

Biotech leaders worried by move to limit patents

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The biotech industry, under pressure to make drugs more affordable, is anxiously awaiting the outcome of proposed legislation that could shorten a company's exclusive rights to the therapies it develops. The outcome could have a chilling effect on Silicon Valley's multibillion-dollar biotech industry.

If approved, the Promoting Innovation and Access to Life-Saving Medicine Act would allow the development of second generation biologic drugs — or “follow-on biologics” derived from living cells — to come to market quicker and cheaper, providing only five years of exclusivity from a current average of 25 years. The issue of exclusive rights is the major concern to drug developers because it impacts the investment return and the product's attractiveness to investors.

Glenn Rice, president of Sunnyvale-based **Pharmacyclics Inc.**, a developer of drugs for cancer treatment, said while his company isn't specifically involved in biogenerics, the entire industry is alarmed at the lack of value Congress is placing on innovation.

Rice, whose previous company was a biogenerics manufacturer in China, believes neither Congress nor the new administration understands the investments needed nor the risks taken in developing proprietary drugs.