



Insights: Alerts

Updated: President Trump Turns to the U.S. Trade Representative for China IP Investigation

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From the earliest days of his campaign, President Trump has spoken out on alleged intellectual property misconduct by China. He is now turning to the U.S. Trade Representative for a formal investigation of China in this regard. Last month, Trump directed the U.S. Trade Representative to consider an investigation into whether Chinese laws, policies, or actions are harming the IP rights of American businesses and individuals. U.S. Trade Representative Lighthizer swiftly initiated an investigation under Section 301 of the Trade Act of 1974. The specific conduct under investigation will include China's "reported use of vague administrative procedures, requirements, and unwritten rules which pressure U.S. companies to transfer technologies to Chinese companies."

The investigation is moving quickly: a public hearing is set for October 10th in the U.S. International Trade Commission's main hearing room in Washington, D.C. Comments and requests to appear at the hearing are due September 28th. These proceedings are open to all, including U.S. and Chinese individuals, companies, or other entities with meaningful experiences to share. The full investigation is expected to take as long as a year. If the investigation finds evidence of wrongdoing, potential punitive measures including tariffs are on the table. But U.S. officials have stated that, rather than punish Beijing, they would prefer to come to an agreement that recovers at least some of the IP theft allegedly perpetuated by China. China's IP theft has been estimated to cost the U.S. as much as \$600 billion a year.

U.S. commentators indicate the investigation is just one part of the extensive Sino-American reshift underway between Trump and Chinese President Xi Jinping. According to media outlets, the Chinese Ministry of Commerce has expressed "strong dissatisfaction" with the investigation, warning that "China will pay close attention to the investigation and will take all appropriate measures to resolutely safeguard the legitimate rights and interests of the Chinese side."

This alert has been updated to clarify that the U.S. International Trade Commission is hosting the U.S. Trade Representative's Hearing.

Related People



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