

# America Can't Win the 21st Century Without Protecting Intellectual Property



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**“The United States must reform our innovation system and strengthen our IP laws with the same urgency we would give to any other national security threat.”**

The Trump Administration is trying to counter China on nearly every strategic front, from the South China Sea to the factory floor.

But the Administration, and Congress, haven't yet done much to address one of America's biggest vulnerabilities—the steady decline of our once world-class system of intellectual property (IP) rights.

## **Bipartisan Weakening of IP Rights**

Over the past two decades, policymakers have chipped away at IP protections—sometimes intentionally, sometimes inadvertently—and undermined American entrepreneurs' ability to spearhead breakthroughs in AI, biotech, and other emerging technologies critical to fostering continued innovation and U.S. global competitiveness.

If we want to win the 21st century, it's time to get serious about promoting innovation. And that requires strengthening IP rights, which have been substantially weakened over the past few decades.

IP protections, particularly patents, are a fundamental catalyst of innovation. By preventing rivals from copying technological breakthroughs for a limited time, patents incentivize inventors and investors to make substantial R&D investments

and take risks on unproven but promising ideas—by providing inventors with the potential to earn returns and revenues from their ingenuity and investments.

Unfortunately, courts have narrowed patent eligibility in fields like medical diagnostics and software, discouraging investment in those areas. They have also made it easier for large companies to get away with stealing patented inventions from smaller ones by restricting access to injunctive relief, the only permanent remedy for patent infringement.

Meanwhile, lawmakers have unintentionally empowered patent infringers by establishing the Patent Trial and Appeal Board (PTAB), an administrative tribunal that was meant to simply provide a faster, cheaper alternative to litigating patent challenges in district courts— but that in practice has given infringers a significant advantage when seeking to void their competitors' patents.

And the Trump Administration has proposed several policies—such as “[most favored nation](#)” [drug price controls](#) and tariffs on medicines— that would dramatically weaken innovators' ability to earn a return on their patented inventions. The Biden Administration, meanwhile, failed to crack down on foreign policies that undermine U.S. companies' IP rights, including price controls and efforts to forcibly relicense patents.

These policy missteps have created an opportunity for China to seize the global lead in numerous high-tech fields. And China is taking full advantage. China now leads the world in generative AI patent applications. Likewise, it dominates patenting in important energy technologies, including batteries and solar and wind power.

Perhaps most alarmingly, China could soon become the world's top biopharma innovator. The National Security Commission on Emerging Biotechnology recently compared the race for biotech leadership to the arms races of the Cold War. Despite America's historic superiority in drug development, China may soon sponsor the world's highest share of clinical trials.

If tomorrow's AI models and cancer medicines are developed and produced in China, American patients and businesses could become dangerously dependent on our greatest adversary for access to new medical and technological advances.

## Time to Focus on Solutions

The United States must reform our innovation system and strengthen our IP laws with the same urgency we would give to any other national security threat. Fortunately, many of the changes we need to make are already well within our reach.

A collection of bipartisan bills in Congress would go a long way toward rejuvenating America's IP system. The [PREVAIL Act](#) and [RESTORE Patent Rights Act](#) would protect small inventors and startups by reining in big companies' abuse of the PTAB and widening access to injunctions, respectively.

The [Patent Eligibility Restoration Act](#) (PERA) would clarify and restore eligibility for patent protections and provide more certainty for crucial technologies such as AI. And the [IDEA Act](#), which has yet to be reintroduced to Congress, would strengthen America's innovative capacity by helping inventors from all backgrounds reap the benefits of patent protection.

Just as important, the Trump Administration would be wise to withdraw policy proposals that undermine IP—like drug price controls—and make IP rights a strategic priority in the United States and respect for IP rights a central plank of all trade negotiations. If President Trump can ensure that foreign countries won't seek to bypass or override U.S. patents, it will bolster companies' confidence to invest in cutting-edge research at home.

Technological innovation is the backbone of America's economic strength and a cornerstone of our national security. The strength of our IP system will do more than anything else to determine whether America wins or loses the 21st century to China.