Dear President-elect Trump and Vice President-elect Vance:

We write regarding the wrong direction of certain policies and their harmful consequences. We firmly believe they demand the Trump administration's sustained attention. Resetting the United States' course is vital for the survival and long-term success of our nation.

The beginning of a new administration is the perfect time for a course correction. The past four years on the wrong track have significantly diminished the United States' global competitiveness. At present, our country is taking several wrong policy paths.

These current policies dismantle U.S. research and development (R&D) leadership and thereby impede our competitiveness. Our government today undermines fundamental pillars of America's historical strength and success that are instrumental to our reversing course. Those pillars include property rights, economic freedom, the rule of law, and national sovereignty¹.

Our own government presently intrudes on private rights to own and control property of many forms. Uncle Sam not only regulates business enterprises the old-fashioned way of red tape, but also through rendering property rights tentative,² pursuing aggressive antitrust,³ adopting overly restrictive trade rules,⁴ and discouraging innovation through government price controls.⁵

¹ <u>https://www.realclearpolicy.com/articles/2024/07/25/</u> how_americas_democratic_foundation_promotes_innovation_and_us_security_104707 <u>7.html</u>

² <u>https://www.washingtontimes.com/news/2021/dec/1/combating-chinas-technological-ambitions-requires-/, https://www.property-rts.org/_files/ugd/</u> 651e0c_f3742eb1629b44d8a1615e278381b0f5.pdf, <u>https://www.property-rts.org/_files/ugd/651e0c_60aa5d5bd6384ae487c2abf06dfe6ef6.pdf</u>

³ <u>https://fortune.com/2023/12/07/lina-khan-antitrust-overreach-ihurting-us-</u> <u>competitiveness-destroying-billions-value-sonnenfeld-tian/, https://</u> <u>www.realclearmarkets.com/articles/2023/03/22/</u> gaming the_ftc_japan_colludes_with_antitrust_regulators_against_msft_888621.html#c <u>omments-container, https://www.property-rts.org/_files/ugd/</u> <u>651e0c_66c56da8ded3431da0f7c5e3b8625b95.pdf</u>

⁴ <u>https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr1096.pdf?</u> <u>sc_lang=en</u>

⁵ <u>https://www.property-rts.org/_files/ugd/</u> 651e0c_37e9a6421fe54e07b0377e7aa496cb9e.pdf, <u>https://www.property-rts.org/_files/</u> ugd/651e0c_fb9ea2387c1448fca418040681f24545.pdf In addition, our tax policies should be designed to more robustly incentivize private R&D investment in years-long, high-risk-high-reward types of science and technology.⁶

These measures now diminish U.S. innovation by, for instance, devaluing U.S. patents, degrading access to injunctive relief, and blocking access to certain foreign markets for licensing our highly valuable patented technologies.

U.S. government missteps that harm American enterprise don't end at the water's edge. Over the past four years, the U.S. government has endorsed the European Union's (EU) moves that reduce American firms' rights.⁷ Our government has ignored China's measures that advantage Chinese businesses, treat U.S. businesses unfairly, and encroach on U.S. sovereignty.⁸

Our government should ensure rules-based, balanced, and fair trade. Instead, it has effectively refused to intervene on behalf of American firms in foreign lands where those governments' misconduct occurs. U.S. officials have failed to advocate abroad for aggrieved U.S. businesses. Our government has not held other countries accountable for such abuses of American businesses. It has even been party to abrogating an international agreement that secures intellectual property (IP) rights worldwide.⁹ This, along with implementing overly broad trade rules whose effects are counterproductive,¹⁰ blatantly ignores—and jeopardizes—the fact that the United States enjoys a net trade surplus in IP licensing revenue.¹¹

These self-imposed impediments walk away from upholding U.S. norms. They reduce the ability of America's businesses to be the vehicle for achieving our economic and national security goals. Together, the measures of the past four years accelerate China, Europe, and other competitors, who stand to pass America's R&D leadership. Today China overshadows the United States as the global leader in 37 of 44 key areas of critical and emerging technology, such as electric batteries, synthetic biology, and aircraft engines.¹²

⁶ <u>http://congress-files.s3.amazonaws.com/2022-07/Kieu-</u> <u>Trang_NGUYEN_DEMNVR_Tax_Incentives_Innovation.pdf</u>

⁷ <u>https://www.realclearpolicy.com/articles/2023/05/19/</u> handing_china_innovation_leadership_900519.html, https://www.property-rts.org/_files/ ugd/651e0c_5b1ce9eb0a1f41508228a71ca8d3a783.pdf

⁸ <u>https://www.cnn.com/2023/05/22/tech/china-ban-us-micron-chips-intl-hnk/index.html,</u> <u>https://www.reuters.com/technology/chinas-micron-ban-highlights-chipmakers-dilemma-sino-us-tensions-grow-2023-05-22/</u>

⁹ <u>https://www.property-rts.org/_files/ugd/</u> 651e0c_07304bba86c94ef9a60b17b6cbfb1fa0.pdf

¹⁰ <u>https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr1096.pdf?</u> <u>sc_lang=en</u>

¹¹ <u>https://www.uspto.gov/sites/default/files/documents/oce-ip-econ-note-101.pdf</u>, <u>https://</u> <u>crsreports.congress.gov/product/pdf/IF/IF10033/21</u>

¹² <u>https://www.aspi.org.au/report/critical-technology-tracker</u>, <u>https://www.reuters.com/</u> technology/china-leads-us-global-competition-key-emerging-technology-studysays-2023-03-02/ If our nation is to prevail in technological leadership, only the private sector can ensure U.S. success in worldwide competitiveness. Government will never achieve the kind of leapfrog innovation and commercial adoption that many thousands of innovators in many hundreds of technological and scientific fields can achieve—unless we reverse our destructive policies and repair the fundamental pillars that incentivize private R&D investment.

In short, to recapture the competitive lead, ensure our national and economic security, and enable America to flourish, our nation must restore our foundations, especially private ownership rights both at home and abroad, including of IP. Thus, it is vitally important to nominate a U.S. Patent and Trademark Office (PTO) director who will stand up for strong, secure, enforceable patent rights.

The incoming Trump administration already seems to understand this, as seen in Presidentelect Trump's nomination of Howard Lutnick, an inventor and patent owner, as secretary of the Department of Commerce, under which PTO is housed.¹³ We commend this nomination and trust that it is a positive indication that PTO, its sister Commerce agency the National Institute of Standards and Technology, and other vital innovation policy-related posts will be held by individuals devoted to strong patent and IP rights.

We strongly urge the incoming administration to make it a top priority to change course in the policies and areas discussed above. We stand ready to assist in this vital endeavor. Godspeed in undoing the damaging policies that presently harm U.S. interests and serve to empower our competitors and adversaries at our country's expense.

Sincerely,

Ed Martin President Phyllis Schlafly Eagles Eagle Forum Education & Legal Defense Fund

Jenny Beth Martin Honorary Chairman Tea Party Patriots Action

James L. Martin Founder/Chairman 60 Plus Association

Ron Pearson President Pearson & Pipkin

Richard Manning President Americans for Limited Government Americans for Limited Government Foundation James Edwards Executive Director Conservatives for Property Rights

David Williams President Taxpayers Protection Alliance

Saulius "Saul" Anuzis President American Association of Senior Citizens

Colin Hanna President Let Freedom Ring

Jeffrey Mazzella President Center for Individual Freedom

¹³ https://patentlyo.com/patent/2024/11/howard-lutnick-patent.html

Tom DeWeese President American Policy Center

George Landrith President Frontiers of Freedom

Dick Patten President American Business Defense Council

Kevin L. Kearns President U.S. Business and Industry Council

Karen Kerrigan President & CEO Small Business & Entrepreneurship Council Ashley Baker Executive Director The Committee for Justice

Anthony J. Zagotta President Center for American Principles

Trent England Executive Director Save Our States

C. Preston Noell III President Tradition, Family, Property, Inc.

*Organization names appear for identification purposes only