In recent years, legal scholars have begun to identify and evaluate how the cognitive biases held by all individuals and groups impact law and policy. Thus far, however, scholars have not recognized the existence or impact of those biases that impact pharmaceutical innovation and patent policy. This Article fills that gap. Moreover, this Article fills that gap at a key juncture. Currently, the industry mostly produces drugs that do not provide significant clinical benefits over existing drugs. Further, even the number of new drugs produced every year is modest compared with exponentially increasing pharmaceutical expenditures. This Article shows that there are significant cognitive biases that play a key, but thus far unrecognized, role in promoting modest innovation. The biases articulated here are subtler than the traditionally recognized biases such as racial stereotypes. However, the influence of these biases is nonetheless very powerful. This Article shows that the industry not only holds key biases, but that through repetition, the biases have often become accepted at face value. Recognizing these biases is critical because, in light of the inadequate pipeline of new drugs, companies can be expected to lobby for increased protection. This Article challenges the conventional wisdom of most scholars by arguing for less, rather than more, patent protection to promote better drug innovation. This Article also lays the groundwork for exploring the role of cognitive biases to the broader realm of domestic medical care.