

## CHI LEGISLATIVE ALERT

### CHI URGES YES VOTE ON H.R. 1249, THE AMERICA INVENTS ACT

The California life sciences industry comprises over 2,200 firms employing 268,000 people statewide and is responsible for medical breakthroughs that are improving and extending the lives of millions in the United States and around the world. Life sciences research is extremely expensive, and attracting investment into companies developing the next generation of innovative treatments, therapies, and technologies depends on a strong, reliable and fairly administered patent system. The biomedical industry in California consists mainly of smaller, entrepreneurial, and venture capital-backed firms that have yet to bring products to market. For these companies, intellectual property (IP) is typically their most valuable – sometimes only – asset. Thus, patent certainty and enforcement of patent rights has been a top priority for California's research universities and biomedical industry leaders, along with the state's small life sciences companies and inventors.

California Healthcare Institute (CHI), the statewide policy organization representing California's leading biomedical research universities and institutes, venture capital firms and biotechnology, pharmaceutical, medical device and diagnostics companies, has consistently supported balanced and reasonable efforts to improve the U.S. patent system, particularly efforts that would improve patent quality up front by modernizing operations at and providing additional resources to the U.S. Patent and Trademark Office (USPTO), protect enforcement of patent rights, and promote certainty through reasonable but limited post-grant review mechanisms.

Considering the importance of these issues to continued biomedical research and innovation, job creation and U.S. competitiveness, **CHI supports House passage of H.R. 1249, the America Invents Act**, and similarly opposes amendments that would weaken the bill and undermine patent certainty and quality or weaken patent rights and IP protections.

**Particularly, CHI supports Section 22, which creates a mandatory revolving fund within the U.S. Treasury Department to secure all user fees collected by the USPTO, and allows for their expenditure for no other purpose than funding the agency.** This is critical to ensuring the continued and improved operations of the Agency – an essential contributor to biomedical innovation, job creation and U.S. leadership in the increasingly competitive 21<sup>st</sup> Century global economy. Section 22 would not interfere with Congressional oversight; Congress would still be able to appropriately direct money where needed within the USPTO. However, Congress would not be able to divert funds or reduce revenues. **CHI therefore strongly opposes any amendment to remove this provision and allow for the diversion of USPTO fees for other purposes.**