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To: Patent Practice

Subject: FPP_inquiry AB93 and AB94

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Topic Comment on Proposed Claims and Continuation Rules

I am The Intellectual Property Counsel at Caltech, and am writing to comment on my opinion as to the effect of the Proposed Rules on Caltech and universities in general. I am including a PDF of Comments from the law firm of Townsend, Townsend and Crew, which sets forth compelling argument as to the destructive effect of the rule change on the US patent practice. [*Editor's Note: Comment posted separately under subheading: Individuals, Apple*] I second these arguments, and add two more points.

First, university patents (after the 1981 Bayh/Dole Act granted them qualified ownership of federally funded inventions) have had a significant positive effect on the US economy. The Bayh/Dole Act was "perhaps the most inspired piece of legislation to be enacted in America over the past half-century," according to The Economist. "Innovation's Golden Goose," an opinion piece published in the Dec. 12, 2002, edition the respected publication, states: "Together with amendments in 1984 and augmentation in 1986, this unlocked all the inventions and discoveries that had been made in laboratories throughout the United States with the help of taxpayers' money. More than anything, this single policy measure helped to reverse America's precipitous slide into industrial irrelevance."

A large part of this effect is based on the ability of universities and their licensed start-up companies, each of which have limited resources, to obtain meaningful patent protection. The proposed changes in the claims and continuation rules will have a particularly adverse effect on small business and universities, for the reasons set forth in virtually all of the comments I have reviewed, but will also have a pronounced effect on the US economy which could, if The Economist is correct, begin (or, depending on one's viewpoint, exacerbate) another "precipitous slide into industrial irrelevance" for the United States. In view of the fact that the apparent reason for these changes in rules is to make the patent office more efficient, it seems as though the tail is wagging the dog.

Second, the solution for the problems faced by the Office is readily apparent: you cannot expect efficiency or effectiveness when a professional work force is paid (and especially when underpaid) on a piece-work basis. I realize this is not possible to change (although I cannot understand why), but when the problem is caused by the resultant inability of the

Office to attract and retain qualified examiners it makes absolutely no sense to stifle patent practice, and the US economy, by making it more difficult for private enterprise to benefit from the patent system.

Sincerely,

Adam Cochran, Esq.