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**Re: 2026 Special 301 Review - Chinese State-Sponsored Patent Infringement in the Semiconductor Industry**

The Alliance of U.S. Startups & Inventors for Jobs (USIJ) respectfully submits these comments in response to the Office of the United States Trade Representative's request for public comments regarding the 2026 Special 301 Review of the adequacy and effectiveness of U.S. trading partners' protection and enforcement of intellectual property rights.

USIJ is an association of inventors, startups, venture capital investors, entrepreneurs, and research organizations whose efforts to bring new companies and new technologies into being are entirely dependent upon a reliable system of patent protection. Our members have launched dozens of companies in areas including biotechnology, life sciences, cybersecurity, artificial intelligence, semiconductors, medical devices, and wireless technology. These companies represent the innovative engine of the American economy, creating breakthrough technologies that generate jobs, enhance national security, and improve quality of life.

For startups and growth tech companies, intellectual property protection is not an abstract policy concern—it is an existential necessity. Without strong, enforceable IP rights both domestically and internationally, these companies cannot attract the investment capital necessary to fund years of expensive research and development, cannot protect their innovations from appropriation by better-resourced competitors, and cannot compete effectively in global markets. International IP enforcement is therefore

directly tied to America's economic competitiveness, technological leadership, and national security.

These comments address three critical areas where inadequate international IP protection and enforcement particularly harm American startups and innovative companies: (1) standards essential patents and global standards development processes; (2) International Trade Commission enforcement authority; and (3) pharmaceutical innovation and global free-riding on American biotech R&D investment. Each of these areas requires focused attention from USTR to ensure that U.S. trading partners provide adequate and effective IP protection for American innovators.

## **I. PROTECTING U.S. STARTUP INTERESTS IN GLOBAL STANDARDS DEVELOPMENT**

### **A. The Critical Importance of Standards Essential Patents for U.S. Innovation**

Technical standards are fundamental to modern technological interoperability. From 5G wireless networks to WiFi protocols, from video compression standards to data storage interfaces, standardization enables products from different manufacturers to work together seamlessly. American companies—particularly innovative startups—have historically been leaders in developing the breakthrough technologies that become incorporated into global standards.

Standards Essential Patents (SEPs) cover technologies necessary to implement a technical standard. When a startup develops technology superior enough to be selected for inclusion in a global standard, this represents both enormous value creation and substantial risk. The company has typically invested millions of dollars and years of R&D to create technology that outperforms alternatives. Contributing this technology to a standard can create significant market opportunities—but only if the patent holder's IP rights are respected and enforceable.

Unfortunately, several of America's key trading partners have adopted policies and practices that systematically undermine SEP enforcement, to the particular detriment of U.S. startups and small companies. These practices constitute inadequate IP protection under the Special 301 framework and warrant USTR attention and action.

### **B. Anti-Suit Injunctions and Forum Manipulation by China**

China has emerged as the most problematic jurisdiction for SEP enforcement, using its court system as a strategic tool to advantage Chinese implementers at the expense of foreign innovators—particularly American startups. Chinese courts have increasingly issued 'anti-suit injunctions' (ASIs) that prohibit patent holders from enforcing their rights in other jurisdictions, effectively forcing global SEP disputes to be resolved exclusively in Chinese courts under Chinese law.

This practice has several pernicious effects on U.S. innovators:

**Forum Shopping Against U.S. Interests:** Chinese implementers rush to Chinese courts to obtain ASIs before U.S. patent holders can file infringement actions in the United States or other jurisdictions. This allows Chinese defendants to select the most favorable forum—their home courts—and prevent U.S. companies from accessing U.S. courts or the ITC.

**Systematic Undervaluation of U.S. Patents:** Chinese courts consistently set FRAND royalty rates far below those determined by U.S. or European courts for comparable technologies. When Chinese implementers can force rate-setting to occur exclusively in Chinese courts, U.S. patent holders—especially startups—receive systematically suppressed compensation for their innovations.

**Resource Asymmetry Exploitation:** Litigating in China is extraordinarily expensive and complex for U.S. startups, requiring specialized local counsel, translation of extensive technical and legal materials, and navigation of an unfamiliar legal system. Large Chinese implementers exploit this asymmetry, knowing that many U.S. startups cannot afford effective defense of their rights in Chinese courts.

**Weaponization of Judicial Process:** Chinese courts have imposed massive penalties on companies that violate ASIs, including daily fines that can quickly reach hundreds of millions of dollars. The threat of these penalties effectively coerces U.S. patent holders to accept Chinese forum selection and suppressed royalty rates.

**Strategic Advantage for Chinese Industry:** By ensuring that SEP disputes are resolved in Chinese courts at Chinese-determined rates, China effectively subsidizes its domestic technology industry at the expense of foreign innovators. This directly contradicts commitments to provide effective IP protection and constitutes an unfair trade practice.

The scale of this problem has increased dramatically. In recent years, Chinese courts have issued ASIs in disputes involving major technology standards including 5G, WiFi, and video coding. In many cases, the Chinese defendants are massive companies with revenues exceeding those of entire U.S. industry sectors, while the U.S. patent holders are startups or small companies that developed the underlying technology.

USIJ urges USTR to identify China's use of anti-suit injunctions to manipulate forum selection and suppress royalty rates as a priority concern in the 2026 Special 301 Review. This practice directly harms U.S. innovators, undermines the value of U.S. patents, and creates strategic advantages for Chinese industry that are completely disconnected from genuine innovation or competitive superiority.

## **C. The Need for Injunctive Relief in SEP Cases**

Beyond the specific problem of Chinese ASIs, a broader international trend threatens

U.S. startup interests in standards development: the growing presumption in some jurisdictions that SEPs should not be eligible for injunctive relief or exclusion orders, even when infringement and validity are established.

This presumption—which finds support in some policy circles within the United States as well—is profoundly harmful to innovative startups for several reasons:

**First**, without the possibility of injunctive relief, large implementers have powerful incentives to engage in 'efficient infringement'—deliberately using patented technology without a license, knowing that the worst consequence is eventually paying a court-determined royalty years later. For well-resourced companies, this is often economically rational, as they can use the technology immediately, capture market share, and delay payment indefinitely through litigation.

**Second**, calculating monetary damages for ongoing SEP infringement is extraordinarily difficult and often results in systematic undervaluation of the technology. Courts must engage in 'hypothetical negotiation' exercises to determine what a willing licensor and licensee would have agreed to before infringement began—a methodology the Federal Circuit has described as involving 'more the talents of a conjurer than those of a judge.' The frequent reversal of damages awards demonstrates how unreliable these calculations are.

**Third**, for startups, monetary damages often fail to capture critical losses including market position, investment opportunities, strategic licensing value, and reputational harm. A startup that planned to license its technology exclusively or selectively loses all control over its commercialization strategy when courts impose compulsory licensing at judicially-determined rates.

**Fourth**, the absence of injunctive relief fundamentally undermines licensing negotiations. Without credible enforcement mechanisms, implementers can simply refuse to negotiate in good faith, knowing they face no immediate consequences for infringement. This problem is particularly acute when startups negotiate with large multinational corporations that can afford to litigate indefinitely.

As the U.S. Department of Justice and Patent and Trademark Office recently recognized in their Statement of Interest in *Radian Memory Systems v. Samsung Electronics*, the difficulty of calculating adequate monetary damages for SEP infringement supports the availability of injunctive relief in appropriate cases. A FRAND commitment is a promise to license on reasonable terms—it is not, and should not be treated as, a complete waiver of the patent holder's statutory right to seek injunctions under 35 U.S.C. § 283.

USIJ urges USTR to work with trading partners to ensure that their legal systems provide adequate remedies for SEP infringement, including injunctive relief in appropriate circumstances. The presumption in some jurisdictions that SEPs should categorically be ineligible for injunctions undermines the value of U.S. patents,

discourages U.S. startup participation in standards development, and advantages large implementers (often foreign companies) at the expense of U.S. innovators.

## **D. Standards Development Organization Policies That Discriminate Against Small Companies**

Many global standards development organizations (SDOs) and industry consortia have adopted intellectual property policies that systematically disadvantage startups and small companies in favor of large incumbents. While these policies are often justified as necessary to ensure widespread technology adoption, their practical effect is to transfer value from innovators to implementers and to discourage startup participation in standards development.

Common problematic practices include:

**Royalty-Free Requirements:** Some SDOs require participants to commit to royalty-free licensing of any patents that become essential to adopted standards. While large companies with diversified revenue streams can absorb this cost, startups whose entire value proposition may rest on a single breakthrough technology cannot. These policies effectively exclude startups from standards participation or force them to contribute their most valuable assets for free.

**Asymmetric Cross-Licensing Obligations:** Some standards organizations require participants to grant broad cross-licenses to other participants. While this may be reasonable when participants hold comparable patent portfolios, it systematically disadvantages startups with few patents against large incumbents with thousands of patents. The startup contributes its core innovation while receiving little value in return.

**Governance Structures Favoring Large Companies:** Many SDOs have tiered membership structures where higher fees purchase greater voting rights or influence over technical decisions. Large companies can afford top-tier memberships; startups typically cannot. This creates governance structures where implementers—who benefit from low or zero royalties—control standards development, while innovators have limited voice.

**Pressure Tactics Against Non-Participants:** In some cases, SDO participants have attempted to pressure innovative companies to join and accept unfavorable IP terms by threatening to exclude their technologies from standards consideration, to develop competing (potentially inferior) alternatives, or to challenge their patents. For startups, such pressure can be existential.

These practices are particularly problematic when they occur in international standards organizations or consortia dominated by foreign companies. When U.S. startups develop breakthrough technologies but face pressure to contribute them to international standards on unfavorable terms, the result is a wealth transfer from American innovators to foreign implementers.

USIJ recommends that USTR engage with trading partners to address discriminatory SDO practices that disadvantage U.S. startups. While standards development is primarily a private-sector activity, governments can and should ensure that SDO policies do not systematically undermine IP protection in ways that disadvantage their domestic innovators. This is particularly important as China actively promotes standards development organizations and consortia designed to advantage Chinese companies and disadvantage foreign competitors.

## **II. PROTECTING ITC ENFORCEMENT AUTHORITY**

### **A. The ITC as a Critical Enforcement Mechanism for U.S. Startups**

The International Trade Commission, through its authority under Section 337 of the Tariff Act of 1930, provides U.S. patent holders with a uniquely valuable enforcement mechanism: the ability to obtain exclusion orders that prevent importation of infringing products. For startups and small companies, ITC enforcement offers several critical advantages over district court litigation:

**Speed:** ITC investigations typically conclude within 12-18 months, compared to 3-5 years for district court patent litigation. For startups with limited runway and urgent need to stop infringement, this speed is essential.

**Effectiveness:** ITC exclusion orders apply at the border, blocking all infringing imports regardless of which entity ships them. This is particularly valuable when dealing with foreign manufacturers who may have complex corporate structures or limited U.S. presence.

**Technical Expertise:** ITC administrative law judges and staff have developed deep expertise in patent law and complex technologies. This expertise enables sophisticated analysis of technical disputes that might overwhelm generalist district courts.

**No Damages Calculations Required:** Unlike district court litigation, ITC proceedings do not require complex damages calculations. This eliminates a major source of uncertainty, expense, and litigation risk for patent holders.

For these reasons, the ITC has become an essential enforcement venue for U.S. startups seeking to protect their innovations from foreign infringement. However, several trends threaten to undermine ITC effectiveness, to the particular detriment of U.S. innovators.

### **B. The Expansion of 'Public Interest' Considerations**

Section 337 authorizes the ITC to deny exclusion orders if the effect of such exclusion upon public health and welfare, competitive conditions, production of like articles, and U.S. consumers counsels against exclusion. This public interest provision is intended as

a narrow safety valve for extraordinary circumstances—such as when exclusion would create genuine public health emergencies.

Unfortunately, there has been a disturbing trend toward expansive interpretation of public interest considerations, often advocated by large technology companies seeking to avoid the consequences of their infringement. These companies have argued that exclusion orders should be denied whenever:

- The infringing product is 'popular' with consumers
- The patent holder is a 'non-practicing entity' that licenses rather than manufactures
- The patent covers only one feature of a multi-feature product
- Exclusion would allegedly 'harm competition' by reducing the number of competitors
- The patent is subject to a FRAND licensing commitment

If accepted, these arguments would effectively eliminate ITC enforcement for most patents, since most modern products are multi-feature, many successful products are popular with consumers, and excluding infringing competitors by definition reduces the number of market participants. This interpretation converts the narrow public interest exception into a broad limitation on ITC authority.

The consequences for U.S. startups would be devastating. Large foreign companies—particularly those headquartered in countries that provide weak IP protection—could infringe U.S. patents with impunity, knowing that 'public interest' arguments would prevent exclusion. The ITC would become toothless as an enforcement mechanism, leaving startups with only the prospect of protracted, expensive district court litigation seeking damages that are difficult to calculate and collect.

This problem has international dimensions. Foreign companies and their governments have increasingly intervened in ITC proceedings to argue against exclusion orders, claiming that such orders would harm their domestic industries or consumers. Some trading partners have even suggested that robust ITC enforcement violates international trade obligations—an argument that, if accepted, would subordinate U.S. patent rights to foreign economic interests.

### **C. Foreign Government Pressure to Weaken ITC Authority**

Several U.S. trading partners have engaged in coordinated efforts to undermine ITC enforcement authority, recognizing that strong ITC enforcement disadvantages their domestic companies that benefit from infringing U.S. patents:

**Intervention in ITC Proceedings:** Foreign governments and foreign industry associations have increasingly filed submissions in ITC investigations arguing against exclusion orders. While these submissions are nominally about 'public interest,' they transparently advocate for the interests of foreign infringers over U.S. patent holders.

**Bilateral Pressure:** Some trading partners have raised ITC enforcement in bilateral discussions, suggesting that Section 337 enforcement is 'discriminatory' or 'protectionist.' This framing is designed to create political pressure to weaken ITC authority.

**WTO Challenges:** Although no WTO case has succeeded in limiting ITC authority, some countries have suggested that Section 337 enforcement might violate international trade obligations. This creates a chilling effect on ITC enforcement and encourages expansive public interest arguments.

**Support for 'Efficient Infringement':** Some foreign governments have explicitly or implicitly endorsed business models based on appropriating others' patented technology—sometimes called 'efficient infringement'—and then criticized U.S. enforcement efforts when patent holders fight back.

These efforts are particularly problematic when they come from countries that themselves provide weak IP protection and enforcement. Countries that tolerate or encourage infringement of foreign IP within their borders, while simultaneously pressuring the United States to weaken our enforcement mechanisms, are engaging in a form of asymmetric IP policy designed to advantage their domestic industries at U.S. expense.

USIJ urges USTR to identify foreign government efforts to undermine ITC enforcement as a priority concern in the 2026 Special 301 Review. The ITC is a legitimate, statutorily-authorized enforcement mechanism that serves critical functions for U.S. patent holders, particularly startups. Trading partners that benefit from access to the U.S. market should respect U.S. IP enforcement rather than seeking to weaken it for their domestic industries' benefit.

### **III. ADDRESSING GLOBAL FREE-RIDING ON U.S. PHARMACEUTICAL INNOVATION**

#### **A. The Magnitude of the Free-Riding Problem**

American biotech entrepreneurs and startups bear a disproportionate share of global pharmaceutical R&D costs and risks, while other wealthy nations systematically suppress the prices they pay for American-invented medicines. This constitutes the most egregious and economically significant form of IP-related free-riding affecting U.S. innovators.

The pharmaceutical and biotechnology sector is particularly dependent on strong IP protection because of the extraordinary costs and risks of drug development. Bringing a new medicine from laboratory discovery to FDA approval typically requires 10-15 years and costs over \$2.5 billion. The vast majority of drug candidates fail at some stage of development. Investors in biotech startups accept these risks only because patents provide exclusivity that enables successful medicines to generate returns sufficient to



offset the many failures.

However, this business model only works if successful medicines can be sold at prices that reflect their value and enable appropriate returns on investment. When foreign governments use price controls, reference pricing schemes, health technology assessments, and other mechanisms to artificially suppress prices, they effectively force U.S. patients and taxpayers to subsidize their healthcare systems.

## **B. Foreign Price Control Mechanisms That Undermine IP Value**

U.S. trading partners employ numerous sophisticated mechanisms to suppress pharmaceutical prices while maintaining the façade of compliance with IP obligations:

**Direct Price Controls:** Many countries simply dictate maximum prices for new medicines, often through opaque government processes that provide little transparency or recourse for manufacturers. These prices frequently bear no relationship to development costs, therapeutic value, or market-determined value.

**Reference Pricing:** Some countries set prices by reference to prices in other countries—creating a 'race to the bottom' as each country references the lowest prices elsewhere. This systematically ratchets prices downward across all reference pricing countries.

**Health Technology Assessments:** Some countries use 'health technology assessment' processes that claim to objectively evaluate medicines' cost-effectiveness, but in practice serve as mechanisms to justify artificially low prices. These assessments often use methodologies systematically biased against innovative medicines.

**Clawback Provisions:** Some countries require manufacturers to rebate portions of revenue if sales exceed certain thresholds or if costs exceed government budgets. These provisions effectively cap revenue regardless of demand or therapeutic value.

**Delay and Denial Tactics:** Some countries delay approval or reimbursement of new medicines for years while pressuring manufacturers to accept below-market prices as the condition for market access. Manufacturers face an impossible choice: accept suppressed prices or forgo the market entirely.

**Compulsory Licensing Threats:** Some countries threaten compulsory licensing—government authorization of generic production without patent holder consent—as leverage to force price concessions. While rarely implemented, these threats create powerful pressure for below-market pricing.

These mechanisms share a common feature: they allow foreign governments to access American-invented medicines while paying far less than market value. The patent holder's exclusivity—the fundamental value proposition of the patent system—becomes largely meaningless when governments can dictate prices unilaterally.

For biotech startups, these practices are particularly devastating. Unlike large pharmaceutical companies with diversified product portfolios and global operations, startups typically depend on one or a few medicines for all their revenue. When foreign price controls suppress returns, startups cannot fund future R&D, cannot provide returns to investors, and often cannot survive as independent companies. The result is consolidation—startups are acquired by large companies rather than growing into independent innovators—and reduced innovation as investors recognize that returns are suppressed by foreign government action.

### **C. The UK Agreement as a Template for Action**

The Trump Administration's recent agreement with the United Kingdom demonstrates that bilateral trade pressure can successfully address pharmaceutical free-riding. Under this agreement, the UK committed to increase spending on American medicines and eliminate certain revenue clawback provisions that had unfairly suppressed returns to U.S. biotech companies. In exchange, the U.S. exempted the UK from certain tariffs and agreed to exclude the UK from future Section 301 investigations related to pharmaceutical pricing.

This agreement is expected to double the UK's pharmaceutical spending as a percentage of GDP—a substantial increase that will provide meaningful benefits to U.S. biotech companies while maintaining patient access to innovative medicines. Critically, the agreement addresses the underlying problem of price suppression rather than simply accepting foreign price controls as inevitable.

The UK agreement should serve as a template for similar agreements with other major markets, particularly in Europe and Asia. Many wealthy countries have the economic capacity to pay fair market prices for medicines but choose not to, calculating that the United States will not respond effectively to their free-riding. Trade pressure—including Section 301 investigations, tariffs, and other measures—can change this calculus and force constructive negotiations.

### **D. The Critical Importance of Section 301 Pharmaceutical Investigations**

USTR is currently conducting Section 301 investigations into several trading partners' pharmaceutical pricing practices. These investigations examine whether foreign price control mechanisms constitute unfair trade practices that burden U.S. commerce. Publishing the results of these investigations would serve several critical functions:

**Documentation:** Formal findings would create an authoritative record of foreign price control practices and their impact on U.S. biotech companies. This documentation would strengthen the case for trade action and provide leverage in bilateral negotiations.

**Pressure:** Publishing investigation results signals serious U.S. intent to address

pharmaceutical free-riding. Countries under investigation face reputational costs and the prospect of trade penalties, creating incentives for constructive engagement.

**Legal Foundation:** Formal Section 301 findings provide the legal foundation for trade remedies including tariffs, import restrictions, and other measures. These tools provide essential leverage to force meaningful negotiations.

**Template for Other Cases:** Successful resolution of pharmaceutical pricing disputes through Section 301 would create templates and precedents for addressing similar issues with additional trading partners, multiplying the impact of each individual case.

USIJ strongly urges USTR to complete and publish Section 301 pharmaceutical pricing investigations and to use the findings as leverage for negotiations similar to the UK agreement. Foreign price controls that suppress returns to U.S. biotech innovators below market levels constitute unfair trade practices that warrant strong U.S. response.

## **E. The Danger of Importing Foreign Price Controls Into U.S. Law**

While USTR works to address foreign free-riding through trade policy, there is a serious risk that domestic policy makers might undermine these efforts by importing foreign price controls into U.S. law. Various proposals have suggested that Medicare or other federal programs should pay for medicines based on prices paid by foreign governments—effectively importing European or other countries' price controls into the United States.

Such proposals would be catastrophic for U.S. biotech innovation and would completely undermine USTR's efforts to address foreign free-riding:

**Elimination of Negotiating Leverage:** If the U.S. imports foreign price controls, trading partners have zero incentive to negotiate higher prices. They can simply maintain their current suppressed prices knowing that U.S. law will automatically match them.

**Validation of Foreign Practices:** Importing foreign prices effectively validates foreign price control practices, making it nearly impossible to challenge them as unfair trade practices. If the U.S. believes foreign prices are appropriate for U.S. programs, how can we simultaneously argue they constitute unfair trade practices?

**Devastation of Biotech Investment:** If Medicare and potentially other payers adopt foreign reference pricing, the U.S. market—which currently provides the majority of global pharmaceutical R&D funding—would no longer generate sufficient returns to justify biotech investment. Venture capital funding for biotech startups would collapse.

**Perverse Incentives for Foreign Governments:** If U.S. prices automatically match the lowest foreign prices, foreign governments have incentives to suppress their prices even further, knowing that the U.S. will follow. This creates a destructive race to the bottom.

**Strategic Advantage to Competitors:** Countries seeking to develop domestic biotech industries—particularly China—benefit enormously when the U.S. undermines its own biotech sector through price controls. These countries can maintain their own price controls while U.S. policy destroys the U.S. innovation ecosystem.

USIJ strongly urges USTR to coordinate with other Executive Branch agencies and Congress to ensure that domestic pharmaceutical pricing policy does not undermine international efforts to address foreign free-riding. The solution to foreign price controls is not to import them into U.S. law—it is to use trade policy tools to force foreign governments to pay fair market prices.

As USIJ documented in our [recent white paper](#) on this issue, other countries must pay more so Americans can pay less. This requires sustained trade pressure, not capitulation to foreign price control practices.

#### **IV. CONCLUSION AND RECOMMENDATIONS**

Intellectual property protection is not an abstract policy concern for U.S. startups and innovative companies—it is an existential necessity. Without strong, enforceable IP rights both domestically and internationally, these companies cannot attract investment, cannot protect their innovations from appropriation, and cannot compete effectively in global markets.

The three areas addressed in these comments—standards essential patents, ITC enforcement, and pharmaceutical innovation—represent critical priorities where inadequate international IP protection particularly harms U.S. innovators. In each area, foreign government policies and practices systematically advantage foreign companies at U.S. expense, while undermining the value of U.S. patents and the viability of U.S. innovation business models.

USIJ respectfully recommends that USTR take the following actions in the 2026 Special 301 Review and subsequent trade policy initiatives:

##### **Standards Essential Patents:**

1. Identify China's use of anti-suit injunctions to manipulate forum selection and suppress SEP royalty rates as a priority concern requiring immediate attention and response.
2. Engage with trading partners to ensure their legal systems provide adequate remedies for SEP infringement, including injunctive relief in appropriate circumstances, and reject categorical presumptions against SEP enforcement.
3. Work with trading partners to address discriminatory standards development organization policies that disadvantage U.S. startups and small companies in favor of large implementers.

**ITC Enforcement:**

1. Identify foreign government efforts to undermine ITC enforcement authority as a priority concern, and reject suggestions that Section 337 enforcement violates international trade obligations.
2. Resist pressure to expand 'public interest' exceptions to ITC enforcement in ways that would effectively eliminate ITC authority as a meaningful remedy for patent infringement.
3. Support strong ITC enforcement as a legitimate exercise of U.S. authority to protect IP rights at the border, particularly against foreign infringers from countries that provide inadequate domestic IP protection.

**Pharmaceutical Innovation:**

1. Complete and publish Section 301 investigations into trading partners' pharmaceutical pricing practices, documenting how foreign price controls constitute unfair trade practices that burden U.S. biotech companies.
2. Use findings from these investigations as leverage for bilateral negotiations following the template of the UK pharmaceutical pricing agreement, seeking commitments from trading partners to increase pharmaceutical spending and eliminate practices that suppress returns to U.S. innovators.
3. Coordinate with other Executive Branch agencies and Congress to ensure that domestic pharmaceutical pricing policy does not undermine international efforts to address foreign free-riding, and oppose proposals to import foreign price controls into U.S. law.
4. Recognize pharmaceutical free-riding as the most economically significant form of IP-related unfair trade practice affecting U.S. innovators, warranting sustained high-level attention and strong trade remedies where necessary.

The United States cannot maintain its technological leadership, support its innovative startups, or protect American jobs without strong intellectual property protection both at home and abroad. The Special 301 process provides a critical mechanism for identifying inadequate IP protection by trading partners and for driving policy changes that benefit U.S. innovators. USIJ urges USTR to use this process aggressively to address the serious IP enforcement gaps that particularly harm America's most innovative companies.

Respectfully submitted,

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