

Wiley Rein Submits Comments to USTR on Impact of China's Inequitable IP and Innovation Policies on U.S. Businesses

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Washington, DC—Yesterday, Wiley Rein LLP submitted comments to the U.S. Trade Representative (USTR) regarding China's unreasonable and discriminatory intellectual property and innovation policies and their negative impact on U.S. companies, workers, and the overall economy. The comments were submitted in response to USTR's investigation under Section 301 of the Trade Act of 1974 regarding "China's acts, policies, and practices related to technology transfer, intellectual property, and innovation."

The Wiley Rein comments were authored by partner Stephen J. Claeys and associate Adam M. Teslik of the International Trade Practice. The investigation will determine whether these practices are actionable under Section 301, which authorizes USTR to retaliate unilaterally against certain unreasonable or unjustifiable foreign trade practices.

In the filing, Wiley Rein describes how the Chinese government uses a number of tools to unfairly acquire U.S. companies' intellectual property and innovation, and create competitive advantages for Chinese companies. These include, among others:

- Either shutting U.S. companies out of China's domestic market or requiring them, as a condition of entry, to hand over their

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valuable intellectual property to the Chinese government or Chinese companies;

- Directing Chinese companies – and providing them financial support – to acquire U.S. companies for the purposes of obtaining their innovative technology;
- Engaging or sponsoring the theft of intellectual property and trade secrets; and
- Abusing anticompetition laws to extract concessions from U.S. companies.

These Chinese government activities directly harm U.S. companies and their workers by stealing their technology, decreasing their revenue, and reducing their access to further investment and innovation. Moreover, these actions threaten to undermine the United States' technological base and put the competitiveness of the entire U.S. economy at risk. As a result, Wiley Rein strongly urged the USTR to fully use all authorities granted by Section 301 to obtain the elimination of China's activities.

The next steps of the investigation will be a public hearing on October 10, and an October 20 deadline for post-hearing rebuttal comments.

To read the comments submitted by Wiley Rein, please [click here](#).