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Patent reform could strengthen biotech

Biotech lobbyists are meeting in Washington today, where a patent reform bill on the table could strengthen the industry's position as patent holders. Kerry Grens reports what biotech companies stand to gain.

RADIO INTERVIEW:

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Stacey Vanek-Smith: Hundreds of lobbyists for the biotech industry meet in Washington today. The sector fared well in the health care overhaul debate. But now biotech is asking lawmakers: what have you done for me lately? From the Marketplace health desk at WHYY in Philadelphia, Kerry Grens has more.

Kerry Grens: Biotechnology companies do the early stage research for drug development. The health care overhaul package gave these companies a couple of big gifts. Small companies will get a billion dollars in tax credits or grants to do their research. And they got some limited patent protection on medications that are the most expensive to develop.

Jeremy Leffler, the COO of Bay BIO, says the industry has had a pretty good year so far, but his work lobbying lawmakers isn't over.

Jeremy Leffler: You know it is only April, so we have eight months still to go, and with the question mark looming around whether Congress will address patent reform this year will really gauge the year as a whole.

A patent reform bill on the table could strengthen biotechnology's position as patent holders, giving them more protection when other companies come too close to their products. That would give a lift to companies struggling to find investors.

Ken Kaitin: Investors are looking for assurances that there will be adequate protection of intellectual property; if not then the risk of development becomes much greater.

Ken Kaitin is the director for the Tufts Center for the Study of Drug Development:

Kaitin: There are a lot of small companies that even though they have a product in development that shows signs of success, they're just running out of money.

Kaitin says that's because even with support from lawmakers, biotechnology companies face the uncertainty that health insurers may not reimburse for the drugs they discover.

In Philadelphia, I'm Kerry Grens for Marketplace.