

119TH CONGRESS
2D SESSION

H. R. 10218

To amend section 337 of the Tariff Act of 1930 to ensure that the resources of the United States International Trade Commission are focused on protecting genuine domestic industries, to safeguard the public health and welfare and the United States economy, and to improve the transparency of third party litigation funding, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 1, 2026

Mr. SCHWEIKERT (for himself and Mr. BEYER) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend section 337 of the Tariff Act of 1930 to ensure that the resources of the United States International Trade Commission are focused on protecting genuine domestic industries, to safeguard the public health and welfare and the United States economy, and to improve the transparency of third party litigation funding, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Advancing American
5 Innovation Act”.

1 **SEC. 2. PROTECTION OF UNITED STATES INDUSTRY, ECON-**
2 **OMY, AND PUBLIC HEALTH AND WELFARE IN**
3 **COMBATING UNFAIR PRACTICES IN IMPORT**
4 **TRADE.**

5 (a) PURPOSE.—The purpose of this section is to en-
6 sure that the resources of the United States International
7 Trade Commission are focused on protecting genuine do-
8 mestic industries and to safeguard the public health and
9 welfare and the United States economy (including com-
10 petitive conditions).

11 (b) MODIFICATIONS TO INTERNATIONAL TRADE
12 COMMISSION AUTHORITIES.—Section 337 of the Tariff
13 Act of 1930 (19 U.S.C. 1337) is amended—

14 (1) in subsection (a)—

15 (A) in paragraph (3)—

16 (i) subparagraph (B), by striking “;
17 or” and inserting a semicolon;

18 (ii) in subparagraph (C), by striking
19 “engineering, research and development, or
20 licensing.” and inserting “engineering and
21 research and development; or”; and

22 (iii) by adding after subparagraph (C)
23 the following:

24 “(D) substantial investment in licensing activi-
25 ties that leads to the adoption and development of

1 articles that incorporate the patent, copyright, trade-
2 mark, mask work, or design.”;

3 (B) by redesignating paragraph (4) as
4 paragraph (5); and

5 (C) by inserting after paragraph (3) the
6 following:

7 “(4) For purposes of paragraph (3), the complainant
8 may not rely upon activities by its licensees unless the li-
9 cense leads to the adoption and development of articles
10 that incorporate the claimed patent, copyright, trademark,
11 mask work, or design for sale in the United States.”;

12 (2) in subsection (b)—

13 (A) in paragraph (1), by inserting after
14 the first sentence the following: “For a com-
15 plaint under oath, a person may be relied upon
16 to qualify as an industry under subsection
17 (a)(2) only if the person joins the complaint
18 under oath, except that nothing in this sentence
19 shall be construed to compel such a person to
20 join the complaint.”; and

21 (B) by adding at the end the following:

22 “(4)(A) The Commission shall identify, at the begin-
23 ning of an investigation, whether the investigation pre-
24 sents a dispositive issue appropriate for an expedited fact
25 finding and an abbreviated hearing limited to that issue,

1 and shall direct the assigned administrative law judge to
2 issue an initial determination on that issue not later than
3 100 days after the investigation is instituted.

4 “(B) Any initial determination by the assigned ad-
5 ministrative law judge under subparagraph (A) shall stay
6 the investigation pending Commission action.”;

7 (3) in subsection (c)—

8 (A) by striking the first sentence and in-
9 serting the following: “(1) The Commission
10 shall determine, with respect to each investiga-
11 tion conducted by it under this section, whether
12 or not there is a violation of this section, except
13 that the Commission—

14 “(A) may, by issuing a consent order or on the
15 basis of an agreement between the private parties to
16 the investigation, including an agreement to present
17 the matter for arbitration, terminate any such inves-
18 tigation, in whole or in part, without making such
19 a determination; or

20 “(B) may determine during the course of the
21 investigation that the exclusion of articles under in-
22 vestigation would not be in the interest of the public,
23 after considering the nature of the articles concerned
24 and the effect of such exclusion upon the public
25 health and welfare, the United States economy (in-

cluding competitive conditions), the production of like or directly competitive articles by the complainant and its licensees, and United States consumers, and terminate any such investigation, in whole or in part, without making any further determination.”;

(B) in the second sentence, by striking “Each determination” and inserting the following:

“(2) Each determination”;

(C) by striking “its findings on the public health and welfare, competitive conditions in the United States economy,” and inserting “its findings on the public health and welfare, the United States economy (including competitive conditions),”; and

(D) by inserting “by the complainant and its licensees” after “the production of like or directly competitive articles in the United States”;

(4) in subsection (d)(1), by striking the first sentence and inserting the following: “If the Commission determines, as a result of an investigation under this section, that there is both (A) a violation of this section and (B) exclusion of the articles concerned is in the interest of the public, after consid-

1 ering the nature of the articles concerned and the ef-
2 fect of such exclusion upon the public health and
3 welfare, the United States economy (including com-
4 petitive conditions), the production of like or directly
5 competitive articles in the United States by com-
6 plainant and its licensees, and United States con-
7 sumers, then the Commission shall direct that the
8 articles concerned that are imported by any person
9 violating the provisions of this section be excluded
10 from entry into the United States.”;

11 (5) in subsection (e)(1), by striking the first
12 sentence and inserting the following: “If, during the
13 course of an investigation under this section, the
14 Commission determines that there is reason to be-
15 lieve that there is a violation of this section and that
16 exclusion of the articles concerned would be in the
17 interest of the public, the Commission may direct
18 that the articles concerned that are imported by any
19 person with respect to whom there is reason to be-
20 lieve that such person is violating this section be ex-
21 cluded from entry into the United States, after con-
22 sidering the nature of the articles concerned and the
23 effect of such exclusion upon the public health and
24 welfare, the United States economy (including com-
25 petitive conditions), the production of like or directly

1 competitive articles in the United States by the com-
2 plainant and its licensees, and United States con-
3 sumers.”;

4 (6) in subsection (f)(1), by striking the first
5 sentence and inserting the following: “In addition to,
6 or in lieu of, taking action under subsection (d) or
7 (e), the Commission may issue and cause to be
8 served on any person violating this section, or be-
9 lieved to be violating this section, as the case may
10 be, an order directing such person to cease and de-
11 sist from engaging in the unfair methods or acts in-
12 volved, after considering the nature of the articles
13 concerned and the effect of such order upon the pub-
14 lic health and welfare, the United States economy
15 (including competitive conditions), the production of
16 like or directly competitive articles in the United
17 States by the complainant and its licensees, and
18 United States consumers.”; and

19 (7) in subsection (g)(1), by amending the mat-
20 ter following subparagraph (E) to read as follows:

21 “the Commission shall presume the facts alleged in the
22 complaint to be true and shall, upon request, issue an ex-
23 clusion from entry or a cease and desist order, or both,
24 limited to that person, after considering the nature of the
25 articles concerned and the effect of such exclusion or order

1 upon the public health and welfare, the United States
 2 economy (including competitive conditions), the produc-
 3 tion of like or directly competitive articles in the United
 4 States by the complainant and its licensees, and United
 5 States consumers.”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 subsection (b) shall apply to complaints filed under section
 8 337 of the Tariff Act of 1930 on or after the date of the
 9 enactment of this Act.

10 **SEC. 3. TRANSPARENCY OF THIRD PARTY LITIGATION**
 11 **FUNDING IN INTERNATIONAL TRADE COM-**
 12 **MISSION PATENT INFRINGEMENT PRO-**
 13 **CEEDINGS.**

14 (a) IN GENERAL.—Section 337 of the Tariff Act of
 15 1930 (19 U.S.C. 1337) is amended by adding at the end
 16 the following:

17 “(o) TRANSPARENCY OF THIRD PARTY LITIGATION
 18 FUNDING IN PATENT INFRINGEMENT PROCEEDINGS.—

19 “(1) IN GENERAL.—A complainant in a pro-
 20 ceeding alleging infringement of a patent under this
 21 section shall—

22 “(A) file with the Commission, and serve
 23 on all other named parties in the proceeding,
 24 the identity, address, and, with respect to a
 25 legal entity, the place of incorporation and prin-

1 cipl place of business of any third party funder
2 with respect to that proceeding; and

3 “(B) except as otherwise ordered by the
4 Commission, or stipulated by all named parties,
5 file with the Commission, and provide to all
6 other named parties in the proceeding for in-
7 spection and copying, any agreement between
8 the complainant and any third party funder
9 with respect to that proceeding that—

10 “(i) establishes a relationship de-
11 scribed in subparagraph (A) or (B) of
12 paragraph (5); or

13 “(ii) otherwise relates to—

14 “(I) the proceeding; or

15 “(II) any patent that the com-
16 plainant, in the action, alleges to be
17 infringed.

18 “(2) TIMING OF DISCLOSURES.—A complainant
19 that is required to make the disclosures under para-
20 graph (1) shall make those disclosures not later than
21 the later of—

22 “(A) the date that is 10 days after the
23 date on which a relationship described in sub-
24 paragraph (A) or (B) of paragraph (5) is estab-

1 lished between the complainant and the applica-
2 ble third party funder; or

3 “(B) the date on which process with re-
4 spect to the proceeding is first served.

5 “(3) CORRECTION OF DISCLOSURES.—A com-
6 plainant that submits the disclosures required under
7 paragraph (1) shall, in a timely manner, supplement
8 or correct any element of such a disclosure if the
9 complainant learns that the element is, or has be-
10 come, incomplete or incorrect.

11 “(4) SANCTIONS.—The Commission in a pro-
12 ceeding described in paragraph (1) shall impose ap-
13 propriate sanctions on any complainant that fails to
14 comply in full with the requirements of this sub-
15 section.

16 “(5) THIRD PARTY FUNDER DEFINED.—In this
17 subsection, the term ‘third party funder’ means,
18 with respect to a proceeding described in paragraph
19 (1), any individual or entity, other than the com-
20 plainant in the proceeding (or the counsel of record
21 with respect to that complainant)—

22 “(A) that—

23 “(i) provides, or agrees to provide,
24 anything of value to—

1 “(I) that complainant or the
2 counsel of record with respect to that
3 complainant; or

4 “(II) another individual or entity
5 that provides, or agrees to provide,
6 anything of value to that complainant
7 or the counsel of record with respect
8 to that complainant; and

9 “(ii) receives, or has been promised, a
10 financial interest, the existence or value of
11 which is contingent upon, or would be ma-
12 terially affected by, the receipt by that
13 complainant of a monetary payment or
14 monetary relief as a result of the pro-
15 ceeding, whether through settlement, a
16 judgment, or otherwise; or

17 “(B) that has an equity stake of not less
18 than 5 percent in an individual or entity de-
19 scribed in subparagraph (A).”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall apply to complaints filed under section
22 337 of the Tariff Act of 1930 on or after the date of the
23 enactment of this Act.

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