from whom they obtain the majority of income is an institution of higher education(d)(2)(i), and that they have assigned, granted, conveyed or are under an obligation to assign, grant or convey, a license or other ownership interest in the application to an institution of higher education (d)(2)(ii). In the case of university inventions, the university typically is the applicant. This creates anomalies in the proposed 1.29(d), since the institution logically cannot make the certifications

required under (2)(i) and (ii). We also note that under the Supreme Court’s decision in the *Stanford v. Roche* case last year (563 U.S. \_\_\_\_), if inventors have made present assignments, legal title is immediately vested in the institution when an invention is made. This further complicates the “applicant” issue.

One possible fix is for the proposed rule to state that for purposes of 1.29(d)(2), the “applicant” will be considered to mean the inventor(s) listed in the patent application. However, this may be problematic in the case of university-owned inventions with multiple inventors, not all of whom meet the certification requirements. According to the notice, in situations involving multiple inventors, USPTO’s intent apparently is to exclude the non-qualifying individuals from the benefits of claiming micro entity status. However, it is not at all clear how this would apply in the case of university-owned inventions since it is the university that would obtain the benefits. We appreciate USPTO’s intent to limit micro entity status to those applicants who also qualify as small entities. However, this should not be a concern where the university is the patent applicant, since by definition universities meet this requirement

Another suggestion is for 1.29(d) to provide that the (d)(2) certifications do not apply if the applicant is an institution of higher education. This could be accomplished by adding to (d)(1) a statement “...and, **unless the applicant is an institution of higher education itself...**” While we realize 35 USC 23(d) does not include this exception, there does not appear to be any other obvious way to address the anomalies created by the certification requirements for university inventions. This proposed language would implement what we understand to be the intent of the regulations.

Our second concern is with regard to the small entity requirement. Under current USPTO rules, small entities include nonprofit organizations that are either institutions of higher education, 501 (c )(3)s, or U.S. nonprofit scientific or educational organizations. The latter two types of organizations are excluded from the additional benefits of micro entity status under the proposed rules. While we understand that under the AIA, micro entity status is specified only for institutions of higher education, we note that elsewhere the AIA recognizes the special status of technology transfer organizations whose primary purpose is to facilitate the commercialization of technologies developed by one or more institutions of higher education (i.e. 35 USC 273 (e)(5)). We are aware of the existence of about 40 such organizations (and would be pleased to provide USPTO with a list if helpful). We urge USPTO to consider expanding the scope under 129(d) to include such organizations. We believe this would be consistent with the intent, and would avoid depriving a significant number of university inventions of the benefits of micro entity status.

We appreciate the opportunity to comment.

Sincerely,



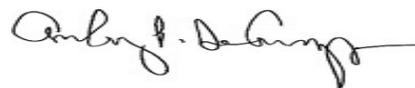
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