

December 9, 2025

The Honorable Howard Lutnick Secretary of Commerce 1401 Constitution Ave., N.W. Washington, D.C. 20230

Dear Secretary Lutnick:

Conservatives for Property Rights (CPR) strongly opposes the Eliminating Thickets to Improve Competition (ETHIC) Act (H.R. 3269, S. 2276). We urge you to view it with extreme skepticism and to act with prudence and caution. Though framed as a procompetition reform, this bill is nothing of the sort. The ETHIC Act would have a destabilizing effect, undermining constitutionally guaranteed patent rights and setting a dangerous precedent for innovation across the U.S. economy.

CPR is a coalition of public policy organizations dedicated to preserving and protecting private property rights with respect to all forms of property. CPR educates and advocates on issues related to property rights, intellectual property among them. We closely follow and weigh in on IP policy issues, including where other issues intersect, such as patent exclusivity and antitrust's competition focus. Experience proves that the interplay of policy areas can dramatically encumber exclusive private property rights, create imbalance, harm the economy, or otherwise disrupt proper workings of complementary areas.

For more than two centuries, the United States has led the world in innovation by upholding a fundamental principle: the exclusive right to own and profit from one's creative works. Enshrined in the <u>Constitution</u>, this principle recognizes patents as deeds to newly created private property and provides the legal certainty innovators need to take risks, attract investment, and deliver breakthroughs — from semiconductors to life sciences.

Ironically, there is nothing ethical about the ETHIC Act. Rather, it threatens to unravel our nation's legacy of protecting property rights by enacting government denial of property rights. The legislation treats normal, constructive modifications and improvements to an invention as anticompetitive. What practically every inventor does, which leads over time to building a patent portfolio in a technology, is castigated with such derogatory terms as "product hopping" and "patent thickets" — a false narrative coined by unscrupulous ideologues.

¹ For example, see <u>comments</u> on Draft Policy Statement on Licensing Negotiations and Remedies for Standards-Essential Patents Subject to Voluntary F/RAND Commitments (Docket No. ATR-2021-0001).

The bill would specifically bar pharmaceutical companies from asserting more than one patent from a defined group of patents in litigation. This restriction ignores a fundamental truth: Complex products, particularly in advanced sectors and technologies, often involve multiple inventions. Each one must independently satisfy the rigorous standards of novelty, utility, and nonobviousness to qualify for patent protection. Denying enforcement of those patents strips inventors of the right to defend the full scope of what they legally own.

The U.S. Patent and Trademark Office recently <u>confirmed</u> that no correlation exists between the number of patents covering a medicine and the timing of generic market entry. In fact, the United States already has the most robust generic drug market in the world, with generics accounting for more than 90% of all prescriptions filled.

Undermining patent protections would not meaningfully increase competition. What it would do is chill private-sector research and development — particularly among the small biotech firms that depend on enforceable IP to attract investment and bring treatments to market. These venture-capital-backed startups are the backbone of U.S. innovation, responsible for more than half of all FDA-approved medicines from 2011 to 2020.

The ETHIC Act is a solution in search of a problem. It advances a false narrative that equates the number of patents with abuse and disregards the technical complexity inherent in modern innovation. While it singles out the pharmaceutical sector, the bill would inject uncertainty into the broader patent system, inviting future efforts to erode property rights across other high-tech industries.

We respectfully urge you to withhold support from this legislation. Rather, the administration and Congress should reaffirm the constitutionally grounded principle that inventors have the inherent, exclusive right to their discoveries. Stand firm against policies that weaken the property rights essential to American-led innovation. Thank you for considering our input.

Sincerely,

James Edwards, Ph.D. Founder and Executive Director Conservatives for Property Rights

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