



# association of american medical colleges

JOHN A. D. COOPER, M.D., PH.D.  
PRESIDENT

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March 15, 1982

Honorable Robert W. Kastenmeier  
Chairman  
Subcommittee on Courts, Civil  
Liberties and the Administration  
of Justice  
Committee on the Judiciary  
U.S. House of Representatives  
2137 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Kastenmeier:

On behalf of the Association of American Medical Colleges, I would like to endorse H.R. 1937, the "Patent Term Restoration Act of 1981."

Since its founding in 1876, the AAMC has steadily expanded its horizons so that today it represents the whole complex of individual organizations and institutions charged with the undergraduate and graduate education of physicians. It serves as the national voice for the 126 U.S. accredited medical schools and their students; for the more than 400 major teaching hospitals; and over 70 academic and professional societies whose members are inextricably engaged in the activities---teaching, research and patient care---that in the aggregate constitute medical education. The constituency of the Association is heavily engaged in biological and medical research and thus has more than a passing interest in the terms and conditions under which patents are issued.

The Association has long believed that it is of the utmost importance that research findings be transformed as rapidly as possible into practical applications for the betterment of the human condition; any failure to exploit a scientific discovery that could be useful in extending life, in preventing premature death or in decreasing morbidity from disease is a tragedy of significant proportions. Since the applied research and technical development necessary to convert a scientific discovery into a practical device are expensive, the Association has also recognized the essentiality of patent protection, as an inducement to industry to make the large investments necessary to bring useful products to the market. Even when the discovery accrued from public investment, the Association has opposed the populist idea that no private sector individual or organization should profit further from that discovery. Alternatively, this organization has argued that unless profits are permitted through patent protection, the discovery will lie fallow and a potential public boon will not be realized.

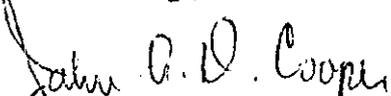
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The Association recognizes the demands of the public that society be protected from ineffective and unsafe products; it also is aware that the regulations promulgated by agencies such as the Food and Drug Administration not only demand compliance with expensive requirements but also erode severely the period of time during which an approved product can be marketed under patent protection. The latter two factors conspire to significantly reduce the profitability associated with the development of new products and thereby diminish the motivation of industry to convert scientific discovery into practical and useful application. In many instances, industry attempts to maximize an often meager return on investments by upward price adjustments, and thus increases costs to consumers. Thus, the present system, while responsive to public needs, works hardship on both producer and consumer.

On the whole, the Association is persuaded that without reasonable patent protection, the rate of medical progress, in terms of the introduction into the market of improved drugs and devices, will be significantly slowed by the reluctance of industry to risk large investments for uncertain returns. Thus, the provisions of H.R. 1937 serve an important public good. For this reason the Association offers its wholehearted endorsement of this bill.

In addition, the Association urges the concomitant adoption of the amendment that would confer similar patent protections on new processes for making existing substances, e.g., insulin. The scope of this amendment should be limited, however, to cases in which substances become subject to regulatory review by virtue of utilizing a new process. In broad strokes, the AAMC believes that the patent restoration embodied in the amendment will prove to be extremely valuable because it will stimulate the development and use of new technology, particularly in the arena of recombinant DNA research.

Sincerely,



John A. D. Cooper, M.D.

cc: Subcommittee on Courts, Civil Liberties and  
the Administration of Justice