



# S.3203 (Fernandez) / A.8576 (Kelles)

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<b>BILL</b> S.3203 (Fernandez) / A.8576 (Kelles)
<b>SUBJECT</b> Patent Settlement Agreements
<b>DATE</b> February 10, 2026
<b>OPPOSE</b>

The Business Council strongly opposes S.3203 (Fernandez) / A.8576 (Kelles), which would implement new legal standards regarding patent settlements on drugs, ignoring the Federal Trade Commission’s (FTC) role in regulating patent settlement agreements. This legislation could create unintended consequences for the generic market.

Patent settlements are the result of work done by Congress that mandated pharmaceutical companies submit to the FTC certain agreements between manufacturers of new drugs and generic products. The FTC oversees and reviews these agreements, this legislation would create a new “New York only” standard for determining the validity of the settlement agreements and with multiple standards there would be mass confusion.

Patent settlements were created to resolve patent disputes, they often led to the introduction of generic drugs and biosimilar products entering in the market much sooner than they would have if forced to wait until the end of a patent term. This largely has benefited consumers by having a lower cost generic available. The changes this legislation would make to standards to specifically New York would make settlements less desirable and patent disputes would take longer to carry through the court system, this would cause delay to generic drugs making their way in the market. Additionally, this would make drugs more expensive to the consumer for longer periods of times for New Yorkers.

Modifications to the patent system by a single state would create a patchwork of standards, confusion and high costs for the consumer. For these reasons, The Business Council opposes S.3203 (Fernandez) / A.8576 (Kelles)