



February 12, 2025

The Honorable Adrian Smith
Chairman
House Ways and Means Subcommittee on
Trade
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Linda Sánchez
Ranking Member
House Ways and Means Subcommittee on
Trade
1139 Longworth House Office Building
Washington, D.C. 20515

Dear Chair Smith & Ranking Member Sánchez,

As the U.S. Trade Representative (USTR) prepares to release its 2025 "Special 301" Report, I write to urge you to exercise Congress's oversight authority to ensure this critical review fulfills its [original legislative mandate](#): identifying and contesting policies by foreign countries that undermine Americans' intellectual property (IP) rights or deny fair and equitable market access to American right holders. Recent trends suggest that the USTR has strayed from this purpose, jeopardizing U.S. innovation, economic growth, and global competitiveness.

The [Alliance of U.S. Startups and Inventors for Jobs \(USIJ\)](#) is a coalition of inventors, startup companies, and venture capitalists spanning industries including biotechnology, software, and advanced manufacturing. Our members depend on a strong patent system to attract the investment needed to bring groundbreaking innovations to market. Without robust IP protections, the risks associated with long-term, capital-intensive innovation increase dramatically, threatening the viability of new technologies and the jobs they create.

In 1988, [Congress tasked the USTR](#) with preparing an annual "Special 301 Report" to spotlight countries that fail to provide "adequate and effective" protection of IP rights. This watchdog role for the USTR is vital for safeguarding our nation's IP-intensive industries, which account for over [\\$7.8 trillion in annual GDP and support 63 million American jobs](#).

Yet, rather than confronting the growing threats to U.S. innovation abroad, the USTR has adopted a troublingly ambivalent stance that seems designed to appease anti-IP activists in this country and abroad at the expense of American inventors.

A prime example is the USTR's failure to challenge countries that abuse compulsory licenses, a mechanism by which foreign governments unilaterally override patent protections. [Previous Special 301 Reports](#) reaffirmed U.S. policy that compulsory licenses should only be used as a last resort in extraordinary circumstances. However, in 2021, the Biden administration [reversed](#) this stance, accepting a World Trade Organization (WTO) deal to waive IP rights for COVID-19 vaccines. Ostensibly a "temporary" response to the pandemic, the waiver failed to improve global vaccination rates. Indeed, it was not leveraged once and did nothing to end the pandemic. It did, however, set a precedent for the demand for more and broader waivers. Last year, countries even [lobbied the WTO](#) to extend [the vaccine waiver](#) to COVID-19 diagnostics and therapies.

The 2024 Special 301 Report further buttressed this unprecedented policy shift. In a press release accompanying the report, the [USTR announced](#) it would "declin[e] to call out countries" for exploiting new "flexibilities." In the [report itself](#), the USTR states the U.S. will "respect" other nations' "rights to grand compulsory licenses." Notably, it omits any mention of [Colombia's first-ever compulsory license](#) for an HIV drug, and it [treads lightly on China's systematic theft](#) of American IP and its aggressive industrial policies.

Threats to IP protections extend beyond pharmaceuticals. The African Group, comprising 44 nations, recently submitted a [proposal](#) to the WTO seeking IP waivers on green technologies to "reindustrialize strategic sectors." Rather than standing firmly against such anti-IP activism, the USTR offers cover to these efforts, undermining the very purpose of the Special 301 Report.

Left unchecked, this policy drift would have far-reaching consequences. Counterfeiting, piracy, and the theft of trade secrets cost the U.S. economy \$600 billion each year. A [study](#) commissioned by USIJ found venture capital is shifting away from patent-dependent industries like semiconductors toward lower-risk sectors. This trend endangers the United States' ability to maintain leadership in the foundational technologies that underpin our economic prosperity and national security.

The 2025 Special 301 Report presents an opportunity to reverse course.

Congress should make clear that the 2025 report must focus on calling out the anti-IP practices of our trading partners, especially our major geopolitical rivals. The report should challenge any efforts to dilute IP protections and insist that all countries comply with existing trade agreements to ensure a level playing field for U.S. inventors. The 2025 report should also send a clear signal that the United States will oppose any and all future efforts at the WTO to weaken internationally agreed-upon intellectual property protections.

By failing to confront foreign IP abuses, we risk ceding our global leadership in science and technology. Firm congressional oversight is essential to ensuring that the Special 301 Report fulfills its mandated role in safeguarding American innovation and prosperity.

Thank you for your attention to this urgent matter.

Best regards,

A handwritten signature in black ink, appearing to read "Chris Israel". The signature is written in a cursive, flowing style.

Chris Israel
Executive Director
Alliance of U.S. Startups and Inventors for Jobs