



ASSOCIATION OF AMERICAN UNIVERSITIES

Executive Vice President

April 14, 2011

The Honorable Lamar S. Smith
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Smith:

I write on behalf of the Association of American Universities, the Association of Public and Land-grant Universities, the American Council on Education, and the Association of American Medical Colleges to commend you on the improvements to H.R. 1249, the America Invents Act, contained in the Manager's Amendment to be considered at today's markup of H.R. 1249.

As indicated in my March 30 testimony, universities believe H.R. 1249 contains numerous improvements to the U.S. patent system. We identified two principal concerns with the legislation as introduced: 1) the broad expansion of prior user rights, and 2) the lowering of the threshold contained in S. 23 for initiating an inter partes review.

The Manager's Amendment reinstates the "reasonable likelihood" threshold for initiating an inter partes review. We understand that an amendment will be offered at the markup to correct an unintended omission by adding language requiring the USPTO to consider a patent owner's response to a petition for inter partes review before deciding whether to initiate that review. Adoption of that amendment would fully address our stated concerns about the lowered threshold for inter partes review.

Universities have had a long-standing concern about the expansion of prior user rights. However, we recognize that the patent community is heterogeneous, with its many sectors facing differing problems calling for differing solutions. The Manager's Amendment includes a provision that requires a product eligible for the assertion of a prior user rights to have been commercially used at least one year before the effective filing date of a patent against which the defense could be asserted. We believe this provision improves the prior user rights section of the bill and fully protects the grace period that supports the ability of university inventors to publish their discoveries in advance of filing for a patent. While some universities continue to oppose the expansion of prior user rights, our associations believe that the commercialization modification of the Manager's Amendment, along with the limitation of prior user rights to domestically manufactured products, is sufficiently responsive to our concerns that we are withdrawing our support for any amendments to strike the prior user rights provisions and

support the basic structure of the prior user rights defense as amended by the Manager's Amendment. We believe that there are additional modifications to these provisions that are non-controversial and would improve them. We hope that we can work with you on those improvements as the legislation moves forward.

We applaud the work of the House Judiciary Committee in introducing H.R. 1249 with its many strong provisions, and we are most appreciative of the further improvements to this legislation contained in the Manager's Amendment. We look forward to working with you to continue the extremely promising progress toward enacting comprehensive patent reform that will strengthen the U.S. patent system, enhancing the innovative capacity of the nation and increasing its economic competitiveness.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Vaughn". The signature is written in a cursive style with a large, stylized initial "J".

John C. Vaughn

cc: The Honorable John Conyers, Jr.
The Honorable Robert Goodlatte
The Honorable Melvin Watt