

## **USIJ Releases Report on *The Importance of an Effective and Reliable Patent System to Critical Technologies***

FOR IMMEDIATE RELEASE:

Today, the Alliance of U.S. Startups and Inventors for Jobs (USIJ) released *The Importance of an Effective and Reliable Patent System to Investment in Critical Technologies*, a report studying recent trends in venture capital investment in patent-intensive industries. It was authored by Professor Mark Schultz, Goodyear Tire & Rubber Company Endowed Chair in Intellectual Property Law and Director, Intellectual Property and Technology Law Program at the University of Akron.

Analyzing data on U.S. venture capital investment from 2004 to 2017, the report finds that the share of investment going to patent intensive industries has declined significantly. To better understand these trends, Professor Schultz conducted interviews with innovators, investors, and executives who have served in leading institutions such as New Enterprise Associates, Juno Therapeutics, the Cleveland Clinic, and Convelo Therapeutics. These case studies suggest that recent changes to the patent system were a key contributor in investment flowing away from patent-intensive startups in sectors critical to U.S. national security and public safety, such as pharmaceuticals, biotech, and semiconductors.

USIJ Executive Director Chris Israel issued the following statement:

*“USIJ is pleased to release this timely report studying the troublesome trends in VC investment in patent-intensive industries. The important role of innovation to our national security and public safety has perhaps never been more evident than in current efforts to fight COVID-19. The report raises serious concerns about how recent changes to weaken the patent system has had a direct and significant impact on funding decisions made by U.S. venture capitalists.*

*In the coming months, USIJ will lead a series of discussions with legal, policy, and industry experts to develop a set of policy recommendations to address the shortfalls in our patent system. We look forward to working with leaders in Congress and the Administration to restore balance to our patent system so it once again incentivizes investments in the breakthrough technologies that will prove essential to fighting the pandemic and for decades to come.”*

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### **About the USIJ:**

The Alliance of U.S. Startups and Inventors for Jobs (USIJ) is a group of nearly 30 startups, inventors, investors, and entrepreneurs. Collectively, we have launched dozens of companies in areas including biotechnology, clean energy, medical devices and wireless technology. We invent real things and create real companies. We also rely on the strength of the U.S. patent system to create these companies, breakthroughs, and jobs.

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