

November 3, 2025

Via Electronic Submission

Ambassador Jamieson Greer U.S. Trade Representative Office of the U.S. Trade Representative 600 17th St., N.W. Washington, D.C. 20508

RE: Request for Comments on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada (Docket No. USTR-2025-0004)

Dear Ambassador Greer:

Conservatives for Property Rights (CPR) appreciates the opportunity to comment on the operation of the agreement between the United States of America, the United Mexican States, and Canada (USMCA) as part of the U.S. Trade Representative's review (Docket No. USTR-2025-0004).

CPR emphasizes the central importance of private property in all its forms—physical, personal, financial, and intellectual. Rights in private property rank among the unalienable rights the Founders referenced in the Declaration of Independence. Moreover, they placed patents' securing the private property rights of inventors in Article I, Section 8 of the Constitution itself. We do not consider property rights a conservative or liberal issue, though this coalition approaches property rights from a conservative philosophical perspective.

The joint review of USMCA must be used to ensure full compliance with its provisions and strengthen intellectual property (IP) protections in North America. This review should hold foreign countries to their commitments and require them to pay their fair share for innovation—U.S. innovation in particular.

During the first Trump administration, CPR kept track of USMCA negotiations and <u>applauded the outcome</u>. Today, we must note that the 10 years of regulatory data

protection provision for biologic medicines that our statement highlighted was removed when Congress weakened the language of this and other pro-innovation measures. The lawmakers behind this short-sighted move invoked the boogieman of high drug prices. They willfully overlooked the fact that the United States provided—and would continue to provide—12 years of regulatory data protection. USMCA doesn't change America's greater protection. Rather, it merely brings Canada and Mexico closer to the U.S. standard.

CPR regards it crucial that USTR restore the original language to which Canada and Mexico previously agreed. That would attract more U.S. research investment, create more American jobs, and fulfill President Trump's original objective that USMCA "reflect a standard of [IP] protection similar to that found in U.S. law." In fact, this is in the best interests of each party. If Canada and Mexico increased their IP protections and enforced existing agreements, they would attract more foreign investment and foster deeper collaboration with research and technology partners across the continent. That would lead to creation of high-paying, IP-centered jobs in all three USMCA countries.

President Trump's May 12, 2025, <u>Executive Order</u> directed USTR and the Department of Commerce to combat foreign practices that force "American patients to pay for a disproportionate amount of global pharmaceutical research and development, *including by suppressing the price of pharmaceutical products below fair market value in foreign countries*" (emphasis added). CPR has closely <u>followed</u> and <u>provided input</u> on these matters and believes this review of USMCA should serve to fulfill the president's objective highlighted above.

USTR must require the verifiable compliance of Canada and Mexico. For instance, under USMCA, if a patent application is subject to unreasonable delay before approval, the period of patent protection should be extended as compensation. This mitigates the negative impacts of such delays on inventors. Yet, Mexico has not adopted implementing legislation that would restore a full patent term when approval was delayed. Canada has enacted such legislation, but it is so stingy that few patents are expected to qualify for meaningful adjustment. Moreover, Mexico is failing to meet its USMCA IP obligations by not effectively enforcing patent rights or providing regulatory data protection.

Such a posture by the United States is certainly warranted, given how Canada and Mexico continue to lag in keeping their USMCA promises. For example, Canada, one of the world's <u>most developed economies</u>, wields measures that artificially devalue medical innovations developed in the United States. Thus, Canada spends just <u>0.32 percent</u> of its GDP per capita on new medicines, compared with <u>0.78 percent</u> in the United States. USTR must require Canada to adopt binding and enforceable trade commitments to achieve a free-market level of spending on innovative new medicines.

Nor is Mexico fulfilling its regulatory and procurement-related commitments made in USMCA. USTR's annual reports assess the extent to which U.S. trading partners protect and enforce IP rights. In 2025, Mexico <u>was placed</u> on the Special 301 Priority

Watch List—reserved for the worst IP violators. This listing <u>was</u> "due to long-standing and significant IP concerns that have not been resolved, many of which relate to Mexico's implementation of the United States-Mexico-Canada Agreement."

Mexico <u>has yet to</u> "address long-standing concerns regarding enforcement against counterfeiting and piracy, protection of pharmaceutical-related IP, pre-established damages for copyright infringement and trademark counterfeiting, plant variety protection, and enforcement and protection of IP rights in the digital environment." In its USMCA review, USTR must demand that Mexico recommit to timely, fair, transparent, regulatory and procurement processes, particularly where IP rights are concerned.

If USMCA is to meet its aspirations of surpassing NAFTA's shortcomings and achieving a level playing field for North American trade, the several matters discussed above must be fully achieved in the joint review.

Sincerely,

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