

June 1, 2009

James C. Greenwood
President & CEO

The Honorable Hillary Rodham Clinton
Secretary of State
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Madam Secretary:

I am writing today on behalf of the Biotechnology Industry Organization (BIO) to stress the importance of maintaining strong intellectual property protections at home and abroad as a necessary condition for a successful transition to a clean energy economy, and to urge you to work to safeguard these protections on the international stage – particularly with respect to the upcoming negotiations this week at the United Nations Framework Convention on Climate Change (UNFCCC) in Bonn, Germany.

BIO is a non-profit membership organization representing more than 1,200 biotechnology companies, academic institutions, state biotechnology centers, and related organizations in all 50 states. BIO members – the vast majority of whom are small, emerging companies with little revenue and no marketed products – are involved in cutting-edge research and development of health care, agricultural, industrial, and environmental biotechnology products that are revolutionizing patient treatment, greatly expanding our ability to feed a growing world population, and, most relevant to this matter, offering the promise of reducing our dependence on oil and other fossil fuels, leaving a cleaner environment for future generations.

Many of our members are committed to nurturing the innovation pipeline and subsequent domestic manufacturing capacity that will build the next generation of energy efficient, renewable energy, and renewable fuel technologies, creating thousands of high-paying American jobs in the process. In addition, our members provide now and are developing the innovative seeds and agricultural products that will enhance food production and lessen the impact of agriculture on the environment, including the reduction of greenhouse gases. To generate the massive private and public investment necessary to spur this innovation, it is critical that strong intellectual property rights continue to be respected for these developed technologies. BIO and its members strongly support this Administration's efforts to move toward clean, renewable energy and provide for global food security, and we applaud President Obama's initiatives to fund and incentivize this industry sector including the establishment of a national Low Carbon Fuel Standard to reduce carbon in fuels 10% by 2020, the requirement for 60 billion gallons of advanced biofuels to be integrated by 2030, \$4 billion for domestic automakers to

revamp manufacturing facilities to produce clean energy and hybrid vehicles, \$7,000 Tax Credit for advanced vehicles and loan guarantees for renewable energy research and development.

However, we are concerned that recent proposals at the United Nations would undermine these efforts, impeding the development of these promising technologies and stifling job creation in this sector. Specifically, we are concerned with proposals in the UNFCCC that would weaken, and in some instances eliminate, patent rights for these emerging technologies, thus putting this innovation pipeline and American competitiveness at risk.

The proposals of concern would eliminate or prevent patent protections in developing countries on basic biotech inventions; would allow for compulsory licensing of specific patented technologies by developing countries; and would mandate pooling of certain patented technologies to be made available to developing countries, among other similar measures. These proposals, if adopted by the United Nations, would significantly devalue the massive investments already made by the United States and many BIO member companies, and would stifle future investment and innovation in these critical areas.

In order to meet the demands of a low-carbon energy future, the need for innovation in the areas of crop production, energy efficiency, biofuels, renewable energy, renewable fuels, carbon capture and storage, and environmental technologies is great. Our ability to rapidly innovate in these sectors is critical to ensuring that the United States and others will be able to effectively meet our mutual goals of reducing carbon dioxide emissions, thereby reducing the impact of global climate change and reinvigorating the American economy with the creation of green jobs. A significant reduction in, or elimination of, much of the value of the intellectual property that will be generated through this process will have a negative effect on the availability of the venture capital required, decreasing the speed at which innovation will occur, if it occurs at all.

Further, we anticipate that the U.S. economy in particular will flourish as innovation in agricultural, environmental and climate technology sectors drives the creation of green jobs. Our member companies create these jobs as we manufacture and market our patented products and technologies to domestic and international customers. If patent protections are ignored, weakened, or eliminated, or our technologies can be freely given to other countries, the United States' competitive advantage in the global marketplace will be reduced.

As the UNFCCC moves forward in its negotiations toward a cleaner environmental future, we encourage you to protect the innovations of this country by standing firmly behind strong intellectual property rights, and firmly against these anti-intellectual property proposals. We urge you to take into account the impact of these proposals on the viability of our emerging green economy and its associated green jobs, as well as our ability to attract the massive capital required to innovate at the necessary pace to effectively combat global climate change. Policies such as compulsory licensing of our most innovative technologies by other countries, or prohibiting the patenting of genetic innovations, will only discourage innovation, resulting in stagnate agricultural production, reduced investment and lost jobs at a time when the country can least afford it.

We support this Administration's efforts to move toward a more environmentally-friendly future through the nearly \$1 billion dedicated to nurturing the development of these technologies. But all of this funding and all of this effort will be for naught if we fail to protect the incentives for development and actual commercialization of such new technologies. Standing firm on the principle of strong intellectual property rights will continue to encourage the kind of investment, product creation, and job creation that has been the hallmark of our economy for decades, and will ultimately drive our ability to meet the challenges posed by global climate change.

Thank you for considering our views on an issue of fundamental significance to innovation in America.

Sincerely,

A handwritten signature in black ink that reads "Jim Greenwood". The signature is written in a cursive style with a large, looping initial "J".

James C. Greenwood
President and CEO

cc: Ambassador Ron Kirk, US Trade Representative
The Honorable Gary Locke, Secretary of Commerce
The Honorable Tom Vilsack, Secretary of Agriculture
The Honorable Steven Chu, Secretary of Energy
John Holdren, Director, Office of Science and Technology Policy