March 19, 2024

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The Honorable Jason Smith Chairman U.S. House Ways & Means Committee 1101 Longworth House Office Building Washington, D.C. 20515 The Honorable Richard Neal Ranking Member U.S. House Ways & Means Committee 1102 Longworth House Office Building Washington, D.C. 20515

Dear Chairman Smith and Ranking Member Neal:

The Advancing America's Interests Act (H.R. 3535) adds significant hurdles to the ability of the U.S. International Trade Commission (ITC) to prevent products that infringe U.S. intellectual property (IP) rights from being imported into the United States. For more than a decade, Big Tech companies have advocated this bill to make it easier for them to keep their manufacturing supply chains in China rather than the United States.

The so-called Advancing America's Interests Act should be soundly rejected.

Making it easier to import products from China is unwise. Making it easier to import from China products that infringe U.S. intellectual property is the self-inflicted weakening of our innovative edge. The foundation for the tariffs President Trump imposed on Chinese imports was to respond to China's wholesale violations of U.S. IP rights. There is no justification for rewarding China by weakening the ITC.

George Mason University law professor Adam Mossoff explains, "What Big Tech companies want is clear: a free pass to pirate inventions they didn't invent and to import infringing products manufactured in China. . . . Applying rules of evidence and due process, the ITC has consistently rejected Big Tech's rhetoric. Congress should do the same and reject the AAIA, a bill that would serve only to hurt American innovators and bolster China."

The same special interests that favor H.R. 3535 misguide, claiming that the ITC was designed to go after imports from foreign companies. They assert that U.S. companies shouldn't be subject to exclusion orders. In truth, though, the only thing that has changed since the ITC was created is that, in recent decades, Big Tech companies moved most of their manufacturing to China. That makes them subject to the ITC.

The Big Tech proponents of H.R. 3535 claim it's needed because "patent trolls" are "increasingly flocking" to the ITC and holding American innovators hostage for spurious litigation settlements. Pardon the pun, but this is patently false. A total of 32 patent

<sup>&</sup>lt;sup>1</sup> Adam Mossoff, "Big Tech's 'patent troll' attacks are a smokescreen — don't let them fool you," *The Hill*, Aug. 18, 2023 (<u>https://thehill.com/opinion/technology/4157340-big-techs-patent-troll-attacks-are-a-smokescreen-dont-let-them-fool-you/</u>).

infringement cases was filed at the ITC in 2023, the lowest number in years, and down over 40 percent from the 54 such cases filed the year prior.<sup>2</sup> These caseload numbers demonstrate that, while the ITC serves an important role, it is a highly limited one that simply doesn't involve that many people. Infringers lack credible evidence of a problem.

If companies want to avoid having their imports blocked by the ITC, they can return their supply chains to the United States, stop infringing U.S. innovators' IP, or both. Weakening the ITC will only facilitate keeping U.S. supply chains in China.

We urge you to oppose the Advancing America's Interests Act.

Respectfully,

James Edwards Ed Martin Executive Director President **Conservatives for Property Rights Phyllis Schlafly Eagles** Eagle Forum Education & Legal Defense Fund Seton Motley **Richard Manning** President President Less Government Americans for Limited Government Americans for Limited Government Foundation Jenny Beth Martin Kevin L. Kearns Honorary Chairman President Tea Party Patriots Action U.S. Business & Industry Council Charles Sauer Bob Carlstrom President President AMAC Action Market Institute James L. Martin Saulius "Saul" Anuzis Founder/Chairman President 60 Plus Association American Association of Senior Citizens C. Preston Noell III Maureen Blum President President

Tradition, Family, Property, Inc. Dick Patten

Dick Patten President American Business Defense Council Strategic Coalitions & Initiatives, LLC Anthony Zagotta

President Center for American Principles

<sup>&</sup>lt;sup>2</sup> WIT Legal, *2023 in Review: Key ITC Insights* (https://assets.law360news.com/ 1803000/1803843/itc report.pdf).

cc: Speaker of the House Mike Johnson House Minority Leader Hakeem Jeffries House Trade Subcommittee Chairman Adrian Smith House Trade Subcommittee Ranking Member Earl Blumenauer

\* Organization names are given for identification purposes.