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From: Mitchel Foote [mailto:mitchel.foote@ucop.edu]

Sent: Wednesday, May 03, 2006 4:27 PM

To: AB93Comments; AB94Comments

Cc: wendy.streitz@ucop.edu; janna.tom@ucop.edu

Subject: PTO Letter

Please see attached letter. If you have any difficulty with the file, please let me know. If there are questions about the content of the letter, please contact Janna Tom at janna.tom@ucop.edu, or by phone at 510-587-6059.

Sincerely,



OFFICE OF THE SENIOR VICE-PRESIDENT—
BUSINESS & FINANCE

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May 3, 2006

via e-mail: AB93Comments@uspto.gov
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Mail Stop Comments – Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Robert W. Bahr
Robert A. Clarke

Dear Sirs:

This letter is in response to the January 3, 2006 Federal Register notices of proposed rule making for Changes to the Practice for Continuing Applications, Requests for Continued Examination Practice, and Applications Containing Patentably Indistinct Claims (71FR48) and Changes to Practice for the Examination of Claims in Patent Applications (71FR61). The University of California appreciates the U.S. Patent and Trademark Office's (USPTO) efforts to set forth the proposed changes through various Town Hall meetings, including at UC Berkeley, and presentations at relevant conferences. We welcome the opportunity to provide comments on these proposals.

While we appreciate that the workload at the USPTO is increasing, we are concerned that the proposed changes will have a disproportionately detrimental effect on the academic community's ability to utilize the United States patent system to obtain strong and predictable patent protection in a cost effective manner. The University of California is opposed to the changes as proposed, but would like to offer the following feedback and constructive suggestions.

Universities serve as the engine for innovation in the United States by catalyzing further research and development into new products and markets. The academic culture is distinct from that in industry though, in that academic incentives encourage the publication of research findings early and often. Universities often develop new, cutting edge and early stage technologies that may not, at the time of publication, be sufficiently developed such that the scope of the invention can be properly defined in only two rounds of examination of only ten representative claims. Strong and predictable patent protection is critical in order for universities to attract the significant investment by industry partners needed to ensure that university technologies are developed and used by the general public, thereby spurring the U.S. economy.

The changes proposed by the USPTO incentivize a new patent prosecution strategy that will increase the number of initial applications, directly counter to the USPTO's goal of reducing applications. Many applicants will adopt a strategy of filing multiple applications initially, so as to have sufficient examination of the relevant subject matter. In contrast, the current procedure of examination of continuation applications by an Examiner who is already familiar with the case is likely less time consuming than examination of a new/different application; this is especially true should the new application be directed to a new Examiner who needs to come up to speed on the subject matter. Applicants will be incentivized to make the multiple filings look different, making it more likely that USPTO staff may route these applications to various Examiners. As a consequence, the limitation on continuation examinations may not have as substantive effect on efficiency as the USPTO anticipates. Under the proposed rules, applicants also will be forced to file all divisional applications simultaneously rather than serially, which will create a financial hardship for universities and other small entities with limited budgets. Moreover, the number of applications would be increased since, to avoid losing rights, an applicant may file early in the process a divisional(s) that it ultimately would not have filed under the current system.

The proposed changes are also inconsistent with the intent of the U.S. patent law to encourage disclosure of one's invention in exchange for patent protection under the statutes. Due to the limitation on the number of continuation applications, inventors may be less likely to file immediately after an invention is known, preferring to wait until even more information about the invention is available. This would result in new discoveries from the United States being withheld from the public, slowing the advancement of science.

The University of California, being comprised of ten campuses and three national laboratories, has had experience with the possibility of patentably indistinct claims emanating from different campuses or national laboratories. We strongly prefer the current U.S. patent prosecution process that allows the University to arrive at allowable claims to see if there remains an overlap, just as the USPTO does before declaring an interference. Prematurely truncating the patent prosecution process would likely lead to inventors not securing the full protection to which they are entitled.

The proposed changes would unfairly disadvantage universities and small entities through increased patent costs, increased uncertainty in the patent prosecution process and reduced protections for the significant innovation being produced by university faculty. These protections are critical to attract

industry partners who are able to translate the technology into commercial products, especially if substantive development effort and investment is needed, such as the rigorous process of obtaining FDA approval for new drugs. These changes will have the largest impact on healthcare and life sciences inventions which are critical to ease human suffering.

Congress is currently considering significant patent reform proposals. We encourage the USPTO to wait for the result of those efforts prior to making significant changes in patent rule practices that would have a significant detrimental effect on so many users of the USPTO, especially since some of the rule changes may prove unnecessary depending on the outcome of patent reform proposals. We also echo many of the points presented in the comment letters submitted by the Council on Governmental Relations and the Wisconsin Alumni Research Foundation.

If, however, the USPTO feels that it absolutely must adopt some changes to ease the current workload crisis, we encourage the consideration of the following as alternative, less extreme measures:

- 1) Any changes adopted should be temporary and specifically time-limited.
- 2) Remove Requests for Continuing Examinations (RCE) from the limitation. RCE's should not be hampered.
- 3) Consider a deferred examination procedure so that an examination does not occur immediately. Prior to examination, the patent applicant may continue to develop aspects of the invention (e.g., Continuation-in-Part applications) or may move to a superseding invention. Thus, at the end of the examination deferral period, an applicant may choose to only submit for examination a Continuation-in-Part or superseding case. This could actually decrease the USPTO workload.
- 4) Create a point credit system that incentivizes Examiners to grant after final interviews and/or to issue non-final second office actions if progress is being made on an application. For example, the same point credits would be given for a non-final office action as for a first office action.

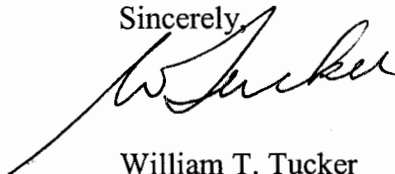
In summary, we feel that the proposed rule changes do not support the fundamental purpose of the U.S. patent system, which is to promote the progress of science by providing patent protection for inventive contributions to society. Rather, the proposed restrictions will prematurely curtail patent prosecution before the full and true nature of the inventive contribution can be determined. As a university, we depend on strong and predictable patent protection in order to successfully transfer our technologies to industry and ultimately to the public, particularly in the pharmaceutical and biotech arenas. We are very concerned that any diminution of the patent protection currently available to universities under the U.S. patent laws by the proposed rule changes will have a negative impact on the ability of universities fulfill this mission; a mission that is promoted and supported by the Bayh-Dole Act.

Again, the University thanks the USPTO for the opportunity to comment on the proposed rule changes. In contrast to these proposals, we look forward to working with the USPTO to find successful ways to

R. Bahr
R. Clarke
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make the patent prosecution process more efficient without adversely impacting the quality of the resultant patents.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Tucker", written over the word "Sincerely,".

William T. Tucker
Interim Executive Director
Research Administration and
Technology Transfer

cc: University Counsel Simpson
Director Streit
Assistant Director Tom
UC Intellectual Property Managers
Council on Governmental Relations