

**FOR IMMEDIATE RELEASE**  
**Wednesday, November 21, 2007**

**Contacts:** Molly Ingraham  
858-551-6677  
[ingraham@chi.org](mailto:ingraham@chi.org)  
or  
Nicole Beckstrand  
858-456-8881  
[beckstrand@chi.org](mailto:beckstrand@chi.org)

**CALIFORNIA HEALTHCARE INSTITUTE SUBMITS STATEMENT TO  
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE REVISED  
INTELLECTUAL PROPERTY REGULATION**

**LA JOLLA, CALIF. November 21, 2007** – The California Healthcare Institute (CHI) today submitted comments to the Independent Citizens Oversight Committee (ICOC) of the California Institute for Regenerative Medicine’s (CIRM) third set of proposed changes to regulations addressing Intellectual Property Policy for For-Profit Organizations (IPPFPO) as released for public comment on Nov. 6, 2007. CHI is a non-profit public policy research organization for California’s biomedical industry.

“CHI supports CIRM efforts to establish a strong intellectual property policy to advance state-funded stem cell research and, ultimately, treatments for millions of people here in California and worldwide,” said David L. Gollaher, Ph.D., CHI president and chief executive officer. “We believe that a balanced policy will encourage public-private partnerships and allow companies to recoup their investments in commercializing products. We hope that the ICOC will give careful consideration to our comments and incorporate them into the final policy.”

CHI’s comments reflect concerns that certain language in the regulation will deter industry from entering into partnerships with the state in pursuit of advances in stem cell research. Current pricing and access, revenue sharing and march-in provisions have the potential to diminish a grantee’s return on investment, increasing financial risk for investors, thereby reducing commercial interest in licensing CIRM-funded inventions. CHI holds that state intellectual property policy should follow the successful example of the federal Bayh-Dole Act, legislation that created a single, uniform national policy designed to encourage private investment, bringing government funded discoveries to the marketplace.

CHI also highlighted concerns about proprietary research tools. Section 100404 would require any CIRM grantee who publishes research findings to make the biomedical materials described in the publication available to any commercial, not-for-profit, or academic requester at no cost or at cost, promptly, and without bias. CHI is concerned that a third party will not partner with a CIRM-grantee because their patent protections will be eliminated. The proposed language also creates significant uncertainty for a commercial organization to submit a CIRM grant proposal or develop a new research tool product funded by CIRM. CIRM requires prior approval to exempt a commercial entity from the obligations of Section 100404; however this approval could be arbitrarily withheld which would significantly discourage use of CIRM grant funds.

CHI's full comments to the third set of proposed changes to the CIRM IPPFPO issued Nov. 6, 2007 are available at [www.chi.org](http://www.chi.org). CHI represents more than 250 leading medical device, biotechnology, 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.

###