

No. 09-1159

---

---

IN THE  
**Supreme Court of the United States**

---

BOARD OF TRUSTEES OF THE LELAND STANFORD  
JUNIOR UNIVERSITY,  
*Petitioner,*

v.

ROCHE MOLECULAR SYSTEMS, INC., *et al.*,  
*Respondents.*

---

**On Writ of Certiorari to the United States  
Court of Appeals for the Federal Circuit**

---

**BRIEF OF AMERICAN ASSOCIATION OF  
UNIVERSITY PROFESSORS, IEEE-USA,  
AND IP ADVOCATE AS *AMICI CURIAE*  
IN SUPPORT OF AFFIRMANCE**

---

DAVID P. SWENSON  
*Counsel of Record*  
ROBINS, KAPLAN, MILLER  
& CIRESI LLP  
800 LaSalle Ave., Ste. 2800  
Minneapolis, MN 55402  
612.349.8500  
*dpswenson@rkmc.com*  
*Counsel for Amici Curiae*

1 February 2011

---

---

**TABLE OF CONTENTS**

	<b>Page</b>
INTEREST OF <i>AMICI CURIAE</i> .....	1
SUMMARY OF THE ARGUMENT.....	6
ARGUMENT .....	7
I.    THE BAYH-DOLE ACT DOES NOT ALTER THE EXISTING RELATIONSHIPS BETWEEN UNIVERSITIES AND FACULTY. ....	7
II.   FACULTY MEMBERS ARE MORE THAN MERE EMPLOYEES “HIRED TO INVENT.” .....	11
III.  PETITIONER’S READING OF BAYH- DOLE CONTRAVENES THE HISTORICAL RECOGNITION THAT FACULTY INVENTORS OWN THEIR INVENTIONS .....	16
IV.  APPLYING THE BAYH-DOLE ACT AS PETITIONER SEEKS WOULD DAMPEN PRIVATE ENTITIES’ WILLINGNESS TO WORK WITH NONPROFIT RESEARCHERS .....	19
CONCLUSION .....	21

## TABLE OF AUTHORITIES

	Page(s)
<b>CASES</b>	
<i>Bd. of Trustees of the Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.</i> , 583 F.3d 832, 841 (Fed. Cir. 2009).....	19
<i>Bilski v. Kappos</i> , 130 S. Ct. 3218 (2010).....	4
<i>Board of Regents v. Roth</i> , 408 U.S. 564 (1972).....	2
<i>Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.</i> , 535 U.S. 722 (2002).....	4
<i>Garcetti v. Ceballos</i> , 547 U.S. 410 (2006).....	2
<i>Grutter v. Bollinger</i> , 539 U.S. 306 (2003).....	2, 12
<i>Hays v. Sony Corporation of America</i> , 847 F.2d 413 (7th Cir. 1988).....	14
<i>Imation Corp. v. Koninklijke Philips Elecs. N.V.</i> , 586 F.3d 980 (Fed. Cir. 2009).....	19
<i>Keyishian v. Bd. of Regents</i> , 385 U.S. 589 (1967).....	2, 12
<i>MGM Studios, Inc. v. Grokster, Ltd.</i> , 545 U.S. 913 (2005).....	4
<i>Regents of Univ. of Michigan v. Ewing</i> , 474 U.S. 214 (1985).....	2, 13
<i>Standard Parts Co. v. Peck</i> , 264 U.S. 52 (1924).....	13
<i>Sweezy v. New Hampshire</i> , 354 U.S. 234 (1957).....	12

<i>Tilton v. Richardson</i> , 403 U.S. 672 (1971).....	2
<i>Weinstein v. University of Illinois</i> , 811 F.2d 1091 (7th Cir. 1987).....	15

### STATUTES

17 U.S.C. § 101 .....	15
17 U.S.C. § 201(b).....	15
35 U.S.C. § 202(a).....	9
35 U.S.C. § 261 .....	9, 15
37 C.F.R. § 401.14(a)(f)(2) .....	12, 19

### LEGISLATIVE MATERIALS

H.R. Rep. No., 96-1307.....	9
S. Rep. No. 96-480 .....	8

### OTHER AUTHORITIES

AAUP POLICY DOCUMENTS & REPORTS (10th ed., 2006) .....	1, 2, 11, 12, 14, 20
Abraham Lincoln, <i>Second Lecture on Discoveries &amp; Inventions</i> , 3 THE COLLECTED WORKS OF ABRAHAM LINCOLN (Roy P. Basler ed., Rutgers 1953) (Feb. 11, 1859) .....	15
Birch Bayh, U.S. Sen., <i>Bayh-Dole: Don't Turn Back the Clock (2006)</i> .....	10
Bob Dole, U.S. Sen., ' <i>Public the Victim</i> ' <i>for Lack of Limited Patent Right Policy, Dole Says</i> (May 16, 1979), <i>available at</i> <a href="http://bayhdolecentral.com/dolePDF/PatentPolicyPublicVictimPressRelease1979.pdf">http://bayhdolecentral.com/dolePDF/ PatentPolicyPublicVictimPressRelea se1979.pdf</a> .....	15
Brandeis Intellectual Property Policy (Feb. 2004), <i>available at</i>	

<a href="http://www.brandeis.edu/otl/pdfs/ippolicy.pdf">http://www.brandeis.edu/otl/pdfs/ippolicy.pdf</a> .....	17
California Institute of Technology Patent and Copyright Agreement (Dec. 30, 2003), <i>available at</i> <a href="https://www.ogc.caltech.edu/Forms/documents/patentagreement">https://www.ogc.caltech.edu/Forms/documents/patentagreement</a> .....	18
Elizabeth P. Berman, Social Studies of Science (Dec. 2008), <i>Why Did Universities Start Patenting?: Institution-building and the Road to the Bayh-Dole Act</i> , <i>available at</i> <a href="http://sss.sagepub.com/content/38/6/835.full.pdf+html">http://sss.sagepub.com/content/38/6/835.full.pdf+html</a> .....	10
Inventions and Related Property Rights, Cornell University Policy Library (June 4, 2010), <i>available at</i> <a href="http://www.dfa.cornell.edu/dfa/cms/teasurer/policyoffice/policies/volumes/academic/upload/vol1_5.pdf">http://www.dfa.cornell.edu/dfa/cms/teasurer/policyoffice/policies/volumes/academic/upload/vol1_5.pdf</a> .....	18
Martin Kenney & Donald Patten, <i>Reconsidering the Bayh-Dole Act and the Current University Invention Ownership Model</i> , at 1413 (2009) .....	16
News from U.S. Sen. Bob Dole, <i>Dole Charges HEW Is Suppressing Lifesaving Medical Technology</i> (August 4, 1978), <i>available at</i> <a href="http://bayhdolecentral.com/dolePDF/DoleChargesHEPressRelease1978.pdf">http://bayhdolecentral.com/dolePDF/DoleChargesHEPressRelease1978.pdf</a> .....	9
<i>Position Statement On University Intellectual Property Guidelines</i> adopted by the IEEE-USA on November 19, 2010 .....	4

## INTEREST OF *AMICI CURIAE*<sup>1</sup>

Founded in 1915, the American Association of University Professors (AAUP) is a non-profit organization of approximately 47,000 faculty, librarians, graduate students, and academic professionals. Its purpose is to advance academic freedom and shared university governance, to define fundamental professional values and standards for higher education, and to ensure higher education's contribution to the common good. As a guardian of academic freedom and an advocate for faculty rights, one of the AAUP's principal tasks is to formulate national standards, often in conjunction with other higher education organizations, for the protection of academic freedom and other important aspects of university life. These standards serve as models for institutional policy on matters like academic freedom, due process, research, and teaching. *E.g.*, *1915 Declaration of Principles on Academic Freedom & Academic Tenure* and *1940 Statement of Principles on Academic Freedom & Tenure*, in AAUP POLICY DOCUMENTS & REPORTS 3-11, 291-301 (10th ed., 2006).

Because the AAUP's policies have been recognized by this Court and are widely respected and followed in American colleges and universities, the AAUP is uniquely positioned to assist this Court in developing the law in a manner that respects aca-

---

<sup>1</sup> No counsel for a party authored this brief in whole or in part, nor made a monetary contribution intended to fund the preparation or submission of the brief. No one other than *Amici* their members or counsel made a monetary contribution to the preparation or submission of this brief. Pursuant to this Court's Rule 37.3(a), letters of consent were filed by the parties.

dem practice in higher education for the treatment of faculty intellectual property. *See, e.g., Board of Regents v. Roth*, 408 U.S. 564, 579 n.17 (1972); *Tilton v. Richardson*, 403 U.S. 672, 681-82 (1971). In cases that implicate AAUP policies, or otherwise raise legal issues important to higher education or faculty members, the AAUP frequently submits *amicus* briefs to the Court. *See, e.g., Garcetti v. Ceballos*, 547 U.S. 410 (2006); *Grutter v. Bollinger*, 539 U.S. 306 (2003); *Regents of Univ. of Michigan v. Ewing*, 474 U.S. 214 (1985); and *Keyishian v. Bd. of Regents*, 385 U.S. 589 (1967).

Faculty and academic professionals at institutions of higher education serve a critical societal function, vesting them with both enhanced rights and greater responsibilities to the colleges and universities where they engage in scholarship and research, as well as to their students and to society as a whole. As stated by the AAUP's *1915 Declaration of Principles on Academic Freedom and Academic Tenure*, the profession's first statement on academic freedom and tenure, "[i]f education is the cornerstone of the structure of society and if progress in scientific knowledge is essential to civilization, few things can be more important than to enhance the dignity of the scholar's profession.... The responsibility of the university teacher is primarily to the public itself, and to the judgment of his own profession." *1915 Declaration*, at 294-295. Thus, faculty researchers and inventors are, and always have been, more than mere employees to their institutions.

By participating as an *amicus* in this case, the AAUP seeks to educate the Court about the ownership interests of faculty inventors and the impor-

tance of those interests to higher education and to society as a whole.

IEEE-USA is an organizational unit of The Institute of Electrical and Electronics Engineers, Inc., a New York-based not-for-profit and the world's leading educational and scientific association for the advancement of technology. IEEE-USA supports the nation's prosperity and competitiveness by fostering technological innovation for the benefit of all, including U.S. IEEE members—more than 210,000 engineers, scientists, and allied professionals. As part of its mission, IEEE-USA seeks to ensure that U.S. patent and copyright law promotes the progress of science and the useful arts consistent with the principles set forth by our nation's founders. IEEE's U.S. members serve on the “front line” of our copyright and patent system. Its membership includes inventors, software authors, and others who create and use cutting-edge technology, who research and publish professional articles and journals, and who develop published standards that form the bases for widely-adopted and critical technologies. They are academics, entrepreneurs, and employees of firms that acquire, license, and market patented works. While the outcome of this appeal may well affect all members, the ruling will directly affect the nearly 30% of IEEE-USA members in academia.

Recognizing that the promotion of progress requires a delicate balancing of these groups' interests, IEEE-USA consistently speaks for that balance. When a decision threatens to disrupt the nation's intellectual property system, IEEE-USA respectfully believes it has the experience and perspective to aid this Court as it interprets the law to achieve the con-



stitutional directive of promoting progress. It has done so previously as an *amicus* in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010), *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002), and *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005), suggesting balanced approaches consistent with those adopted by the Court. This case affects two groups of IEEE-USA members. First, members who invent must have the ability to contract, assign for consideration, or license their inventions to entities that can assemble the capital and business resources to bring the inventions to market in useable form. Second, members who own or are employed by companies that acquire inventions based on federally-funded research must have assurance they receive quiet title. Absent that, companies will lack the confidence to invest and build businesses based on these inventions. The fear of late-arising Bayh-Dole claims for revocation of intellectual property title necessary to build those businesses will disrupt their formation and harm the economy.

IEEE-USA recognizes the pivotal role that universities and other federally-funded research institutions play in achieving the goals enunciated above and has generally supported contractual procedures that properly transfer certain original inventors' rights to universities for inventions developed at the university during, and in the course of, federally-funded research. As the *Position Statement On University Intellectual Property Guidelines* adopted by the IEEE-USA on November 19, 2010 states, however, universities should "obtain signed intellectual property agreements from all applicable faculty, staff and students, indicating that they have been

informed of the university's intellectual property policies, and agree to abide by them.” The Statement elaborates that, “[T]he university should also inform faculty, staff and students who will be working on a grant or contract whenever that grant or contract contains terms that affect the ownership of intellectual property.” This case arose in part because such proper procedures were not followed and necessary assignment agreements were not secured. Affirming the decision below, *Amici* assert, would respect the bargained-for protections in place for academic inventors, while reversing it would frustrate this established, successful structure for managing intellectual property in universities.

IP Advocate is a philanthropic organization dedicated to assisting academic researchers in comprehending and traversing the complex interplay of policy, law, and procedure throughout the creation, development, technology transfer, and commercialization of their intellectual property. The founder of IP Advocate, Dr. Renee Kaswan, spent eighteen years as a research professor at the University of Georgia, where she invented and patented the Chronic Dry Eye drugs Optimmune® and Restasis®. The university awarded her its Creative Research Medal in 1992, and recognized Dr. Kaswan as its “Inventor of the Year” in 1998. Her inventions have generated over \$2 billion in sales. The University of Virginia Patent Foundation ranked Restasis® amongst the “University Inventions that Changed the World.”

The AAUP, IEEE-USA, and IP Advocate submit this brief to refute the notion fostered by, *e.g.*, the Association of University Technology Managers (AUTM) and the Association of American Universi-

ties (AAU), that the American research university community as a monolithic whole wants the decision of the U.S. Court of Appeals for the Federal Circuit reversed. A critical mass of the most indispensable university constituency affected—professors and others whose scholarly work generates the inventions at stake—in fact opposes judicially rewriting the Bayh-Dole Act to divest faculty and similarly-situated inventors of the right to initial ownership of their inventions.

### SUMMARY OF THE ARGUMENT

This case commenced as a fact-intensive dispute over the role of a single scientist in an inventive collaboration spanning several years that utilized the resources of both private enterprise and a top research university—with, *allegedly*,<sup>2</sup> a dose of federal funding injected at some point. Stanford researcher Dr. Holodniy learned about the Nobel Prize-winning PCR technique from its creator, Cetus. Back in a Stanford laboratory, Holodniy and others tested the PCR-based assay for HIV quantitation that resulted from his work at Cetus, which Stanford filed patent applications to cover. Meanwhile, Roche acquired Cetus's PCR assets, and commercialized an HIV therapy effectiveness test based on this technology. No one questions the benefits of this development.

---

<sup>2</sup> As discussed in Respondents' brief, *Amici* see no evidence in the record or Petitioner's brief that explains exactly how two grant agreements Stanford apparently cannot produce copies of ever covered any part of Dr. Holodniy's work on the claimed inventions in the first place.

While both sides praise the Bayh-Dole Act and laud its impact during its thirty years in force, this appeal has turned into an epic debate over whether one group or another reaping the rewards misunderstood all along how the Act functions. Now Petitioner and Respondents both claim that adopting the other side's construction of Bayh-Dole would jeopardize their widely-celebrated, collective success. Respondents' reading of the Act, however, best comports with the record, including evidence of the historical behavior of institutions like Petitioner.

*Amici* contend that the correct interpretation of Bayh-Dole starts with the choice of the Constitution and Patent Act to grant patents to individuals, the longstanding recognition by universities that faculty initially own their inventions and that written assignments are required to transfer title, and the language of the Bayh-Dole Act itself that simply allows contractors to "retain" what title they obtained through such assignments. The Act should not be read to upset this balance after-the-fact and vest title to federally-funded inventions in contractors.

## ARGUMENT

### I. THE BAYH-DOLE ACT DOES NOT ALTER THE EXISTING RELATIONSHIPS BETWEEN UNIVERSITIES AND FACULTY.

Without repeating fully their well-presented arguments, the AAUP, IEEE-USA, and IP Advocate join in the view taken by Parts I-V of the neutral *amicus* brief filed by the American Intellectual Property Law Association (AIPLA), and Part I of Respondents' brief. As each similarly sets forth, the Consti-

tution and the Patent Act provide to inventors the initial ownership rights in patents. Inventors can then assign or transfer their rights in writing, under 35 U.S.C. § 261.

Nothing in the Bayh-Dole Act’s language or legislative history suggests the automatic taking of this title from inventors, as Petitioner and its supporters imagine, to vest it by operation of law in a contractor under a federal funding agreement. Unable to point to any such literal language, Petitioner would rewrite the Act’s provision that a contractor may “elect to *retain* title” to assert instead that Bayh-Dole “Section 202(a) contains the critical right to *take* title ....” *Compare* 35 U.S.C. § 202(a) *with* Pet. Br. at 12 (emphases added). The wording of the Act quite simply allows a contractor to *retain* an interest in the title that it has the right to obtain or has obtained separately from inventors in its employ.

The *amicus* brief of the National Venture Capital Association (NVCA), though in support of Petitioner, aids in illuminating how the backdrop and legislative history of the Bayh-Dole Act instead support Respondents’ interpretation. NVCA points out that “[i]t was evident by 1980 that universities had been successful in licensing their portfolios of patents arising out of private funding to startups and other companies.” NVCA Br. at 9; *see also* S. Rep. No. 96-480, at 2 (praising the ability of universities prior to Bayh-Dole to license one-third of the patents they held, in contrast to the government’s ability to license less than four percent of the patents it had taken title to). In other words, prior to passage of Bayh-Dole, and without the aid of any law that vested title in universities, they were able to con-

tract successfully with inventors for assignments of patents that the universities could then license out.

NVCA rightly cites this “proven track record” as the grounds for “Congress’s judgment [] that non-profits would be effective custodians of federal inventions, much as they had been with private institutions.” NVCA Br. at 9-10; *see* H.R. Rep. No., 96-1307, pt. 1, at 3. If the goal of Bayh-Dole was to put universities on the same footing with respect to federally-funded research as private entities who acquire title from their employees by contract, as NVCA states, that cannot justify taking title by legal fiat from faculty inventors and transferring that title to the colleges and universities where they engaged in scholarly research. These institutions can and do regularly contract with their employee-inventors without any special federal statute.

In a 1978 press release, Senator Dole, co-namesake of the Act, stated his concern about the government’s inability to efficiently commercialize federal funded inventions for the benefit of society when he criticized the Department of Health, Education and Welfare (HEW) for “suppressing critical lifesaving drugs and medical devices developed under support from the National Institutes of Health.” Press Release, *News from U.S. Sen. Bob Dole, Dole Charges HEW Is Suppressing Lifesaving Medical Technology*, at 1 (August 4, 1978), available at <http://bayhdolecetr.al.com/dolePDF/DoleChargesHEWPressRelease1978.pdf>. He wrote, “HEW’s present position of denying *to inventors* and their universities ownership rights ... precludes the possibility of those inventions ever reaching the public.” *Id.* at 2 (emphasis added). Senator Dole’s concern about the denial of

ownership rights “to inventors” funded by HEW cannot square with a reading of Bayh-Dole that instead automatically divests an even broader universe of nonprofit inventors of their rights. See Elizabeth P. Berman, *Why Did Universities Start Patenting?: Institution-building and the Road to the Bayh-Dole Act*, 38/6 *Social Studies of Science* 837 (Dec. 2008), available at <http://sss.sagepub.com/content/38/6/835.full.pdf+html>. “The third phase of institution building was the effort to change government patent policy that would ultimately result in Bayh-Dole. Starting in the early 1970s, a small group of federal administrators who believed that inventors in general should retain patent rights to government-funded research began working on several fronts to make that possible.”).

Similarly, in a 2006 speech reflecting on the passage of the Act, former Senator Bayh recalled what the head of technology transfer at Purdue University said to him in 1978: “that the Government’s policy that prohibited universities from owning these patents and leasing them to businesses killed the incentive necessary for innovative companies to fully develop these new ideas.” Birch Bayh, U.S. Sen., *Bayh-Dole: Don’t Turn Back the Clock (2006)*; see NVCA Br. at 9. In other words, the solution Bayh-Dole enshrined in law was to reallocate patent ownership rights as between the government and nonprofit entities including universities, not to alter the established and effective contractual relationships between those nonprofit higher education institutions and their faculty inventors.

As *amicus* AIPLA observes, the regulations implementing Bayh-Dole recognize the independent

need for a contractor to secure rights in subject inventions “by written agreement, [from] its employees ....” 37 C.F.R. § 401.14(a)(f)(2); *see* AIPLA Br. at 7-8. To protect the government’s interests, this formalizes for federally-funded inventions in the hands of nonprofits what Congress praised universities for managing so efficiently in the realm of their privately-funded efforts. *See* AIPLA Br. at 10-11 (quoting 1947 AG Report 1, at 78, 88). Again, this contravenes the idea that Bayh-Dole already effectuated an automatic taking of title from inventors.

## II. FACULTY MEMBERS ARE MORE THAN MERE EMPLOYEES “HIRED TO INVENT.”

Higher education occupies a special place in this country. The academic work pursued at colleges and universities in the United States has long been recognized as central to our democracy, and conducted in support of the common good. As the joint *1940 Statement of Principles of Academic Freedom and Tenure*, coauthored by the AAUP and the Association of American Colleges (now the Association of American Colleges and Universities), eloquently states, “[t]he common good depends upon the free search for truth and its free exposition.... Freedom in research is fundamental to the advancement of truth.” *1940 Statement* at 3.<sup>3</sup>

Federal courts have credited faculty and academic professionals as the keystones in this work.

---

<sup>3</sup> The *1940 Joint Statement* codified the AAUP’s *1915 Declaration* and is recognized as the profession’s seminal statement; it has been endorsed by more than 240 disciplinary societies and educational organizations.



This Court encapsulated this notion in *Sweezy v. New Hampshire*, 354 U.S. 234, 250 (1957):

The essentiality of freedom in the community of American universities is almost self-evident. No one should underestimate the vital role in a democracy that is played by those who guide and train our youth. To impose any strait jacket upon the intellectual leaders in our colleges and universities would imperil the future of our Nation.

The Court reaffirmed its commitment to academic freedom in *Keyishian v. Bd. of Regents*, 385 U.S. 589, 603 (1967), in which Justice Brennan, for a unanimous court finding faculty loyalty oaths unconstitutional, wrote that “[o]ur Nation is deeply committed to safeguarding academic freedom, which is of transcendent value to all of us.... That freedom is therefore a special concern.”

The relationship between a faculty member and his or her college or university is, therefore, much more than merely that of an employee to his or her employer. As articulated in the AAUP’s *1915 Declaration*, “[t]he [faculty] are the appointees, but not in any proper sense the employees of [the university trustees]. *1915 Declaration* at 295. This Court and other courts have acknowledged the unique relationship of faculty to their colleges and universities, often referring to the importance of protecting academic freedom in the context of academic speech or other faculty decision-making. *See, e.g., Grutter v. Bollinger*, 539 U.S. 306, 321 (2003) (citing academic freedom considerations as a reason for the Court to defer to faculty decision-making in the development

of state university admissions processes); *Regents of the University of Michigan v. Ewing*, 474 U.S. 214, 226 (1985) (citing academic freedom concerns in deferring to faculty decision-making about academic matters with respect to decision to drop student from special medical school program).

Thus it is particularly concerning to *Amici* that key arguments of Petitioner and the AAU, AUTM, *et al.*, urge extension of the purportedly-analogous “hired to invent” or “work made for hire” doctrines in ways that might diminish the rights of academic inventors under the Bayh-Dole Act. Petitioner looks to “general federal common law” as applied in a lone 1924 decision, *see* Petitioner’s Br. at 57-58, which Respondents easily distinguish, *see* Respondents’ Br. at 70-71. Unlike the normal role of academic researchers, Mr. Peck developed precisely the process and machinery his short-term employment contract engaged him to invent to solve an expressly-defined problem. *Standard Parts Co. v. Peck*, 264 U.S. 52, 59-60 (1924). Had Congress intended to extrapolate so profoundly from this narrow opinion, or to synchronize patent law with “work made for hire” in sections 101 and 201(b) of the Copyright Act, *see* 17 U.S.C. §§ 101, 201(b), one would expect to find some scintilla of evidence in the Bayh-Dole language or its legislative history. As the briefs supporting Petitioner reveal, no such evidence can be found.

The attempted analogy to the Copyright Act’s work for hire doctrine fails for two additional reasons. As a basic matter, the Patent Act has absolutely no provision mirroring the Copyright Act’s “work made for hire” approach. The Patent Act states that patent ownership is granted to inventors.

35 U.S.C. § 261. In addition, unlike Mr. Peck or others hired to develop specific inventions, faculty researchers and scholars have significant independent control over the areas in which they conduct research, as well as the content of their teaching. The work of faculty inventors, therefore, does not meet the traditional requirements of a work for hire.

Although the AAUP has not published a statement directly addressing ownership interests of faculty in inventive works, the *1999 Statement on Copyright* explains that the “prevailing academic practice [has been] to treat the faculty member as the copyright owner of works that are created independently and at the faculty member’s own initiative for traditional academic purposes.” AAUP POLICY DOCUMENTS & REPORTS, at 214.

This prevailing practice has been recognized by the federal courts. For example, as Judge Posner stated in *Hays v. Sony Corporation of America*, 847 F.2d 413, 416 (7th Cir. 1988):

Although college and university teachers do academic writing as a part of their employment responsibilities and use their employer's paper, copier, secretarial staff, and (often) computer facilities in that writing, the universal assumption and practice was that (in the absence of an explicit agreement as to who had the right to copyright) the right to copyright such writing belonged to the teacher rather than to the college or university. There were good reasons for the assumption. A college or university does not

supervise its faculty in the preparation of academic books and articles.<sup>4</sup>

Explicitly under the Patent Act, therefore, scholarly inventive work is owned by the faculty inventor and could not be deemed work-for-hire without violating the basic tenets of academic freedom—tenets that are fundamental to higher education and that ensure continued benefits to students, the community, and the public as a whole. Contrary to what Petitioner and AAU, AUTM, *et al.*, imply, faculty ownership of their inventive work accordingly is consistent with the purpose of the Bayh-Dole Act.

As Senator Dole wrote in mustering support for the Act, “Our economy is one which has always run on America’s innovative genius.” Press Release, Bob Dole, U.S. Sen., *‘Public the Victim’ for Lack of Limited Patent Right Policy, Dole Says* (May 16, 1979), available at <http://bayhdolecentral.com/dolePDF/PatentPolicyPublicVictimPressRelease1979.pdf>. That “fire of genius”<sup>5</sup> burns in the minds of individuals who work alone or collaborate to manifest it in tangible inventions, not abstractly in institutions that dictate to them what to create. Quite the opposite of what Petitioner implies, “faculty members engage in unique specializations in which the substantive con-

---

<sup>4</sup> See also *Weinstein v. University of Illinois*, 811 F.2d 1091 (7th Cir. 1987) recognizing the practice that faculty owned their scholarly authored work unless the work falls into certain exceptions).

<sup>5</sup> See Abraham Lincoln, *Second Lecture on Discoveries & Inventions*, in 3 THE COLLECTED WORKS OF ABRAHAM LINCOLN 356, 363 (Roy P. Basler ed., Rutgers 1953) (Feb. 11, 1859).

tent may not be understood even by their first-line ‘supervisor,’ the department chairperson, who is a colleague.” Martin Kenney & Donald Patten, *Reconsidering the Bayh-Dole Act and the Current University Invention Ownership Model*, at 1413 (2009). Indeed, “[m]any researchers choose a university career because of its relatively unstructured, unsupervised, and collegial environment.”<sup>6</sup> *Id.* The suggestion to graft a “hired to invent” or “work made for hire” framework onto Bayh-Dole poses grave risks to the existing rights of faculty inventors, longstanding academic practice, and the public’s interest in a flourishing culture of discovery and creation.

### III. PETITIONER’S READING OF BAYH-DOLE CONTRAVENES THE HISTORICAL RECOGNITION THAT FACULTY INVENTORS OWN THEIR INVENTIONS.

Consistent with 37 C.F.R. § 401.14(a)(f)(2) and Attorney General Biddle’s survey reported in 1947, *see* AIPLA Br. at 10, universities themselves routinely have operated pursuant to the understanding that they must secure assignments from inventors under the Bayh-Dole Act, exactly as they do for inventions beyond the scope of the Act. On this point, *Amici* commend to the Court Part VI of the AIPLA brief and Part I.B.3 of Respondents’ brief.

Respondents point to Petitioner, along with the University of Wisconsin and Iowa State University—both signatories to the AAU, AUTM, *et al.*, brief—as

---

<sup>6</sup> Respondents point out that Dr. Holodniy, far from being “hired to invent” anything specific, started out in clinical rotations at Stanford, before looking for possible research projects, which led to his work with Cetus. Respondents’ Br. at 3.

examples of contractors whose written policies indisputably reflect an understanding that they bear the burden of securing assignments of ownership from inventors working on federally-funded research. *See* Respondents’ Br. at 43. While *Amici* cannot locate the Intellectual Property Policy of each of the roughly seventy-five universities that joined the AAU, AUTM, *et al.*, brief, even a quick search reveals myriad examples, a few of which have been sampled below:

- **Brandeis University** —

“The creator shall assign to the University all domestic and foreign rights to any such IP when requested to do so by the University, on forms provided for such purpose by the University.”

Brandeis Intellectual Property Policy (Feb. 2004), *available at* <http://www.brandeis.edu/otl/pdfs/ippolicy.pdf>.

- **California Institute of Technology** —

“I agree to assign, and hereby do assign, to the Institute all such inventions and copy-rightable material...; and to execute all papers required.”

California Institute of Technology Patent and Copyright Agreement (Dec. 30, 2003), *available at* <https://www.ogc.caltech.edu/Forms/documents/patentagreement>.

- **Cornell University**

“Cornell University requires inventors to assign to the university or its designee all rights and titles of their inventions and related property rights that result from activity conducted in the course of an appointment with the university and/or using university resources, including those provided through an externally funded grant, contract, or other type of award or gift to the university.”

Inventions and Related Property Rights, 1 Cornell University Policy Library (June 4, 2010), *available at* [http://www.dfa.cornell.edu/dfa/cms/treasurer/policyoffice/policies/volumes/academic/upload/vol1\\_5.pdf](http://www.dfa.cornell.edu/dfa/cms/treasurer/policyoffice/policies/volumes/academic/upload/vol1_5.pdf).

Petitioner’s argument that the decision on appeal throws “uncertainties” into the path of commercializing a “subject invention,” *see* Petitioner’s Br. at 46-47, dissipates when faced with the reality of these universities’ own policies. The decision below hardly “ignores the statute’s thirty-year period of consistent and successful application.” *Id.* Rather, it acknowledges and respects that Bayh-Dole has worked as intended since passage by removing artificial distinctions imposed on federally-funded inventions.

Notably, even in this small sample, the California Institute of Technology policy, *supra*, demonstrates that universities can craft policies incorporating the language of present assignment relied on by the Federal Circuit, rather than obtaining “a mere prom-

ise to assign rights in the future.” *Bd. of Trustees of the Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.*, 583 F.3d 832, 841 (Fed. Cir. 2009); *see also Imation Corp. v. Koninklijke Philips Elecs. N.V.*, 586 F.3d 980, 985-86 (Fed. Cir. 2009) (holding that “agrees to grant and does hereby grant” effectuated a present grant of rights in future inventions).

More importantly, these large sophisticated research universities have for thirty years engaged in the very process—acknowledging faculty ownership of inventions born from scholarly research and effectuating technology transfer of that ownership—that they now argue is unnecessary because Bayh-Dole vested title in them automatically for federally-funded inventions. Why maintain such a structured regime of securing assignments to inventions derived from federal funding for such a long period of time, if they already fully own them?

#### **IV. APPLYING THE BAYH-DOLE ACT AS PETITIONER SEEKS WOULD DAMPEN PRIVATE ENTITIES’ WILLINGNESS TO WORK WITH NONPROFIT RESEARCHERS.**

Briefs for both sides opine on which outcome would chill collaboration between nonprofits and private enterprise, and stifle the ability to bring inventions covered by the Bayh-Dole Act to market. It is difficult to prove that reversing the Federal Circuit would destroy the willingness of businesses to welcome university researchers into their facilities. Yet *Amici* nevertheless agree with Part I.E.2 of Respondents’ brief that a chilling effect more logically will spring from the fear that a single co-inventor associated with federal funds could deprive a private



business of contracted-for rights through newfound Bayh-Dole vesting.

Contrary to the briefs of Petitioner and its supporters, the need to monitor the outside activity of faculty that could trigger conflicts of interest raises no novel concerns. The AAUP publishes a statement of principles dating to 1965, in conjunction with the American Council on Education and the Federal Council of Science and Technology, which sets forth, under “University Responsibilities,” that “[e]ach university participating in government-sponsored research should make known to the sponsoring government agencies ... [the university’s] procedures that enable it to be aware of the outside professional work of staff members participating in government-sponsored research, if such outside work relates in any way to the government-sponsored research.” *On Preventing Conflicts of Interest in Government-Sponsored Research at Universities* (1965), in AAUP POLICY DOCUMENTS & REPORTS at 184.

The AAUP has long emphasized both that faculty collaboration with industry is mutually beneficial, and that it presents the dangers that matured here:

Consulting relationships between university staff members and industry serve the interests of research and education in the university. Likewise, the transfer of technical knowledge and skill from the university to industry contributes to technological advance. Such relationships are desirable, but certain potential hazards should be recognized.

*Id.* at 182. In this case, though, Cetus appears to have done everything normally assumed possible to

protect its rights, when it agreed to teach its Nobel Prize-winning PCR technique to Dr. Holodniy. Yet, if the Court adopts Petitioner's construction of the Bayh-Dole Act, Cetus will find its efforts undone by the bare assertion that two unproduced NIH grants connected in some unsubstantiated way with Holodniy's work at Stanford funded some still-undelineated portion of the overall project. That result, *Amici* contend, would chill future collaboration and commercialization.

### CONCLUSION

For the foregoing reasons, the AAUP, IEEE-USA, and IP Advocate ask that this Court affirm the decision of the U.S. Court of Appeals for the Federal Circuit. The Court should decline Petitioner's invitation to turn the Bayh-Dole Act retroactively into a vesting statute, and thereby deprive a broad class of nonprofit researchers of their historical rights in the fruits of their inventive endeavors.

Respectfully submitted,

DAVID P. SWENSON

*Counsel of Record*

ROBINS, KAPLAN, MILLER

& CIRESI LLP

800 LaSalle Ave., Ste. 2800

Minneapolis, MN 55402

612.349.8500

*dpswenson@rkmc.com*

1 February 2011