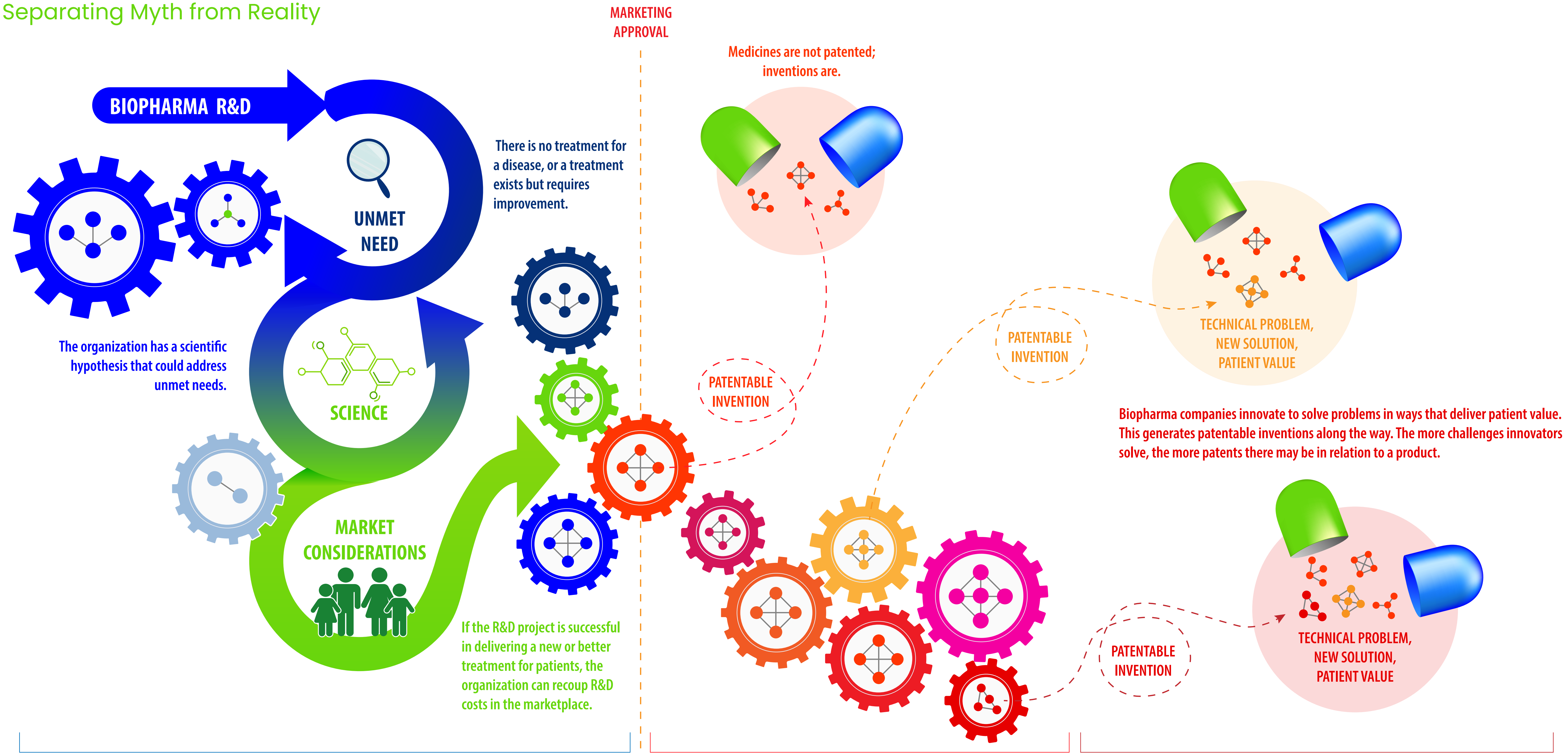
Pharmaceutical “Patent Thickets”

Separating Myth from Reality



Innovative companies are not making R&D decisions based on getting patents. Decisions are made based on unmet need, science, and market considerations.

In the USPTO's ranking of patent-intensive industries, pharmaceuticals come in 9th place, behind financial services, computer hardware, semiconductors, and software.

Biopharmaceutical companies obtain approximately 0.05 patents per million R&D dollars, compared to roughly 0.5 patents per million for innovative companies in other sectors - a tenfold difference.

The patent intensity "score" for biopharma (67.77) - a measure of patents as a factor of R&D investment - is roughly one-third that of computer hardware (191.35) and semiconductors (184.01).

What people experience as a medicine or drug “product” is often a bundle of inventions.

A medicine does not appear in a single “Eureka!” moment. It emerges after a long process as scientists solve problems.

Biopharma innovators continue to invest in R&D and solve challenges even after they have identified or created the molecule. And they continue to do so even after the product is approved.

Innovation post-marketing approval delivers value for patients.

Generic entry is not impeded by multiple patents on a medicine.

Limiting the number of patents that innovators can obtain or assert would trade away future health benefits without any meaningful impact on competition or pricing.

Policymakers should ensure that the patent system functions as intended to promote innovation and progress in medicine for the benefit of patients.

Extract from Pharmaceutical “Patent Thickets” authored by **Mark Schultz**, The IP Policy Institute, The University of Akron (IPPI), and **Jennifer Brant**, Innovation Insights, with **Douglas Park**, IPPI. September 2025.
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