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The cuts in education and job training programs will adversely affect New York. President Bush's proposed reductions in the Guaranteed Student Loan Program would mean a loss of \$56 million to New York State. New York City would lose up to \$4 million in Federal impact aid for education. The President also proposes to cut the Community Services Block Grant by \$347 million; New York City would lose \$14 million, resulting in funding cutbacks for GED and dropout prevention programs and employment services.

Housing and community development programs would also feel the sharp edge of the Bush budget ax. The proposed cuts in these areas would result in a loss of \$654 million nationally and \$47 million in New York City. New York City would also lose \$8 million in Community Development Block Grant funds, meaning that parts of its 10-year housing plan would be put on hold. The loss of these funds could also affect New York City's ability to maintain more than 25,000 housing units it owns, and could result in cuts in senior citizens services and day care programs.

Rental Rehabilitation funds for New York City would be slashed by \$7 million, which translates into a loss of 2,029 units of rental housing. Section 202 housing reserved for seniors and disabled individuals would be cut by \$19 million, meaning that nearly 100 seniors and disabled persons would be left with inadequate housing and pay more than half of their income for rent. Nationally, President Bush proposes to cut \$50 million from the rental rehabilitation program.

The apparent callous disregard for our Nation's elderly citizens is further evident in the Bush budget's proposed \$6 billion cut in Medicare, and to change the indirect medical education section of the Medicare Program. For New York City it would mean a loss of \$18 million every year, and for the voluntary sector millions more. Together, cuts in Medicare will cost New York City's private and public hospitals roughly \$172 million, and constitute an additional blow to the city's crowded, overburdened hospitals, and to elderly New Yorkers who can barely keep up with rising medical costs. The President also proposes to reduce Federal employee health and retirement benefits by \$4.5 billion.

Mass transit also suffers under the Bush budget proposals. New York City could lose \$95 million in mass transit operating aid and \$50 million in mass transit capital aid when many New Yorkers depend on buses and subways as their sole means of transportation.

Yet under the proposed Bush budget, the "fat cats" in the military and defense industries stand to get even fatter, as President Bush wants to increase the defense budget by 2 percent, from nearly \$363 billion in fiscal year 1990 to nearly \$369 billion in fiscal year 1991. With glasnost in the Soviet Union and the democratization taking place in the Eastern bloc nations, there is no need to beef up defense at the expense of much needed social programs.

The other "fat cats" who will gain from the Bush budget are those in the savings and loan industry. Last year's S&L bailout is draining away funds which could have been used for social and domestic programs. Although the money borrowed to finance the bailout will not actually appear on the budget, it is estimated that over the next 11 years, \$22 billion in interest payments on those loans will

appear on the budget. There will also be an estimated \$9 billion in lost taxes over several years due to favorable tax incentives given to institutions that bought insolvent thrifts during the time that the bailout bill was pending in Congress.

Mr. Speaker, once again a Republican President has presented a reverse "Robin Hood" budget. It robs from the poor and the marginally middle class and gives to the rich, who are those in defense and the military, those who would benefit from the proposed cuts in capital gains taxes, and those corrupt and incompetent savings and loan institutions officials who have yet to pay for the ruining of the S&L industry. However, I resolve to join with the Democratic leadership in the House and the Senate, as well as with Republicans of conscience in both Houses, to fight to pass a budget that directly addresses the needs of all Americans. We must throw out this sneaky, deceptive and dangerous document offered by President Bush.

CONFLICT IN CYPRUS

SPEECH OF

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1990

Mr. BLILEY. Mr. Speaker, for almost 16 years, 35,000 Turkish troops have illegally occupied Northern Cyprus while 200,000 Greek Cypriots remain refugees in their own land. When Turkish troops invaded Cyprus in 1974, they easily defeated the Greek forces who were outnumbered and who were ill-equipped. In the face of those Turkish forces, the Cypriots stood courageously to protect their native land and in return, they have become hostage to the ruling minority.

We are now in the beginning of a new decade, and the Turks remain on the island in violation of international law. Their presence has been condemned by the United Nations and the Secretary General has consistently pursued unification talks, but to no avail. The Turks occupy 40 percent of Cyprus and their presence simply lends protection to the rump government of the Turkish Republic of Northern Cyprus.

The United States policy has been aimed at preserving the autonomous, united, and sovereign Cypriot Republic. The ultimate goal is the formulation of a democracy where the majority rules and the rights of the minority are protected. At the time of the invasion, the United States imposed an arms embargo and attempted to mediate the dispute between the two nations. Again, to no avail.

President Carter lifted the arms embargo in an effort to encourage the Turks to enter into peace talks and to invite a resolution to the problem. Yet since the lifting of the embargo, I have been disappointed as aid to Turkey has increased while the situation remains unchanged. The United States has continued to pressure the Turks into a peaceful resolution only to be met with threats of an exposed southern flank at NATO.

Mr. Speaker, I fully recognize the strategic significance of Turkey in the NATO alliance. Yet I do not believe that geopolitics are the only factor which sustains a secure alliance. The members of NATO are also bound by a common goal of democracy, freedom, and

human rights. The alliance was founded in an effort to develop and preserve a civilized world in which those same freedoms on which the United States was founded, can be realized. The occupation of Cyprus does not heed this spirit of the NATO alliance.

Through the Davos process, the beginnings of peace have begun to take root. But the ultimate goal has not yet been achieved; we have not returned Cyprus to her full sovereignty. Mr. Speaker, I urge my colleagues to work to encourage democracy in Cyprus and to return autonomy and freedoms to the Cypriot people.

THE BIOTECHNOLOGY PATENT PROTECTION ACT OF 1990

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1990

Mr. BOUCHER. Mr. Speaker, today the gentleman from California [Mr. MOORHEAD], and I are introducing the Biotechnology Patent Protection Act. Our legislation will stimulate the development of new drugs through innovative techniques and protect the U.S. biotechnology industry from unfair foreign competition.

Biotechnology is one of the world's most promising new industries. Nearly every American family will be touched by its development during the next decade. It will revolutionize health care with new drug therapies, and it will yield far reaching applications in agriculture.

The origins of biotechnology trace back to the mid-19th century when Gregor Mendel detected genetic patterns in his famous pea experiments, thereby discovering the principles of heredity. Expanding upon these concepts, scientists today employ genetic engineering to synthesize useful human proteins, such as insulin. With the rapid advancement of technology, American companies are using biotechnology to explore new drug treatments, including a possible cure to dreaded diseases such as AIDS and Alzheimers.

Biotechnology has produced a whole new generation of drug products. Tissue Plasminogen Activator [TPA] and Erythropoietin [EPO] are examples of what can be accomplished. The human body makes these proteins in minute quantities, but technology has led to the widespread availability of recombinantly derived versions of these rare substances. TPA is administered to heart attack victims and saves lives in minutes by dissolving dangerous blood clots formed in the arteries. EPO is used to treat anemia and reduce the need for blood transfusions in patients suffering from chronic kidney failure.

Despite the impressive progress in biotechnology product development, significant obstacles to growth remain, particularly in the area of patent law. Technological advancement has outpaced the government's ability to pass laws which provide sufficient proprietary protection for biotechnology inventions. Unless corrective action is taken, the deficiency in current law will severely weaken investment incentives and damage the ability of American companies to create new products. Our legislative remedy offers an optimal solution.

First, the measure specifies that a process to make a product will not be considered un-

patentable if the starting material is novel. This corrects problems arising from the 1985 decision of the patent appeals court in the case of *In Re Durden*, which created some confusion within the scientific community as well as the Patent and Trademark Office regarding the criteria to be used in evaluating process patents. Without clarification, approvals and rejections will continue to be granted in an inconsistent manner, and the uneven application of the law jeopardizes future drug development.

In addition, strengthening process patent protection will help American companies achieve parity with their Japanese and European counterparts. Overseas, process patents are often considered to be part of the "unity of the invention." Equitable process patent protection will help ensure that American investors can exercise their proprietary rights in the same manner as their foreign competitors.

While the Patent and Trademark Office offers an administrative appeals process to investors denied a process patent, the transactional cost of such an approach is frequently great. For a company wishing to obtain rapid approval from the Food and Drug Administration and proceed quickly to marketing a new drug, time is critical. Pursuing a process claim through the entire litigation chain may not be a viable option in a fast moving market.

Second, the legislation grants the International Trade Commission jurisdiction to exclude foreign products that are made through the use of a product patented within the United States, unless the importer has been licensed by the patent holder. This provision is designed to address the problem which arises when a foreign-based company uses a host cell, or other starting material, which is patented in the United States and manufactures the final product abroad for sale in the United States. Currently, the International Trade Commission cannot bar entry of such a product, although the manufacture and sale in the United States would not be permitted.

In the patent context, the International Trade Commission already has the authority to enforce product and process claims. Unfortunately, the agency cannot exclude goods that are derived from a patented biotechnology product absent a traditional process claim. This is true even though the use of such a product would constitute a patent infringement if it occurred within the United States. Therefore, the present system allows a manufacturer to simply use the patented U.S. invention outside of the United States in order to escape the arm of the International Trade Commission.

Congress recognized in the 1988 trade bill the principle of preventing the importation of foreign products when the manufacture of the product in the United States would be an act of patent infringement. Granting the International Trade Commission jurisdiction over such foreign products will not extend any new patent rights but will expand the available legal remedies for existing rights.

Overall this legislation is designed to create new vistas for biotechnology development. It also assures that American investment in this emerging field will continue to flourish. A recent study by the Office of Technology Assessment revealed that American companies are spending \$1.5 to \$2 billion in biotechnology research and development each year. In 1987, the biotechnology field yielded nearly

36,000 jobs, of which half were for scientists and engineers. Approximately 33 States are engaged in some type of biotechnology research and development effort. In light of this investment, the United States can ill afford to let another leading technically oriented industry fall victim to unfair competition.

The bill has been endorsed broadly within America's biotechnology community. It is supported by most of the country's leading biotechnology firms, including Genentech, Hoffman-La Roche, Merck, Amgen, Schering Plough, Biogen, California Biotechnology, Chiron, Houston Biotechnology, Synergen and Mycogen. It is supported by Stanford University as well as by the Association of University Technology Managers, whose members include the technology managers of such institutions as Harvard Medical School, Northwestern University, Dartmouth, Washington University, the University of Maryland and Oregon State.

The Biotechnology Patent Protection Act of 1990 will promote industrial competitiveness and fairness. A thriving biotechnology sector will make possible the patenting of new drugs which could dramatically improve the quality of life for all Americans. I am pleased that Mr. BATES, Ms. BENTLEY, Mr. BILBRAY, Ms. COLLINS, Mr. GALLEGLY, Mr. GLICKMAN, Mr. KILDEE, Mr. LEVINE, Mr. LIPINSKI, Mr. MATSUI, and Mr. SENSENBRENNER are original cosponsors. I invite our colleagues to join us in this most important effort.

**SUPPORT EARLY RELEASE OF
LOW-INCOME HOME ENERGY
ASSISTANCE PROGRAM CON-
TINGENCY FUNDS**

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1990

Ms. SNOWE. Mr. Speaker, I rise today in support of a bill introduced by Mr. GOODLING and Mr. TAUKE that would enable the Office of Management and Budget to release Low-Income Energy Assistance Program (LIHEAP) contingency funds prior to the scheduled March 15 release date. I urge my colleagues to join me in support of this important legislation.

We are all aware of the dramatic rise of oil prices that impacted much of the Nation in the past 2 months and the hardships that these high prices, combined with record low temperatures, have created. The lower temperatures, which increased demand, and higher oil prices, which reduced the benefit of energy assistance to consumers, combined to severely deplete the LIHEAP funds for many States.

The Office of Management and Budget holds LIHEAP funds to be distributed at intervals throughout the year. While this system allows States to stretch their funding throughout the year, the degree to which Maine's and many other States' funds were depleted during the month of December requires that these States have access to these funds immediately.

For example, Maine is slated to receive \$1.7 million in contingency funding. While the Governor has taken steps to provide additional funding from the State's oil overcharge ac-

count, the Federal LIHEAP funds are needed now to keep the community action agencies that distribute the assistance funded.

The availability of these funds could determine the ability of the State to serve the needs of low-income families in the coming weeks.

In Maine, the difficulties created by the extreme cold and staggering fuel prices have been compounded by the timing of the LIHEAP grant awards to the States. The intervals between grant payments created a hardship as the funds subgranted to the community action agencies were expended between allocations, forcing clients to wait for assistance or seek temporary assistance elsewhere.

Mr. Speaker, the additional LIHEAP funding is needed now, while weather conditions are still severe and the need for assistance remains critical. I urge my colleagues to join me in support of the Goodling/Tauke proposal to facilitate an early release of LIHEAP contingency funds.

TRIBUTE TO GEORGE ROBY

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 6, 1990

Mr. GALLEGLY. Mr. Speaker, I rise today to bid farewell to a Federal employee who has meant a lot to my district—George "G.A." Roby, who is retiring after 3 years as the forest supervisor for the Angeles National Forest.

G.A. Roby has devoted over half his life to our Nation's forests, which as we all know are "lands of many uses." It isn't the easiest thing to balance those many uses, but G.A. has handled his responsibilities skillfully and conscientiously. For that, he deserves thanks from the thousands of southern Californians who work and play in the Angeles.

G.A. began his career at 19 as a firefighter in the Valermo District of the Angeles National Forest. He served in a number of forestry technical positions before attending Oregon State University, graduating with a degree in forest management.

From there, he served in various resources, fire management, and administrative positions in the Angeles, Cleveland, San Bernardino, Los Padres, and Shasta Trinity National Forests, and at the Forest Service Fire Laboratory in Riverside—all in California. Before becoming forest supervisor in January 1987, he served for 5 years here in Washington as a member of the aviation and fire management staff at national headquarters.

He is also the author of several Forest Service publications in the field of fire and resource management.

Mr. Speaker, I'm sure my colleagues join me today in extending best wishes to G.A. and his wife, Margarita, upon his retirement.

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