



September 6, 2007

The Honorable John Conyers Jr.
Chairman
House Judiciary Committee
2426 Rayburn House Office Bldg
Washington, D.C. 20515

The Honorable Howard Berman
Chairman
House Judiciary Subcommittee on the Courts,
the Internet and Intellectual Property
B352 Rayburn House Office Bldg
Washington, D.C. 20515

The Honorable Lamar Smith
Ranking Member
House Judiciary Committee
2409 Rayburn House Office Bldg
Washington, D.C. 20515

The Honorable Howard Coble
Ranking Member
House Judiciary Subcommittee on
the Courts, the Internet and
Intellectual Property
B352 Rayburn House Office Bldg
Washington, D.C. 20515

Dear Congressmen Conyers, Smith, Berman and Coble:

I write on behalf of the Association of University Technology Managers (AUTM) about the proposed modifications to the U.S. patent laws in HR 1908. AUTM is a nonprofit organization dedicated to promoting, supporting and enhancing the global academic technology transfer profession. AUTM's more than 3,500 members, primarily managers of intellectual property, represent more than 300 universities, non-profit research institutions and teaching hospitals as well as numerous businesses and government organizations. Universities and research institutions serve as engines for innovation and create early stage technologies that help to stimulate the regional and U.S. economies. Universities, their affiliated non-profit research foundations, and non-profit research institutes develop early stage technologies that need significant resources before a technology can be made into a safe and effective form useful to the general public. A strong and predictable patent system is essential to our profession and ability to attract company partners who are willing and able to invest effort and significant financial resources into commercializing our technologies.

The patent reform bill in the House includes venue reform to reduce forum shopping in patent infringement cases, but contains unintended negative consequences for some of our members. We appreciate that the bill, as reported by the House Judiciary Committee, permits a suit to be brought in a judicial district where the primary plaintiff resides if the primary plaintiff in the action 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)). A non-profit research foundation that functions as the patent licensing organization for an institution of higher

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education is not an institution of higher education and therefore would be required to bring an infringement suit in the home district of the infringer. This provision would be costly for non-profit research foundations that support university activities and provide an unfair advantage to the infringing company.

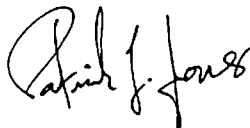
Non profit patent licensing organizations are key players in the success of the U.S. innovation economy, serving to transfer technology from universities to the private sector. Over forty universities (in such states as Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, New York, Ohio, Oklahoma, Tennessee, Texas, Utah, Virginia, Washington and Wisconsin) act through such non-profit foundations. Non-profit foundations that operate as patent licensing organizations for universities have recently been applauded by the Kaufman Foundation and the Department of Commerce as a mechanism to engage in technology licensing. Some universities, under their respective state Constitutions and laws enacted thereunder, cannot hold equity in start-up companies and therefore are obligated to establish foundations to do so.

On a state-by-state basis, universities and their affiliated non-profit foundations remain the best judges of how to pursue commercial activities, including start-ups, related to patented technologies at their locations. There are no sound public policy reasons to distinguish -- for venue purposes -- between an institution of higher education that operates its licensing program through a technology transfer office within the university and an independent non-profit research foundation that engages in the same activities. In addition, this creates an additional hurdle that such institutions and their prospective licensees would need to consider before taking the risk of pursuing the commercialization of cutting edge technologies or new therapies that may save lives or reduce human suffering.

The House Judiciary Committee amendment contains an exception for research institutes and companies that have research and production facilities in a specific federal court district. It is clearly an oversight that these organizations that act on behalf of universities and all have boards with university membership were excluded from the venue exemption. We ask that you consider expanding the exemption to include these valuable contributors to the U.S. economy.

Thank you for your assistance with this important issue. We appreciate your attention to organizations that many universities utilize to transfer technology for the benefit of the public.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick L. Jones". The signature is written in a cursive, flowing style.

Patrick L. Jones
AUTM President
University of Arizona