



Growing Northeast Ohio's Bioscience Industry

***HOUSE STATE AND LOCAL GOVERNMENT COMMITTEE
PROPONENT TESTIMONY ON HB 453
Tuesday, February 6, 2018***

Chairwoman Anielski, Vice Chair Hambley, Ranking Member Holmes, and members of the House State and Local Government Committee, thank you for the opportunity to offer proponent testimony on House Bill 453 today. My name is Aram Nerpouni and I am the president and CEO of BioEnterprise. BioEnterprise is a business accelerator in Cleveland designed to grow healthcare companies and commercialize bioscience technologies. We provide our more than 100 client companies in the medical device, biotechnology, and health care service sectors with experienced bioscience management guidance, access to world-class research and clinical institutions, and connections to bioscience venture capital and private equity firms.

We currently work with numerous public and private academic, research and clinical institutions inside and outside of Ohio. All of them utilize common and accepted practices to manage intellectual property and commercialize new technologies. Currently, charter county hospitals do not enjoy any protections in statute for intellectual property that is created on their premises. Safeguarding an organization's intellectual property is crucial to developing and maintaining a successful business and increasing its competitiveness. Intellectual property is important to businesses as they are intangible assets that can be financially exploited, and, like physical property, they can be sold or licensed to increase value.

Intellectual property rights represent an investment with an expected return. Therefore, turning an invention into a marketable product and potential source of income is a crucial stage in the innovation process, something we know incredibly well at BioEnterprise. Having intellectual property rights help businesses to protect their investment and move forward with a higher degree of certainty when taking these steps.

Organizations that don't guard their intellectual property do so at their own peril. By undervaluing or failing to protect a piece of intellectual property's potential

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value, businesses open themselves up to the possibility of competitors taking advantage of their technical innovations, business ideas, and reputation in the market. Having clear protections allows organizations to move at the speed of business, and maybe more importantly, instills confidence in potential investors. Variations in how intellectual property is managed and controlled represent risk and discourage investment.

House Bill 453 is designed to remedy this by providing charter county hospitals identical safeguards that state universities and colleges, including those affiliated with hospitals such as The Ohio State University Medical Center and the University of Cincinnati, currently enjoy under Section 3345.14 of the Revised Code. These institutions are centers of research and innovation for Ohio. We want all our public institutions to have those same protections and potential.

In the opinion of BioEnterprise, this bill, simply put, is good business. The formal protections being proposed in this bill are no different than what non-profit hospitals and research enterprises with whom we work currently have in place with their employees. It allows charter county hospitals to properly receive the benefits of intellectual property discovered or developed at their facilities and incentivizes these institutions and their employees to continue their ongoing research and development activities.

Thank you again for the opportunity to speak to you today. I am happy to answer any questions you may have at this time.