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For Immediate Release

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BIO Opposes H.R. 9, The Innovation Act

So-called "Innovation" Act Bad for Biotechnology Innovation

Washington, D.C. (June 11, 2015) – The Biotechnology Industry Organization (BIO) today expressed continuing opposition to <u>The Innovation Act</u> (H.R.9) as amended and reported by the House Judiciary Committee today, and believes that, without substantial changes, the bill will jeopardize America's leadership in medical, agricultural and environmental innovation.

BIO consistently has urged Congress to proceed cautiously when addressing any changes to the patent system that could unduly shift the legal balance against legitimate patent owners. Despite some improvements to the bill, the latest version of the Innovation Act remains unacceptable in certain respects, and includes new provisions that require additional careful vetting for potentially negative unintended consequences for patent owners. BIO remains concerned that the bill would impose unreasonable challenges for innovative start-up and other small companies seeking to protect their intellectual property in a timely and efficient manner, and could chill the investment and collaboration that is so critical to the biotech innovation ecosystem.

BIO appreciates the inclusion of some important reforms to the *inter partes* review (IPR) system of patent challenges at the U.S. Patent & Trademark Office (PTO). However, these reforms do not sufficiently address the growing abuses of the IPR system, and BIO cannot support legislation that does not include more meaningful changes to the IPR system.

BIO will continue to oppose vigorously any legislative proposals that devalue the bedrock of American innovation – our patent system. BIO supports targeted reforms designed to reign in abusive patent enforcement practices, but any efforts to accomplish this must be done in a balanced way that preserves the patent-based incentives necessary to sustain our nation's global leadership in biotechnology innovation, the creation of high-wage, high-value jobs throughout our country, and

the ability to bring life-saving treatments and cures to market.

BIO is eager to continue a constructive dialogue with Representatives and Senators on both sides of the aisle to develop a legislative package that will curb abusive litigation and PTO challenges through a balanced approach that does not undermine the ability of patent owners to defend their inventions and businesses against infringement. However, until that balanced approach is accomplished, BIO urges Members of Congress to oppose the Innovation Act.

About BIO

BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology products. BIO also produces the <u>BIO International Convention</u>, the world's largest gathering of the biotechnology industry, along with industry-leading investor and partnering meetings held around the world. <u>BIOtechNOW</u> is BIO's blog chronicling "innovations transforming our world" and the BIO Newsletter is the organization's bi-weekly email newsletter. <u>Subscribe to the BIO Newsletter</u>.

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