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Intellectual property rights and us-china trade relations, 2016-2022

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Abstract

Over the years, global politics has revolved around economic control to seize power and determine who gets what, when and how. This is not farfetched in the global politics between the United States and China glaring trade war that is aimed at dominating and maintaining global relevance. On this note, this study examined Intellectual Property Rights and the US-China Trade Relations between 2016 and 2022. The study specifically investigated the US theft claim of Trade Secrets and violation of trade agreement by China and the US Trade Representative Office imposition of tariff on imports from China. The Neo-realist Paradigm, as articulated by Kenneth Waltz was adopted as a framework of analysis, with its basic assumptions revealing that: firstly, the global system is viewed as completely and always anarchic, and war is a possibility at any time. Secondly, States tends to seek for their own survival as this is a requirement to pursue other goals. Thirdly, States are deemed similar in terms of needs but not in capabilities for achieving them. The study employed the documentary method of data collection and analysed the generated data using content analysis, while the time series research design was adopted. Our findings revealed that the US government has not been able to adequately establish China's violation of trade agreement especially the originality of claimed Trade Secrets theft by China; also, the US government has not been able to adequately gain dominance despite their strict trading measures on the Chinese government as China still holds a significant value in global economic order and still a major threat to US relevance and dominance. The study therefore, strongly recommends a strict adherence to the provisions of the Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement by both parties as established by the World Trade Organisation and the World Intellectual Property Organisation.

Keywords: Trade secrets, tariffs, relations, intellectual property, agreement

Introduction

In recent years, the relations among states in the international system has grown beyond the exchange of diplomatic ties, but an extension to political, economic and social connection that is fast making the world a global village. Moreover, the technological aspect of this interaction and connection is not left out, as innovations and inventions has become the order of the day making it almost impossible to identify who owns what and how. Based on this established fact, organizations like the World Intellectual Property Organisation and World Trade Organisation among others has deemed it fit to reconcile this gap, by enacting globally acceptable laws to protect the innovations and inventions of member states, in order to protect their investments, economies and ensure sustainable trade relations across the globe. It is on this premise that the concept of Intellectual Property Rights (IPR) became exclusive to give credible ownership of ideas, products and businesses to its original inventors either as an individual or a state. According to a Congressional Research Service report (2020, p. 6) [5], governments issue IPRs as legal rights to promote innovation and creative output. They make certain that authors profit from their creations or works. They can be in the form of patents, commercial secrets, copyrights, trademarks, or geographical indications, among other things. Governments provide innovators a temporary legal monopoly through IPR by allowing them to restrict or manage how others use their inventions. IPR may be sold or licensed to third parties, typically in exchange for fees and/or royalties. However, drawing from the above assertion, it is obvious that business, trade and relative economic development among states draw strength from the enforcement of the provisions

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of these property rights to ensure full protection of ideas and inventions, which constitutes a vital tool for their relevance in the international system, most especially the developed nations. Congressional Research Service Report (2020, p. 4)^[5] revealed that: Intellectual property (IP) contributes immensely to the global economy by encouraging innovation, creativity, and creation new and technologies, as well as facilitating international trade and investment. This however, is achieved by providing legal protection for various forms of intellectual creation, IP laws generally aim to encourage individuals and businesses to invest time, effort, and money in developing new technologies and creative works.

On the platform isolating the primary Intellectual Property laws, Carlos, Carsten, Claudia (2000, p. 16) outlined the basic components and types of Intellectual Property Rights:

- Industrial Property Rights: Patents, utility models, industrial designs, Trademarks, geographical indications and trade secrets. (the aforementioned rights are basically trade related laws)
- Literary and artistic property rights: copyrights and neighbouring rights.
- Sui generis protection rights: Plant breeders' rights, Database protection and Integrated circuits

Furthermore, infringement, piracy, counterfeiting, trade secret theft, and cyber theft are all kinds of infringement of intellectual property rights. Global politics and economic domination have always centred around the irreconcilable conflict of interest between the United States and China, and as such, it is beginning to shape international relations and has the ability to usher in a new "geo-economic world order" (Barbara & Volker, 2020)^[2].

The bond between the United States American and the People's Republic of China, on the other hand, drew extensive attention during the April 1971 Ping-Pong-led diplomatic maneuver that brought the first public hint of warming relations between Washington and Beijing. On April 6, 1971, China's ping-pong team welcomes members of the US team to China, which was invariably the first visit of US journalists accompanying the US players to enter China since 1949. However, Secretary of State Henry Kissinger undertook a secret trip to China in July 1971. Soon after, the United Nations acknowledges the People's Republic of China, giving it the permanent Security Council seat it has had since 1945. The relationship between the two nations further gained weight as president Richard Nixon visited China on February, 1972., a visit that lasted over eight days with core discussion revolving around the signing of the Shanghai Communiqué with Chairman Mao and Premier Zhou Enlai, which set the stage for a stronger US-China relations that paved way for the 1979 full diplomatic recognition acknowledging the one China Principle under the government of US president Jimmy Carter and supported by government of president Reagan in 1982. US President Bill Clinton signed the US-China Relations Act of 2000 in the year 2000, providing China permanent trade relations with the US and clearing the path for China to join the World Trade Organization in 2001. This trade agreement strengthened links between China and the United States, allowing China to surpass Mexico as the United States' second largest trading partner after Canada in 2006.

In August 2010, China surpassed Japan to become the world's second biggest economy, and it is on course to

surpass the United States as the world's largest economy by 2027. Following this record, US Secretary of State Hillary Clinton outlined a US "Pivot" to Asia, calling for increased investment, diplomatic and economic strategy in the Asia-Pacific region; a move to counter China's growing clout. This was followed by US President Barack Obama's announcement of US agreement with eight nations on the Trans-Pacific Partnership, a multinational free trade agreement, which China does not welcome. However, February 2012, witnessed rising trade tension between the two nations, as the US, EU and Japan requested a consultation with China at the World Trade Organisation over its restriction on the export of rare earth metals which they claimed violates international trade norms and forcing multinational firms that uses those metals to relocate to China. China on this note analysed the claim as rash and unfair. (Timeline, 2021)^[21].

Under the new leadership of Xi Jinping, US president Barack Obama established a cordial relationship with China in June 7, 2013 at the Sunnyland's estate in California. But tension kept rising as US court indicts five Chinese hackers on charges of stealing trade technology from US companies. In response to the court charges, China suspends its cooperation within the US-China cyber security working group. During the first months of Trumps presidency, the US president made remarkable moves to observe the one China policy, but was short lived in March 22 2018, as he increased tariff on Chinese imports to the US as a response to alleged Chinese theft of US technology and Intellectual Property. China also imposed retaliatory measures in April on US products to China making the tension more aggravated and lasted all through the Trumps administration. Although the Biden administration has posed a different turn to Trumps policies, but has remained committed to Trumps methods of relating with China whom the US has assumed to be their major adversary. It on this note that the study focused on Intellectual Property Rights and the US-China Trade Relations. 2016-2020.

Prior to 1979, China was a centrally regulated economy with the state managing and directing output as well as distributing resources. The government had prohibited private and foreign-invested enterprises from operating in their economy. Following that, China embarked on an economic transformation led by Deng Xiaoping, which began in December 1978. To maintain its growth rates, China made innovation a primary priority in its economic strategy (Kalsie & Arora, 2019)^[11].

On October 4, 2018, US Vice President Pence said in a White House statement that America had anticipated that economic liberalization would lead China into deeper engagement with us and the globe... Previous governments took this decision with the belief that freedom in China would spread in all of its manifestations - not just economically, but also politically, with a renewed respect for classical liberal values, private property, personal liberty, religious freedom, and so on. But that wish has not come true.

The fact that China and the U.S. have a fair amount of bilateral trade cooperation in the export and import of goods, including agricultural products, furniture, computer hardware, and other goods, is pretty evident. Since most American businesses are urged to invest in China to take advantage of the country's abundantly inexpensive labor, the two nations have enjoyed years of prosperous trading

relations. However, Chinese businesses who needed the necessary knowledge expanded their operations to the United States. China was the top export market for American products in 2020, the third-largest market for American exports (\$120.3 billion), and the top source of American imports (\$539.2 billion). Total commerce with China was estimated to be \$659.5 billion. (Congressional Research Service, 2021) ^[6].

Ryan and Michael (2021, p.1) observed that:

The U.S.-China relationship developed along a wide trajectory of advancing social, economic, diplomatic, and scientific relationships over the span of more than 40 years and multiple leadership changes in Washington and Beijing. Despite frequent ups and downs caused by events in both countries and elsewhere, the relationship was moving in the direction of closer ties. Neither party ever felt completely happy, and neither tried to change the other's perspective on the relationship or how they approached it. However, there was a widespread consensus that both nations would be better positioned to accomplish their national goals if ties were competitive but usually stable as opposed to if they were unfriendly or aggressive.

Although it has been a recurrent issue on the bilateral relationship of the two nations and a concern for past U.S. government over China trade policies and its effect on U.S. trade and economic future, it became heightened under the government of Donald J. Trump as the U.S. president. Under his government, the U.S. Congress made emphasis on China's economic policies as being manipulative. These policies as observed by the Congress involves the use of regulatory authorities and industrial policies to advance economic, military and technological development aimed at paving way for China to enhance their dominance in strategic industries by obtaining vital technology and expertise from U.S. firms.

Lee (2020, p.162) ^[10] observed that "the United States has consistently claimed that that the Chinese government conducts and facilitates cyber intrusion into the U.S. network to acquire confidential information from U.S. firms, including trade secrets, technical data, negotiating positions, and sensitive and proprietary internal communications.... cyber theft has become one of China's preferred methods of collecting commercial information because of its logistical advantages and plausible deniability." The US government in September, 2015 under the administration of President Barack Obama reached an agreement with President Xi Jinping on possible ways of handling the cyber-enabled theft of Intellectual Property and confidential business information. Efforts having proved abortive, the US through its cyber security, internet companies and Department of Justice has continually been detecting cyber intrusions from China.

The current round of bilateral trade tensions, according to Sun and Wang (2019, pp. 2-3) ^[20], started in March 2018 and intensified after the United States Trade Representative (USTR) launched a Section 301 inquiry to examine American trade practices with China. According to the research, unfair trade practices caused the United States to suffer financial loss. The report asserts that "China uses foreign ownership restrictions, such as joint venture requirements and foreign equity limitations, as well as various administrative review and licensing processes, to require or pressure technology transfer from U.S. companies," but it offers no specific evidence to support this

assertion. It went viral on a variety of topics, but particularly on the cyber-enabled espionage and cyber-attacks on American businesses, colleges, and research facilities engaged in the creation of the Covid-19 vaccines. The Trump Administration concluded that China has been engaging in cyber-enabled theft, forced technology transfer of American intellectual property (IP) and nonmarket licensing practices, with state-funded strategic acquisitions of American assets. These allegations were formally made by the Trump Administration in 2018. To force China to participate in negotiations and perhaps even discussion with the US, the Trump Administration responded to its assertion by raising duties on more than \$250 billion of Chinese goods. China reacted by imposing duties on American goods worth more than \$110 billion.

Although the two countries decided to have common trade cooperation by signing a trade agreement captured in the Phase One Trade Agreement of January 15, 2020. As stipulated in the trade agreement, first chapter on Intellectual Property, Section A and B revealed the following statements:

The necessity of protecting intellectual property is acknowledged in the United States. As it transitions from being a big consumer of intellectual property to a significant creator of intellectual property, China understands the need of creating and executing a comprehensive legal framework of intellectual property protection and enforcement. China contends that strengthening intellectual property enforcement and protection is necessary to foster innovation-driven business development, national innovation development, and high-quality economic growth. The preservation of trade secrets is emphasized in the US. China views the preservation of trade secrets as a crucial component of improving the business climate. The Parties concur to guarantee effective enforcement against the misuse of trade secrets and private business information as well as adequate safeguarding of such information.

Trade agreement between China and the US, having great prospect of intervening between the long existing friction, failed to exercise its full effect as China, although committed to strengthen IP enforcement, left most of US concerns unresolved, especially in the areas goods, energy and agriculture. The agreement went into effect a month later and ended an 18-month trade war, according to Mervyn (2021, p.1) ^[14]. Although it is yet unknown what this would entail for the future of the commercial relationship and the trade accord, China has not met the purchasing objectives specified in the agreement. On the other hand, IP Commission Report (2013, p.3) ^[9] maintained that:

China's successful growth plan includes acquiring science and technology as a key element. It accomplishes this in part through legitimate channels, such as imports, foreign domestic investment, licensing, and joint ventures, as well as through illicit channels. IP theft is encouraged by national industrial policy goals in China, where it is practiced by a shockingly high percentage of Chinese in industry and government. The legal and patent systems also have flaws and biases that undermine the protection of foreign intellectual property. The enforcement of technical standards that benefit domestic suppliers and the facilitation of international corporations' access to the Chinese market are other measures that impair IPR.

Following the above claims, the Trump administration

resorted to harsh policies with intensified strategies of implementation to restrict Chinese confrontation in the affected areas, especially on the Intellectual Property Theft. With the change of government in January 2021, the world perception on the rivalry awaits a different turn as the Presidency of Joe Biden was expected to address the tension from a different point of view. Earlier in his official engagement, President Joe Biden made it clear that his administration intends to follow through his predecessors agenda. In his appraisal of the risk the People's Republic of China provides to US interests, he showed a significant degree of continuity with the Trump Administration. President Biden has described China as a major competitor and asserted that China poses a danger to the US economy, security, and democratic ideals. He has also urged allies and partners to get ready for a protracted strategic conflict with China (Congressional Research Service, 2021) [6]. The Biden Administration promised to counter China's challenge by cooperating closely with US allies and partners, re-engaging with the UN, maintaining the US military's ability to provide a credible deterrent to China, and putting democratic principles at the center of US foreign policy while evaluating the Trump Administration's China operations (Brunswick, 2021) [3].

However, this long standing issue between the two powers has been effectively captured by the mediating role of the World Trade Organisation and World Intellectual Property Organization. These International institutions having interrogated the focal point of this friction between the two blocks and any other compliant that may arise from any country through already established policies and laws in the Berne Convention, Rome Convention, Geneva Convention, Brussels convention, WIPO Copyright Treaty of 1996 and most especially the agreement of Trade-related Aspects of Intellectual Property Rights TRIPS., has been unable to address the friction between the US and China trade relations on the grounds of intellectual property right. It is no doubt that the tension between the US and China has resulted to a conflict of interest in key areas that are vital to the sustainability of their relevance in the global power game, and motivated by a vigorous confrontation buried in diplomatic strategy to ascertain who gets what, when and how.

From the above assertions and contribution by scholars, it is an obvious fact that the relationship between China and the US cannot be easily deterred as both countries are inter-dependent on each other for their economic survival and a major pull-off could result into severe economic challenge for both countries and allies. Nevertheless, it is rather difficult to find a common ground as both nations are seeking to achieve and maintain global dominance, that will reflect in their sales of technological innovations, goods, services and of course ideologies that could warrant dependence of allies on them, especially underdeveloped countries.

On this note, having briefly explored the various areas of contention between the US and China this study however seeks to investigate the nexus between Intellectual Property Rights and the US-China Trade relations, from 2016 to 2020.

Theoretical Framework

This study adopts the Neo-realism (or "realist") theories of international relations as articulated by Kenneth Waltz in his

1979 book "Theory of International Politics".

The theory stresses on the role of power politics in international relations. According to the theory, the international system is viewed as completely and always anarchic. States cannot be certain of other states' intentions and their security, thus prompting them to engage in power politics. Also, the number of great powers within the international system, which serves as a measure of the distribution of capabilities, determines the nature of the international structure. Every sovereign state is formally equal under this anarchic organizing principle of the international framework since there is no official central authority.

In trying to link or apply the Neo-realist paradigm to the study, this framework can be seen as very compatible and synchronizing as regards the explanation, analysis and prediction that will be relevant in the progression of this study. Neo-realism is a very useful tool of analysis in explaining and understanding Why the US trade representative office imposed tariffs on imports from china as well as the US theft claim of trade secrets by China. has not undermined the trade-aspect of intellectual property rights agreement; and drawing from the basic contents of the Neo-realist paradigm, the study see the conflict of interest between the United States and China as the struggle between two nations that found themselves in global system with its anarchic nature encouraging the idea of who gets what, when and how. To dominate, the states in their unitary form have no choice but to implement policies and actions that are directed to frustrate the other in their quest to protect their interest. The relevance of this theory to the understanding of Intellectual Property Rights and the US-China Trade Relations cannot be overemphasized. The theory will help us to understand the power politics of these two nations, using their economic relevance to their advantage in their pursuit of global dominance. To succeed in this power politics, the US and China interest is geared towards securing overwhelming support from allies to enable the power blocks gain a favourable grip and effectiveness of policies to further counter and limit the potentials of the other parties. In order words, the power politics as a game of interest is also a game of allies and a game shaping the foreign policies of allied countries to suit the already established economic framework to the favour of power block.

Methodology

The study employed the documentary method of data collection and analysed the generated data using content analysis, while the time series research design was adopted. The study on this note made use of contemporary writings, current affairs, works of journalists, journal articles, magazines, textbooks, newspaper, conference and seminar papers, government documents and unpublished materials.

The us theft claim of trade secret by China

This section shows the exact Theft Claim Of Trade Secret by China as alleged by the US. They are as follows:

Unfair Technology transfer

In the ongoing U.S.-China trade dispute, forced or unfair technology transfer ("FTT") has caused the most acrimony. Because of China's FTT policies, the United States has levied numerous rounds of significant tariffs on that

country. China has been charged by the United States for forcing American businesses to transfer technology to Chinese organizations by employing administrative procedures and ownership limitations. The fears of China's trading partners and international enterprises over FTT have not totally been allayed, despite the fact that China has implemented a number of reforms that forbid FTT practices and has signed the Phase-One trade agreement with the United States. However, in recent years, such markets for technology have come under more scrutiny in the contexts of international commerce, investment, and intellectual property regulation. Additionally, notwithstanding the revisions outlined above, FTT remains an unsolved issue in the current international economic environment (Jyh-An Lee, 2020, p. 324) ^[11].

Recent trade tensions between the two nations have moved away from deficits and surpluses and toward technological issues. One of the biggest barriers to commerce between the United States and China is forced technology transfer (FTT). President Donald Trump announced the implementation of an extra 25 percent levy on Chinese goods worth around \$50 billion on May 29, 2018. On September 18, the Office of the US Trade Representative (USTR) released a list of Chinese goods that will be subject to new tariffs totalling around \$200 billion. (Office of the U.S. Trade Representative, 2018).

The initial extra tariff was initially implemented on September 24, 2018, and it was set at 10%; however, on May 10, 2019, it was increased to 25%. The extent of these levies and the growing trade tensions made the need of FTT clear. Because it transfers negotiating power from overseas corporations to domestic enterprises in a nation or jurisdiction, FTT is viewed as an unfair IP practice. The United States charged China with unjustly pressuring Chinese rivals to acquire foreign technologies and intellectual property, frequently in return for access to the sizable Chinese market. (White House Office of Trade & Management Policy, 2018) ^[25].

On August 14, 2017, President Trump gave the U.S. Trade Representative a directive to begin an investigation under Section 301 of the Trade Act in order to find out, among other things, whether the Chinese government has coercively demanded that American companies transfer technologies to Chinese firms. Two significant papers that the USTR issued as a result of this probe included descriptions of China's FTT practices. The Section 301 Report, which was released on March 22, 2018, and a report on China's debatable IP practices, which was released on November 20, 2018. 2018 USTR Section 301 Report. Many people think that the U.S.-China trade conflict began with the release of the Section 301 Report. Vice President of the United States Mike Pence sternly urged China to halt its FTT practices on October 4, 2018, and vowed that the United States will take legal action if necessary in an address at the Hudson Institute.

However, trade secrets are the most pertinent type of IP in the context of FTT, which typically entails the transfer of trade secrets or private information from foreign investors to local enterprises. Patents, copyright, and trademarks may all be involved in FTT. In the most current trade dispute, the United States accuses China of using administrative procedures and ownership limitations to force American businesses to transfer technology to Chinese corporations in the following ways:

1. Mandatory Joint Venture Arrangement

The use of investment laws to induce technology transfer from abroad

2. Trade Secret Divulgence in Exchange for Administrative Approval

The methodical use of administrative approval processes whereby foreign investors are required to divulge proprietary technology-related sensitive information, such as production methods, formulae, drawings, or even source code.

China, on the other hand, has denied that there has ever been FTT there. China maintains that there is no conclusive proof that its government has forced technological transfer. All technological transfers in China, according to a declaration made by the State Council, have been based on voluntariness and contract freedom. (Press Release from the China State Council, 2018). However, as a result of American pressure, China has gradually changed the following laws and rules pertaining to FTT during the past year:

1. JV Restrictions

The Chinese government enforce plans to loosen its ownership restrictions in vital sectors.

2. Trade Secret Protection During the Administrative Approval Process

The State upholds the legal rights and interests of owners of intellectual property rights and holders of related rights, safeguards the intellectual property rights of foreign investors and foreign-invested businesses, and holds those who violate those rights legally accountable in strict accordance with the law.

▪ Discriminatory licensing restrictions

According to a report by the U.S. Trade Representative (Trade Representative or USTR) under Section 301 of the Trade Act of 1974, as amended, the study on China's discriminatory licensing restrictions exposes the following:

Due to China's strict technology restrictions, American technology owners are unable to negotiate and establish conditions for technology transfer that are not influenced by China. American companies who want to license innovations to Chinese companies must do so under non-market conditions that benefit the Chinese receivers. Furthermore, licensing requirements' administrative red tape gives China an extra chance to coerce businesses into transferring more technology, or transferring it on more favorable conditions, in exchange for administrative permits. Foreign Licensing Restrictions and China's Technology Transfer Regime, China's official measures that impose a different set of rules for imported technology transfers originating from outside China, such as from U.S. entities attempting to do business in China, reflect China's imposition of mandatory adverse licensing terms. Technology transfers between two domestic enterprises are exempt from these requirements. As will be discussed in more detail below, the required conditions for importing foreign technology are discriminatory and unquestionably more onerous than the local regulations. Because the necessary requirements are exclusively placed on technology import contracts and do not apply to technology contracts between two domestic parties, these limits favor local companies at the expense of international rivals, including U.S. competitors. Before a U.S. corporation ever

tries to join the Chinese market, the system is already skewed in favor of Chinese entities thanks to a regulatory framework that has a negative impact on all technological agreements and contracts (USTR Report, 2018).

However, the United States of America acknowledged that all WTO Members (including China), have made commitments through the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) to provide certain protections for intellectual property rights, a key component of a free and equitable global trading system, at a meeting of the WTO Dispute Settlement Body on October 29, 2018. Among such intellectual property rights are the promises to safeguard patent holders' exclusive rights and to treat the nationals of other Members no less favorably than the Member treats its own nationals in terms of intellectual property protection. The U.S. delegation continued by pointing out that when China joined the WTO, it made these promises. Moreover, China's practices on technology licensing that conflict with China's WTO commitments have been the subject of repeated concerns from the United States over the course of the last few years (US Press Statement at Geneva DSB meeting, 2018) ^[17].

Like other WTO members, China is required to abide by its own working party report, the protocol of accession, and any attached schedules containing particular liberalization obligations in addition to WTO treaties. Karen (2004, p. 345) ^[12] maintained that "some trade law specialists contend that China's WTO obligations from 2001 give a legal foundation for opposing the nation's FTT practices". China pledged to be transparent with its laws, rules, and other measures relevant to or impacting trade in products and services, as the first of its promises (World Trade Organisation, 2001) ^[26]. By refusing to disclose its FTT practices, which are policies impacting trade in goods and services, China may be in breach of these agreements. China promised not to tie performance standards to technology transfer in its accession process. The working party report contained a similar pledge from China. Nevertheless, gathering proof would be the most difficult aspect of making such accusations against the FTT procedures as they are implemented without a stated regulation (Report of the Working Party, 2001) ^[18].

The us tariff actions against china

The trade war is generally seen as having officially started on March 23, 2018, when Donald Trump signed the "Presidential Memorandum Targeting China's Economic Aggression" and imposed tariffs on steel and aluminum. (Vinogradov *et al.* 2019, p.3) ^[24]. The US and China's economic relations remain, nevertheless, tense, as was previously mentioned. China was given market economy status by the WTO in 2017, which drew concern from the US since it curbed options for protectionism against Chinese enterprises. The US's refusal to acknowledge China as a market economy was the first step in the "Group of Two" conflict (Dolgov *et al.* 2018, p. 7) ^[8]. The December 2017 adoption of the National Security Strategy mirrored Trump's aggressive foreign policy. It strengthened export controls, added more dual-use products to the list of goods that could not be sent to China, and imposed limits on China's acquisition of American technological innovations. The introduction of The Entity List prohibited US businesses from doing business with specified firms, including the ZTE

Corporation, which was charged with flouting US sanctions on Iran.

Although an agreement was reached at the G20 conference in Osaka, the parties immediately began trading threats to raise the tariffs. According to reports, Chinese businesses have stopped importing US agricultural goods. China was accused by the US of manipulating its currency to acquire a competitive edge and partially offset the effects of tariffs. China, in response, filed the third WTO complaint against the US, challenging the legitimacy of the levies. The US announced a new list of duties on \$125 billion worth of goods from China, ignoring the outcomes of the G20 conference. Then, China put 5% tariffs on \$75 billion worth of US imports, including crude oil. The both parties later excluded some goods as it was becoming more and more evident that businesses of the both countries were paying too much for the actions of the governments.

With the exception of toys, mobile phones, and computers, the majority of commerce in key import categories is now subject to U.S. tariff hikes on goods coming from China. On December 15, 2019, an extra 15% tariff for these categories is planned. Chemicals and medical equipment are two major import categories (by proportion of annual imports) where some commerce is unaffected by the Administration's current or proposed tariff hikes. According to an analysis of average U.S. tariff increases by product category, intermediate goods, such as motor vehicle parts, will see the biggest increases (nearly 30% if all proposed tariffs are implemented), while consumer goods, such as clothing and footwear, toys, cell phones, and televisions, will see the lowest increases (roughly 15%) when all proposed tariffs are implemented.

Some US government actions

1. February - April 2018, 30% on solar panels; 20% on washing machines; 25% on steel imports; 10% on aluminium imports. Measures targeting China: restricting investment in key technology sectors; imposing import tariffs on aerospace, IT, communication and machinery; including ZTE in the Entity List.
2. July 2018, 25% tariff on 818 products (imports worth \$34 billion).
3. August 2018, 25% tariff on 279 goods (imports worth \$16 billion) including: semiconductors, chemicals, plastics, motorbikes and electric scooters.
4. September 2018, 10% tariff (announced subject to further increase up to 25% in 2019) on \$200 billion worth imports from China.
5. May-June 2019, 25% tariff (increase from 10%) on \$200 billion worth imports. Huawei and five other companies of China are added to the Entity List.
6. June 2019, the ban on deals with Huawei is reconsidered. 110 products are excluded from the 25%-tariffs.

China retaliatory actions against the U.S

China has consistently targeted some product groupings, notably agricultural, while completely disregarding others, in contrast to the United States, which has enacted or proposed tariff increases on all significant product categories. For instance, China has mainly exempted from its retaliatory tariffs airplanes, certain plastics, electronics,

and turbojets and their components. Roughly one-third of China's imports from the United States won't be impacted by the tariff rises if all the planned levies are implemented. This is due in part to China's latest statements, which mostly boosted current retaliatory duties rather than focusing on new items. Only the \$15 billion in imports from the United States in 2017 that were made up of motor vehicles and their parts will be subject to increased levies in the near future. This industry will see average retaliatory tariff rates of little over 30% if these auto tariffs go into force. China's reaction has been particularly harsh on agricultural items. Soybeans are presently subject to a 30% tariff rise in retaliation for the U.S. Section 232 and Section 301 acts. When China adopts all planned duties, the average tariff increase on other agricultural goods, which is presently 32%, would rise to 35%.

Some Chinese government actions

1. February – April 2018, 15-25% tariffs on 128 product categories including fruit, wine, seamless steel pipes, pork and recycled aluminium. 178.6% antidumping duties on sorghum imports from the US.
2. July 2018, 25% tariff on 545 products (imports worth \$34 billion), including agricultural products, autos and aquatic products.
3. August 2018, 25% tariffs on 333 goods (imports worth \$16 billion) including: coal, copper scrap, fuel, buses and medical equipment.
4. September 2018, 5% and 10% tariffs on \$60 billion worth imports.
5. May-June 2019, 25%-20%-10% tariffs introduced for \$60 billion worth of imports (increased from 10%-10%-5% correspondingly).
6. June 2019, China announces its plans to increase import of agricultural products.

Conclusion

Based on the available empirical evidence and contributions from reliable literatures, it has been ascertained that there is a trade war between the United States and the Peoples Republic of China. This trade war has also been seen as become intractable if proper measures are not fully applied. Going by the first hypothesis of the study, it is concluded that the US claim of theft of trade secrets by China has not contradicted or undermined the provisions of the Trade-Related Aspects of Intellectual Property Rights Agreement as supervised by the World Trade Organisation and the World Intellectual Property Rights Organisation. On the second hypothesis of the study, it has been concluded that the US Trade Representative Office increased tariff on imports from China on grounds of theft of U.S. technology and intellectual property and in order to compel or force diplomatic trade negotiations between the US and China, that is expected to invariably favour the US. On this note, it has been concluded that the trade war between the US and China especially on the grounds of Intellectual Property Rights is more of a struggle for economic dominance and relevance in the global politics.

Recommendations

Arising from the findings of the study, we recommend the following:

1. A strict adherence to the provisions of the Trade-related Aspects of Intellectual Property Rights (TRIPS)

Agreement by both parties as established by the World Trade Organisation and the World Intellectual Property Organisation. As provided in the General Provision Statement to guarantee that methods and processes to enforce intellectual property rights do not themselves turn into obstacles to legal commerce and to minimize distortions and obstructions to international trade while still promoting effective and appropriate protection of such rights.

2. World Trade Organisation should be totally involved in the resolution of dispute between the US and China as a strong third party to ensure the prevention of hash economic policies as strict measures by both countries, that could result to global economic problem.

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