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**CALIFORNIA HEALTHCARE INSTITUTE ISSUES WHITE PAPER ON PATENT REFORM  
OUTLINING IMPLICATIONS FOR BIOTECH INDUSTRY**

**LA JOLLA, CALIF. MAY 31, 2007** -- The California Healthcare Institute (CHI) today issued the white paper “Impact of Patent Law Changes on Biomedical Investment and Innovation.” The paper analyzes several recent developments related to patent law that could have serious implications to the biomedical industry in California and nationwide. These include: (1) recent U.S. Supreme Court decisions that weaken patents; (2) patent reform legislation being considered by Congress; and (3) the hostile approach taken by the U.S. Patent and Trademark Office (USPTO) toward making and promulgating new patent rules.

“Life sciences research is extremely expensive, and attracting investment into companies developing the next generation of treatments, therapies, and technologies depends on a strong, reliable patent system,” David L. Gollaher, Ph.D., CHI president and CEO, said. “By producing this white paper we hope to call attention to a radical shift in U.S. public policy that will make patents harder to obtain, easier to invalidate, and cheaper to infringe.”

The paper outlines several recent Supreme Court cases related to patent law that create incalculable problems for the life sciences community in procuring and maintaining essential patent protections for their inventions. These include the May 2006 decision in *eBay, Inc. v. MercExchange, L.L.C.*; the June 2006 decision in *LabCorp v. Metabolite*; the January 2007 decision in *MedImmune, Inc. v. Genentech, Inc.*; and the most recent patent opinion, *KSR International Co. v. Teleflex, Inc.*

Several of the provisions that are included in recently introduced patent reform legislation (H.R. 1908/S. 1145, The Patent Reform Act of 2007) are analyzed in the paper including apportionment, an open-ended post-grant opposition system, and expansive Patent and Trademark Office (PTO) rule-making authority. The paper concludes that the net effect of all of these developments in patent law will reduce the value of patents and threatens a chilling effect on biomedical investment and innovation in California.

The white paper “Impact of Patent Law Changes on Biomedical Investment and Innovation” is available at [www.chi.org](http://www.chi.org). CHI represents more than 250 leading biotechnology, medical device, diagnostics and pharmaceutical companies and public and private academic biomedical research organizations. CHI’s mission is to advance responsible public policies that foster medical innovation and promote scientific discovery.