

May 29, 2007

Honorable Patrick J. Leahy, Chairman
Honorable Arlen Specter, Ranking Member
Committee on the Judiciary
224 Dirksen Senate Office Building
Washington, DC 20510

Honorable John Conyers, Jr., Chairman
Honorable Lamar S. Smith, Ranking Member
Committee on the Judiciary
2138 Rayburn House Office Building
Washington, DC 20515

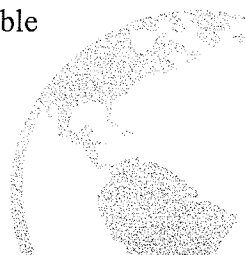
Dear Chairman Leahy, Ranking Member Specter, Chairman Conyers and Ranking Member Smith:

We write to you as the agricultural members of the Biotechnology Industry Organization (BIO) to stress the importance of clear, predictable, and enforceable patent rights for agricultural innovation. We appreciate your interest in ensuring that the United States' patent system is fair and supports the progress of science in all technologies. As Congress considers patent legislation this year, we ask that you ensure that the fundamentals of patent protections that have made the United States the engine of innovation throughout the world are preserved.

BIO represents more than 1,100 biotechnology companies, academic institutions, state biotechnology centers and related organizations in all fifty United States and in 31 other nations. A significant segment of BIO's membership operates within the agricultural sector of the U.S. economy. These members actively research and develop innovative environmental products, clean and renewable biofuels, and disease, pest and drought resistant crops. Such products not only hold great promise for the future - they help conserve farmland and protect the environment today. For example, the United States today is the world leader in the development and planting of biotechnologically-improved crops. In 2006, American farmers chose to plant more than 89% of soybeans, 83% of cotton, and 61% of corn with seeds improved through biotechnology that allow for vastly improved insect and disease control and reduced pesticide applications. Biotechnologically-improved crops such as canola, melons, papaya, and others are also available to U.S. growers today.



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The rapid adoption of this technology by U.S. farmers is a testament to the solutions it provides to problems on the farm. Biotechnology enables farmers to improve yields, reduce soil erosion, reduce fossil fuel consumption, and increases the amount of time farmers can dedicate to their families and to growing their businesses.

Biotechnology also contributes to increasing the health of livestock and enables the production of more nutritious meat, dairy products, and eggs. More than 100 vaccines and diagnostic tests developed through biotechnology are available to significantly reduce disease in farm animals.

All of this has been made possible through the strength and predictability of the U.S. patent system. Patents are the linchpin of the agricultural biotech industry. The development of today's innovative products and future innovation in the agricultural sector require major investment in research and development. The vast majority of companies in this sector are small, innovative businesses that do not yet have any products, and that depend on the patent system to capture the value they have created using the one thing they really have: their creativity, their platform technology, and their quick, smart ideas. Such companies depend on clear, predictable, and enforceable patent rights to attract the investment they need during the long and risk-prone path of product development. Investors, however, will not invest as much or at all when patent rights are uncertain and can easily be challenged. Due to the critical role of patents in the growth and development of agricultural biotechnology companies the Congress must carefully consider the impact of the Patent Reform Act of 2007 – S. 1145/ H.R. 1908 -- on this industry sector.

We believe that, in the biotechnology arena, the patent system has done exactly what it was intended to do: stimulate innovation, research, and development. By and large, biotechnology patents are of high quality. That is not to say that there is no room for improvement – and BIO supports reforms intended to improve patent quality. BIO and its agricultural members urge, however, that changes to the U.S. patent law be considered carefully to guard against unintended consequences. Provisions of the Patent Reform Act of 2007 that make infringement cheaper, devalue patents, or subject patents to unlimited administrative challenges go to the heart of patent rights. Such uncertainty will impact our ability to make the enormous investments necessary to develop innovative products such as new drought resistant crops, or the next alternative energy source.

In considering the Patent Reform Act of 2007, we urge you take great care to ensure that the reforms enacted serve all sectors of the U.S. economy, and do not disproportionately harm innovative agricultural businesses. At this time, we have several concerns with the proposed legislation that are outlined in the attachment to this letter. We hope to work with your respective committees to improve this legislation.

Sincerely,

Agrisoma Biosciences Inc.
Aqua Bounty Technologies
ArborGen
Arcadia Biosciences

Athenix Corp.
BASF
Ceres, Inc.
Chlorogen

Dow AgroScience
DuPont
Performance Plants Inc.
Hematech, Inc.
Mendel Biotechnology, Inc.
Monsanto Company

SemBioSys Genetics, Inc.
Syngenta
Trans Ova Genetics
ViaGen

Cc: Honorable Orrin G. Hatch

Honorable Howard L. Berman, Chairman
Honorable Howard Coble, Ranking Member
Subcommittee on Crime, the Internet and Intellectual Property

Attachment