Dear Ambassador Tai and Secretary Raimondo:

We write in opposition to the proposal before the World Trade Organisation (WTO) to undermine intellectual property rights for COVID-19 vaccines. Rather than supporting proposals that undermine American medical innovation to the benefit of foreign rivals like Communist China, we urge you to pursue proposals that help American workers and businesses through measures that reduce government interference, lower taxes, and help promote American competitiveness.

As you know, the Director-General of the WTO introduced a draft proposal to waive IP protections for COVID-19 vaccines that exist under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Supporters of this latest proposal are pushing for it to be adopted ahead of the WTO’s Ministerial Conference on June 12-15. If adopted, WTO members including China and Russia would be permitted to use compulsory licensing to seize the patents of American developed COVID-19 vaccines.

This proposal is not necessary because there is no global shortage of vaccines. If anything, the world may be seeing an oversupply of vaccines due to extensive investment in production, increased competition, and slowing demand. In fact, in India manufacturers have slowed down manufacturing of new vaccines after production resulted in 200 million doses of stock – far more than was needed.

While this proposal would do nothing to fight COVID-19, it would undermine the development of vaccines and treatments for future deadly pandemics. Developing new medicines is a costly, risky, and time-consuming process. A manufacturer must invest an average of $2.6 billion and ten years in research and development, according to the Tufts Center for the Study of Drug Development. In all, just 10 to 20 percent of medicines that begin clinical trials are approved. Strong IP rights are key toward ensuring manufacturers are incentivized to innovate, ensure medicines are safe and effective, and have the resources to invest in the next generation of cures. Without protections, highly effective COVID-19 vaccines would not have been completed or distributed as quickly as
they were. Allowing the seizure of IP through a TRIPS waiver would undermine this system of medical innovation.

**This proposal will also help America’s geopolitical rivals including Communist China and Russia.** If approved, the proposal would allow foreign countries to immediately seize patents and clinical data of American businesses in order to attempt to produce COVID-19 vaccines. This would give foreign countries access to sensitive and valuable proprietary information belonging to American businesses.

There would be little protections available -- while the draft proposal “encourages” countries like China to opt out of the waiver if they do not need the IP, every country would be eligible to participate in the waiver if they so choose. Even if a more geographically restricted waiver were implemented, China would still acquire US trade secrets and technology via other countries.

China has an extensive record of repeatedly violating property rights and stealing IP from American businesses, so it is likely they would use this opportunity to again seize American IP rights. According to some reports, Chinese IP theft costs the U.S. $225 billion to $600 billion each year in counterfeit goods, pirated software, and theft of trade secrets.

**Undermining IP rights will also harm American competitiveness and workers.** IP supports millions of high-paying jobs across the country. According to the United States Patent and Trademark Office (USPTO), IP-intensive industries accounted for $7.8 trillion in GDP in 2019, or 41 percent of the economy. These industries accounted for 47.2 million jobs, or 33 percent of total U.S. employment.

Pharmaceutical manufacturers are no exception – these businesses invest over $100 billion in the U.S. economy every year, directly supporting over 800,000 jobs. When indirect jobs are included, pharmaceutical innovation supports 4 million jobs and $1.1 trillion in total economic impact. These jobs are high paying – the average compensation is over $126,000 – more than double the $60,000 average compensation in the U.S.

**We urge you to reject the proposed TRIPS waiver before the WTO to allow foreign countries to seize the IP of American innovators.** The proposal is unnecessary given the strong global supply of COVID-19 vaccines and would instead undermine the development of the next generation of treatments. It will help America’s geopolitical rivals like Communist China at the expense of American businesses and workers.

Sincerely,

Grover Norquist
President, Americans for Tax Reform

Phil Kerpen
President, American Commitment
Dee Stewart
President, Americans for a Balanced Budget

Marty Connors
Chair, Alabama Center/Right Coalition

Lisa B. Nelson
CEO, American Legislative Exchange Council

Michael Bowman
President, ALEC Action

Bob Carlstrom
President, AMAC Action

Stephen Pociask
President and CEO, American Consumer Institute

Dick Patten
President, American Business Defense Council

Ryan Ellis
President, Center for a Free Economy

Jeffrey Mazzella
President, Center for Individual Freedom

Ginevra Joyce-Myers
Executive Director, Center for Innovation and Free Enterprise

Chuck Muth
President, Citizen Outreach

Tom Schatz
President, Citizens Against Government Waste

Curt Levey
President, Committee for Justice

Ashley Baker
Director of Public Policy, Committee for Justice

James Edwards
Executive Director, Conservatives for Property Rights

Matthew Kandrach
President, Consumer Action for a Strong Economy

Katie McAuliffe
Executive Director, Digital Liberty
Ed Martin
President, Eagle Forum Education & Legal Defense Fund

Adam Brandon
President, Freedomworks

George Landrith
President, Frontiers for Freedom

Jessica Anderson
Executive Director, Heritage Action

Heather R. Higgins
CEO, Independent Women’s Voice

Bartlett Cleland
Executive Director, Innovation Economy Alliance

Tom Giovanetti
President, Institute for Policy Innovation

Seton Motley
President, Less Government

Charles Sauer
President, Market Institute

Tim W. Jones
Chair, Missouri Center-Right Coalition
Former Speaker, Missouri House of Representatives

Pete Sepp
President, National Taxpayers Union

Doug Kellogg
Executive Director, Ohioans for Tax Reform

Tom Hebert
Executive Director, Open Competition Center

Wayne Winegarden
Sr. Fellow Business and Economics/Director, Center for Medical Economics and Innovation, Pacific Research Institute

Stephen Stepanek
President, Pine Tree Public Policy Institute

William O’Brien
Chairman, Pine Tree Public Policy Institute
Lorenzo Montanari
Executive Director, Property Rights Alliance

Jim Martin
Founder and Chairman, 60 Plus Association

Saul Anuzis
President, 60 Plus Association

Karen Kerrigan
President and CEO, Small Business & Entrepreneurship Council

David Williams
President, Taxpayers Protection Alliance

Kent Kaiser
Executive Director, Trade Alliance to Promote Prosperity