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**USTR ANNOUNCES TWO DECISIONS:
TITLE VII AND SPECIAL 301**

Acting United States Trade Representative Charlene Barshefsky today announced decisions and initiated actions in two important areas: Special 301 -- protection of intellectual property rights -- and Title VII -- discrimination in foreign government procurement.

Today's decisions demonstrate the Administration's continued resolve to take strong measures to ensure comparable market access and intellectual property protection for U.S. products and to promote more open foreign procurement practices -- measures which are key to this Administration's policy of opening markets and creating opportunities for U.S. companies and jobs for U.S. workers.

Special 301

Accomplishments Over The Past Year

Ambassador Barshefsky noted the substantial progress made during this past year in improving intellectual property protection, including progress in countries whose practices have been major IPR concerns in the past.

The most important progress in intellectual property protection occurred within the World Trade Organization (WTO) Agreement on the Trade-Related Aspects of Intellectual Property Rights, commonly known as the TRIPs Agreement, which came fully into force for developed countries on January 1, 1996. This is a significant step forward in advancing the protection of intellectual property globally. Ambassador Barshefsky stated: "We now expect all developed countries to be in conformity with the obligations of the TRIPs Agreement. We also are working with all other trading partners to accelerate implementation of this Agreement. These are top priorities for this Administration." She continued: "We will be monitoring carefully as these obligations come into effect and will not hesitate to use the WTO's dispute settlement provisions if necessary to ensure full compliance."

As a result of these TRIPs obligations, several trading partners amended their intellectual property laws over the past year. These include Japan, Italy, Spain, Portugal, Sweden, Finland, Greece and Austria.

Another very significant event occurring within the past month was enactment of a modern patent law in Brazil. "This new law, once implemented, will help establish Brazil's leadership in the region in terms of the protection intellectual property rights, and will make Brazil a more attractive location for technology-based investment," Barshefsky noted.

Other significant progress toward improving the protection of intellectual property worldwide is set out in the attached document entitled: Developments in Intellectual Property Rights. This progress included new laws, measures or commitments to improve copyright protection in such trading partners as Bulgaria, the Czech Republic, Greece, Haiti, Hong Kong, India, Korea, Latvia, Moldova, Panama, Peru, Romania, Turkey, the Ukraine, and Venezuela. In the industrial property area, progress along these same lines occurred in Bolivia, Colombia, the Czech Republic, Japan, Panama, Peru, Singapore, Taiwan, Turkey, the UAE, and Venezuela.

WTO Dispute Settlement

On the occasion of the April 1995 special 301 announcement, USTR gave notice to its trading partners that it expected them to implement on schedule their obligations under the WTO, including the TRIPs Agreement. USTR has monitored closely such implementation and has moved aggressively when a failure to implement has adversely affected U.S. economic interests.

In this context, on February 9 USTR initiated WTO dispute settlement proceedings against Japan because of its failure to protect the rights of U.S. performing artists and producers who recorded during a twenty-five year period from 1946 to 1971. Similarly, on March 11 USTR announced initiation of WTO dispute settlement proceedings against Canada because of discriminatory practices it has adopted to protect its domestic magazine industry.

Barshefsky today announced that she will, as a result of this year's Special 301 review, initiate four additional WTO dispute settlement actions now or in the near future against Portugal, Turkey, India and Pakistan for their failure to fulfill certain IPR-related WTO obligations. These actions will be conducted within the context of self-initiated Section 301 investigations.

These actions can be summarized as follows:

Portugal -- Portuguese patent law does not comport with the TRIPs requirement that the term of a patent last from the date of grant until 20 years from the date it was filed. TRIPs also requires that this term apply to new patents and to those that are still in effect. Portugal has modified its law to provide a 20-year term to patents granted after June 1,

1995. Several U.S. companies have complained that they stand to lose significant revenues if the longer TRIPs patent term is not applied to their existing patents. The United States will initiate formal consultations under WTO dispute settlement procedures today in Geneva. We have very recently received new information from the Government of Portugal that it may have modified its interpretation of the underlying TRIPs obligation. Dispute settlement proceedings will progress until we reach a satisfactory resolution of this matter.

Pakistan -- Pakistan does not currently provide product patent protection for pharmaceutical or agricultural chemical products. Article 70(8) of TRIPS requires countries that do not provide patent protection for such products as of January 1, 1995, to establish a so-called "mailbox" mechanism in which persons may file patent applications for these products, where they will be preserved until patent protection is provided. Accordingly, the United States will initiate formal consultations under the WTO today in Geneva.

Under this TRIPs provision, all applications filed in a country's mailbox must be processed when full product patent protection is ultimately granted without regard to the time that has passed since they were filed in the mailbox. This ensures that applications filed after January 1, 1995, will be eligible for some term of protection if they otherwise satisfy the conditions of patentability, even if the developing country is taking advantage of the transition period permitted by the Agreement. TRIPs Article 70(9) additionally requires that products subject to mailbox applications be granted exclusive marketing rights for up to five years during the transition period if a patent and marketing approval is granted on the product in another WTO country and marketing approval is granted in the country providing marketing exclusivity.

India -- India fails to provide patent protection for pharmaceutical or agricultural chemical products. It also has not legislatively established mailbox and marketing exclusivity systems in accordance with Article 70(8) and 70(9) of the TRIPS Agreement. Therefore, the United States will initiate formal consultations under WTO dispute settlement procedures in Geneva in the near future.

Turkey -- Turkey maintains a discriminatory "municipality" tax on box office revenues from the showing of foreign films, but not on box office revenues from the showing of domestic films. This does not comply with Turkey's national treatment obligations under Article III of the GATT. Accordingly, formal consultations under WTO dispute settlement procedures will be invoked by the United States in Geneva in the near future.

Barshefsky stated that she will not hesitate to bring additional WTO challenges where appropriate.

Special 301 Decisions

Under the "special 301" provisions of the Trade Act of 1974, as amended, Barshefsky today identified 35 trading partners that deny adequate and effective protection of intellectual property or deny fair and equitable market access to United States persons that rely upon intellectual property protection. She listed an additional 19 trading partners that will require monitoring.

In doing so, Barshefsky designated China as a "priority foreign country" under special 301 because of its failure to implement the 1995 intellectual property enforcement agreement. Economic damage to U.S. industries continues to rise as a result. Although China has made some progress in halting the retail trade in infringing goods, it has failed to stop illegal CD, video and CD-ROM production, to prevent the export of infringing goods, or to honor its promise to grant market access for legitimate audiovisual products. Because intellectual property enforcement problems in China are already the subject of an action under section 301, a new section 301 investigation will not be initiated. China's implementation of the 1995 agreement will remain subject to section 306 monitoring. Trade sanctions for noncompliance could be imposed pursuant to a decision by USTR that China is not satisfactorily implementing the 1995 agreement.

Barshefsky announced placement of eight trading partners on the special 301 "priority watch list." Two of these trading partners -- Argentina and Greece -- will be subject to review during the course of the year to evaluate progress made in the next several months. Other trading partners on the priority watch list include the European Union, India, Indonesia, Japan, Korea, and Turkey.

The USTR also announced placement of 26 trading partners on the special 301 "watch list," and that "out-of-cycle" reviews would be conducted with seven of these trading partners -- El Salvador, Italy, Paraguay, the Philippines, Russia, Saudi Arabia, and Thailand.

Finally, Ambassador Barshefsky noted growing concerns about IPR problems in five trading partners, and highlighted developments and expectations for further progress in 14 trading partners. Barshefsky will subject five of these trading partners, Bolivia, Bulgaria, South Africa, Taiwan, and Hong Kong, to review during the course of the year.

Details of Ambassador Barshefsky's special 301 decisions are provided in the attached Fact Sheet.

Title VII

Ambassador Barshefsky announced the identification of Germany under the 1988 Omnibus Trade and Competitiveness Act for its failure to adequately implement obligations under the 1993 U.S.-European Union (EU) Memorandum of Understanding (MOU). In making the announcement, Ambassador Barshefsky emphasized that the United States had given Germany

every opportunity to ensure U.S. access to the German heavy electrical equipment market and establish a credible bid challenge system as required by the MOU, going so far as to limit action a year ago in the 1995 Title VII Report to expressing “substantial concern” with Germany’s implementation of its international obligations. Since then, however, new developments indicate that the experiences of U.S. firms are not isolated cases and that a systemic problem exists, requiring a change in legislation or administrative measures. Identification triggers a 60-day period for consultations, and Ambassador Barshefsky confirmed that such consultations have already been requested of Germany, as required by Title VII. Ambassador Barshefsky noted that the United States “is ready to sit down with the German Government to resolve the issue and avoid further action under Title VII.” She also emphasized, however, that “this is a procurement sector with a long history of discrimination against U.S. firms and we need more than a promise that problems won’t recur in future procurements.”

Ambassador Barshefsky indicated that the Administration made no other identifications in the 1996 Title VII Report but that the Report provides additional information on the Administration’s initiatives to fight bribery and corruption in foreign procurement practices. Ambassador Barshefsky stated that the “Administration is out in front on this issue and is pressing other countries to come to grips with the trade distortions caused by bribery and corruption.” In particular, the Report focuses on efforts in the WTO to launch negotiations on transparency, openness and due process in government procurement practices of all WTO Members. The Report also refers to Singapore, New Zealand and Chile as countries that have been aggressive in combating bribery and corruption in their government procurement.

Additionally, the Title VII Report provides information on procurement practices of Japan with respect to public works, supercomputers and computers; Australia with respect to information technology and telecommunications; Brazil with respect to telecommunications; and China for its across-the-board lack of transparency. Finally, the Report updates implementation of the WTO Government Procurement Agreement (GPA) and NAFTA Chapter 10.

FACT SHEET

"SPECIAL 301" ON INTELLECTUAL PROPERTY RIGHTS

ACTIONS TAKEN

Acting United States Trade Representative Charlene Barshefsky today announced the Administration's decision with respect to this year's review under the so-called "special 301" provisions of the Trade Act of 1974, as amended (Trade Act).

This decision reflects the Administration's continued commitment to aggressive enforcement of protection for intellectual property, which has been improving in part as a result of accelerated implementation of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPs Agreement). The decision also reflects progress made over the course of 1995 in resolving many longstanding problems.

The decision announced by Ambassador Barshefsky includes the following specific actions:

- identifying **China** as a "priority foreign country;"
- placing eight trading partners on the "priority watch list" including **Argentina, the European Union, Greece, India, Indonesia, Japan, Korea, and Turkey** and conducting "out-of-cycle" reviews of **Argentina and Greece**;
- placing 26 trading partners on the "watch list" and conducting "out-of-cycle" reviews of **El Salvador, Italy, the Philippines, Paraguay, Russia, Saudi Arabia and Thailand; and**
- invoking WTO dispute settlement procedures with respect to practices in **Portugal, India, Pakistan and Turkey**.

In addition, the Administration noted growing concerns in four trading partners and highlighted developments in and expectations for progress in 15 trading partners. Developments in five of these trading partners -- Bolivia, Bulgaria, Hong Kong, South Africa and Taiwan -- will be evaluated during the course of the year in out-of-cycle reviews.

The Administration reiterates its commitment to ensure full and effective implementation of the "special 301" provisions of the Trade Act and rapid implementation of the WTO TRIPs Agreement. The Administration will continue to encourage other countries to accelerate implementation of the WTO TRIPs agreement and move to even higher levels of IPR protection. To these ends, the Administration will continue to engage countries in dialogues not only aimed at resolving the problems that brought about their inclusion on the "special 301" lists, but also seeking an improvement in the overall level of intellectual property protection.

STATUTORY AUTHORITY

The "special 301" provisions of the Trade Act of 1974, as amended, require the USTR to determine whether the acts, policies and practices of foreign countries deny adequate and effective protection of intellectual property rights or fair and equitable market access for U.S. persons who rely on intellectual property protection. "Special 301" was amended in the Uruguay Round Agreements Act to clarify that a country can be found to deny adequate and effective intellectual property protection even if it is in compliance with its obligations under the TRIPS Agreement. It was also amended to direct the USTR to take into account a country's prior status and behavior under "special 301."

Once this pool of countries has been determined, the USTR is required to designate which, if any, of these countries should be designated "priority foreign countries." "Priority foreign countries" are those countries that:

- (1) have the most onerous and egregious acts, policies and practices which have the greatest adverse impact (actual or potential) on the relevant U.S. products; and,
- (2) are not engaged in good faith negotiations or making significant progress in negotiations to address these problems.

If a trading partner is identified as a "priority foreign country", the USTR must decide within 30 days whether to initiate an investigation of those acts, policies and practices that were the basis for identifying the country as a "priority foreign country". A "special 301" investigation is similar to an investigation initiated in response to an industry Section 301 petition, except that the maximum time for an investigation under Section 301 is shorter in some circumstances (i.e., where the issues do not involve a violation of the Agreement on TRIPs) than are other Section 301 investigations.

The USTR undertakes a review of foreign practices each year within 30 days after the issuance of the National Trade Estimate (NTE) Report. Today's announcement follows a lengthy information gathering and negotiation process. The interagency Trade Policy Staff Committee that advises the USTR on implementation of "special 301," obtains information from the private sector, American embassies abroad, the United States' trading partners, and the NTE report.

This Administration is determined to ensure the adequate and effective protection of intellectual property rights and fair and equitable market access for U.S. products. The measures announced today result from close consultations with affected industry groups and Congressional leaders, and demonstrate the Administration's commitment to utilize all available avenues to pursue resolution of intellectual property rights issues. In issuing the announcement, Ambassador Barshefsky is expressing the Administration's resolve to take consistently strong actions under the "special 301" provisions of the Trade Act.

DESCRIPTION BY COUNTRY OF EXISTING SITUATION AND MEASURES TAKEN

PRIORITY FOREIGN COUNTRY

China remains the site of extensive piracy of intellectual property, particularly copyrighted sound recordings, music, videos and business and entertainment software. Despite signing a bilateral IPR Enforcement Agreement with the United States in February 1995, in which China promised to substantially improve enforcement efforts and grant market access for legitimate audiovisual and computer software products, piracy remains rampant, and economic damage to U.S. industries continues to rise. Overall, China has made some progress in halting the retail trade in infringing goods, but has failed to stop illegal CD, video and CD-ROM production at some 31 plants operating in China to prevent the export of infringing goods, or to honor its promise to grant market access for legitimate audiovisual products. No new investigation will be initiated following this designation; rather, the focus of further efforts will be on China's compliance with the current Agreement. Trade sanctions for noncompliance could be imposed at any time pursuant to a decision by USTR that China is not satisfactorily implementing the Agreement.

PRIORITY WATCH LIST

The Administration has decided to place eight trading partners on the priority watch list because the lack of adequate and effective intellectual property protection or market access in these countries is especially significant for U.S. interests. The trading partners are:

Argentina recently enacted new patent legislation and an implementing decree that fall far short of adequate and effective protection and fail to achieve earlier Argentine assurances. As a result, Argentina is being placed back on the priority watch list. This regressive movement on Argentina's part is particularly striking in comparison to the positive direction of patent protection in its MERCOSUR partner Brazil. The United States will continue to seek further improvements, monitor this situation and review Argentina's status as appropriate. The United States will continue to seek further improvements, monitor this situation and review Argentina's status through an out-of-cycle review no later than December 1.

The **European Union's** patent fees and those of its member-states are extraordinarily expensive; fees associated with filing, issuance and maintenance of a patent over its life far exceed those in the United States and other countries. The EU's new single trademark system raises concerns as does the reciprocity requirement in the recently approved data base directive. The availability of ex parte relief in civil cases remains uncertain in some member-states. Denial of national treatment with respect to audio and video levies remains a problem in certain member-states. Certain provisions in the patent laws of some member-states appear to be inconsistent with the provisions of the WTO's TRIPs Agreement. In this context, the United States is invoking WTO dispute settlement procedures against Portugal with respect to its patent law.

Greece has not yet acted to stop motion picture, software and sound recording piracy, including widespread unauthorized broadcasts of protected films and T.V. programs by unlicensed television stations. USTR moved Greece to the priority watch list in November, 1994 and maintained this designation in 1995. In August, 1995, Greece took the potentially significant step of enacting a new Broadcast Law--apparently with strong enforcement provisions--which could have addressed been used to address the unauthorized broadcasting and re-transmission of U.S. programming on Greek television. However, the Greek Government has chosen not to use the new law to move against T.V. piracy. The United States will press Greece to honor its TRIPs obligation to provide for the effective enforcement of intellectual property rights and will consider available remedies if conditions warrant. An out-of-cycle review will be conducted in September.

India was a "priority foreign country" from 1991-1993. India has failed to implement its obligations under Articles 70.8 and 70.9 of TRIPs Agreement. These articles require developing countries not yet providing patent protection for pharmaceutical and agricultural chemical products to provide a "mailbox" in which to file patent applications, and the possibility of up to five years of exclusive marketing rights for these products until patent protection is provided. India has affirmed its intention to pass legislation implementing its TRIPs obligations. India established TRIPs provisions administratively (which have subsequently lapsed) and has introduced legislation but has not provided a legal basis for the filing of such patent applications for these products. As a result, the Administration will initiate formal consultations with India under WTO dispute settlement procedures in the near future. Moreover, India's industrial property laws continue to fall well short of providing adequate and effective protection. In particular, the Administration looks to India to enact and enforce modern patent and trademark legislation. India has modern copyright legislation but improvements continue to be necessary in the enforcement area.

Indonesia: Enforcement, including the imposition of deterrent penalties for computer software and book piracy, needs to be improved. In April 1995 the Indonesian Government announced an action plan to intensify its enforcement efforts against copyright piracy and to require Government Ministries to purchase only licensed software. This plan needs to be implemented fully and aggressively. U.S. owners of well-known marks encounter serious problems with trademark infringement, which also must be addressed. Although Indonesia has taken some steps this year to improve IPR protection, the efforts have not been adequate given the magnitude of the problems. Consequently, Indonesia is being elevated to the priority watch list.

Japan: Despite conclusion of two patent-related agreements in 1994, patent-related problems continue, particularly with respect to the uneven and overly narrow interpretation of patent claims in Japanese courts and concerns among American industry about patent "flooding" practices in Japan. These practices have limited the ability of U.S. patent holders in a range of industries to acquire exclusive rights comparable to those available to Japanese patent holders in the United States. [Concerns also remain about the inadequate protection of trademarks and trade secrets, as well as end-user software piracy.] The United States continues to pursue a WTO

dispute settlement proceeding regarding Japan's failure to provide an adequate term of protection for pre-existing sound recordings.

Korea: While progress has been made over the past year, major problems from last year's review remain, including lack of adequate protection for trade secrets, software, textile designs and trade dress. Administrative measures were taken in early 1996 to enhance the protection of well-known U.S. trademarks, but the effectiveness of that system is uncertain at this time and we will continue to monitor it closely. Large end-user piracy of software continues to be a problem. A particularly serious problem with Korea's legal system is its failure to provide full retroactive copyright protection for pre-1957 works as required under the TRIPs Agreement.

Turkey has been on the priority watch list since 1992 largely because it has had inadequate intellectual property laws and its enforcement efforts have been ineffective. Copyright and patent piracy are widespread. As part of Turkey's entry into a customs union with the EU, Turkey has agreed to continue to improve its intellectual property protection. Turkey also maintains a discriminatory 25 percent municipality tax only on receipts from the showing of foreign films in a manner inconsistent with the national treatment obligations of Article III of the GATT 1994. The Administration will invoke formal consultations with Turkey under WTO's dispute settlement procedures in the near future with respect to this matter.

WATCH LIST

In reviewing the practices of our trading partners, the USTR has decided that 26 countries should be placed on the "watch list". The Administration uses the "watch list" as a means of monitoring progress in implementing commitments with regard to the protection of intellectual property rights and for providing comparable market access for U.S. intellectual property products.

Countries placed on the watch list are:

Australia: The Government of Australia does not provide adequate protection for test data submitted to regulatory authorities for the marketing approval of pharmaceuticals and agricultural chemicals. Such data are developed at great expense to the originating company. Australia allows competing companies to rely indirectly on such data to support their own later-filed applications. In addition to concerns about WTO consistency, permitting this to occur unfairly allows later applicants to free-ride on the first applicant's significant investment in developing the data and puts the first applicant at a competitive disadvantage. Australia very recently has taken some steps to address our concerns. The Administration would be prepared to reconsider this listing when Australia provides adequate and effective protection for test data.

Bahrain expressed its intent to join international intellectual property conventions in February 1995. The U.S. urges Bahrain to bring its copyright regime into line with its obligations under the Berne Convention and the WTO, and to begin to take effective enforcement action against

widespread piracy of copyrighted works of all types.

Brazil has recently taken the admirable step of enacting a modern patent law that comes into effect one year after its publication. Among other things, the new law will provide pharmaceutical patent protection and pipeline protection. As a result, the Administration is moving Brazil from the priority watch list to the watch list. Beyond the above-mentioned patent legislation, the U.S. Administration looks to Brazil to fulfill its longstanding commitments to enact outstanding legislation on computer software and semi-conductor layout designs, and to introduce much-needed amendments to its copyright law.

Canada: In 1995, the Government of Canada implemented the proposed 80% tax on split-run editions of U.S. magazines, specifically *Sports Illustrated Canada*. The Administration has initiated WTO dispute settlement procedures on this matter. Because this issue is already subject to action under the section 301 provisions of our Trade Act, initiation of an additional section 301 investigation is not warranted. See 19 U.S.C. 2242(f) and 19 U.S.C. 2412(b)(2)(A)(ii). In December 1995 the Canadian Radio-television Telecommunications Commission announced discriminatory direct-to-home satellite television licensing conditions of serious concern to U.S. industry. USTR is continuing to collect information on the new licensing system with the goal of determining whether it is actionable under article 2106 of the NAFTA and Canada's WTO obligations. On April 25, 1996, Canada introduced copyright law amendments that could discriminate against U.S. right holders. A stated objective of the reforms is to help strengthen Canadian identity and contribute to the cultural sector. The Administration wants to ensure that these amendments are not at the expense of U.S. copyright interests.

Chile: Chile's patent term is TRIPs-inconsistent, pipeline protection remains unavailable, and there is inadequate protection for plant varieties and animal breeds. Additional problems are computer software piracy and the absence of protection for semi-conductor mask works and encrypted satellite signals. Copyright protection for computer software and the existence of rental and importation rights remain unclear.

Colombia: Enforcement efforts against copyright piracy have increased; however, piracy continues to be a significant problem. Colombia joined the Paris Convention and has not yet fully implemented the WTO TRIPs Agreement. Deficiencies in its patent and trademark regime include insufficiently restrictive compulsory licensing provisions, working requirements, inadequate protection of pharmaceutical patents, and lack of protection against parallel imports. Also, in the copyright area, a 1994 Broadcast Law increased restrictions on foreign content, including imposition of a complicated, burdensome system of subquotas for different hours of the day.

Costa Rica: Costa Rica's patent law is deficient in several key areas. The term of patent coverage is a non-extendable 12 year term from the date of grant. In the case of products deemed to be in the "public interest", such as pharmaceuticals, chemicals and agro-chemicals, fertilizers, and beverage/food products, the term of protection is only one year from date of grant. The U.S.

looks to the Government of Costa Rica, as it implements its WTO obligations, to adopt a term of patent protection of 20 years from filing as required by TRIPs.

Ecuador has not yet ratified and implemented the 1993 U.S.-Ecuador Intellectual Property Rights Agreement. Furthermore, Ecuador has not yet repealed a GATT-inconsistent law, the Dealers' Act, which denies national treatment and protection to U.S. investment and U.S. trademarks. In the context of WTO accession, the GOE has committed to fully implement TRIPs by July 1996. We look to the GOE to implement fully our bilateral IPR Agreement and its TRIPs commitments, and to repeal the Dealers' Act.

Egypt has taken significant steps in improving the legal framework for protection of copyright works and has devoted resources to enforcing its copyright law. The United States remains seriously concerned, however, about the lack of effective patent protection in Egypt. The United States urges Egypt to enact promptly a modern patent law that provides immediate patent protection for all types of products, including pharmaceuticals, agricultural chemicals and foodstuffs.

El Salvador's copyright law went into force in June 1994 but implementation and enforcement of the law has been extremely lax. Despite widespread piracy, there were no seizures of pirate materials by government officials until late February 1996, when police raided more than 20 establishments and seized 43,000 cassettes and videos, as well as duplication equipment, and other materials. No arrests were made as a result of these raids. The Government of El Salvador has promised additional raids in 1996, as well as instructions to judges on the proper handling of IPR cases. Salvadoran laws protecting patents and trademarks are deficient and their enforcement remains weak. The United States supports efforts by the Government of El Salvador to implement and enforce its laws and will conduct an "out-of-cycle" review of these efforts in July 1996.

Guatemala does not adequately protect pharmaceuticals and its copyright law is deficient. The United States urges Guatemala to give priority to moving copyright law reform through its legislature and to offer better patent and trademark protection. The United States remains concerned about the interception and unauthorized retransmission of U.S. satellite-carried programming by cable and multichannel microwave distribution systems.

Italy: The Italian Government stepped-up enforcement efforts over the past year, including several large well-publicized raids, particularly against copyright piracy. Nevertheless, losses due to piracy remain high. A major impediment to reducing video piracy has been the inadequacy of criminal penalties. Italy's failure to enact pending anti-piracy legislation that would significantly increase criminal penalties is a significant problem. Counterfeiting of trademark products is also a major concern for U.S. industry. The degree to which Italy provides TRIPs-mandated protection against "bootleg" sound recordings (i.e., protection of live performances) is unclear. An "out-of-cycle" review will be conducted to evaluate Italy's progress in addressing these issues. The United States will press Italy to honor its TRIPs

obligation to provide for the effective enforcement of intellectual property rights.

Kuwait: Enforcement efforts by the Government of Kuwait to combat piracy of software and audiovisual products have improved following an April 1995 decree issued by the Ministry of Information. However, unauthorized duplication of software, especially in government agencies continues to be a major problem. Kuwait has been slow to move ahead on adopting copyright

legislation. Pharmaceutical patents are not protected under the existing 1962 law, which is deficient in numerous other regards as well.

Oman: Modernization of Oman's intellectual property regime is lagging with review of draft patent and copyright legislation extending to over a year. Legal protection for pharmaceutical product patents is also absent. Because its protection of intellectual property remains minimal and stagnant, while neighbors strengthen their regimes, Oman increasingly appears to be a haven for pirates. The United States will continue to monitor levels of piracy in Oman and efforts to improve intellectual property protection, including the status of draft legislation to update copyright and patent regimes.

Pakistan: Pakistan's patent law provides process but not product protection for pharmaceutical and agricultural chemicals. Proving infringement of a process patent is difficult and such patents are easily circumvented. The United States seeks the prompt revision of this law. Of a more immediate nature, Pakistan has failed to implement its obligations under Articles 70.8 and 70.9 of TRIPs Agreement. These articles require developing countries not yet providing patent protection for pharmaceutical and agricultural chemical products to provide a "mailbox" in which to file patent applications, and the possibility of up to five years of exclusive marketing rights for these products until patent protection is provided. Pakistan's cabinet on April 8 approved an amendment to its patent law that includes a "mailbox" provision to take effect upon passage and other broadened patent protections to take effect in 2005. The amendment must now go to the National Assembly before becoming law. To encourage quick passage, the Administration will initiate formal consultations with Pakistan under WTO dispute settlement procedures.

Paraguay increasingly has become a piracy center in South America, particularly in production of sound recordings and entertainment software. Pirate production centers have been built on the Brazilian and Argentine borders. Paraguay also has become a transshipment center for pirate goods originating in China bound for larger South American markets. Enforcement actions against these activities are urgently needed in Paraguay. In addition, Paraguay's patent, trademark and copyright laws are in need of significant revision to bring them into conformity with international obligations. An out-of-cycle review will be conducted in September to evaluate whether sufficient progress toward addressing these problems has occurred.

Peru: INDECOPI's actions and decisions over the last year have demonstrated progress in the protection of intellectual property rights in Peru. However, while enforcement efforts against copyright piracy have increased, piracy continues to be a significant problem. The Peruvian

Government needs to intensify its anti-piracy efforts, particularly to combat sound recording and book piracy. Deficiencies in its patent and trademark regime include compulsory licensing provisions, working requirements, inadequate protection of pharmaceutical patents, and lack of protection from parallel imports.

Philippines: The Philippines has made progress improving its enforcement efforts against intellectual property piracy, as promised in our 1993 bilateral IPR agreement. While the legislative commitments of that agreement have not yet been fulfilled, the Philippines Congress is currently considering legislation that would go beyond the 1993 commitments and make its major IPR laws TRIPs consistent. The Administration looks to the Government of the Philippines to 1) enact this legislation quickly and 2) continue progress in eliminating the use of pirated software in government agencies. In anticipation of progress in both of these areas, an out-of-cycle review will occur in October.

Poland: The United States continues to monitor implementation and enforcement of rights provided under the copyright law enacted in February 1994. The United States notes that the national treatment obligations of the TRIPs Agreement now obligate Poland to provide full protection for foreign sound recordings. The Administration will monitor carefully to ensure that such protection is now provided.

The Russian Federation has fulfilled some of its obligations under the 1992 U.S.-Russia Trade Agreement, namely passage of intellectual property protection laws and adherence to the Berne and Geneva Conventions. However, extensive piracy of U.S. video cassettes, films, music, recordings, books, and computer software considerably overshadows these legislative developments. Initial real enforcement efforts have begun only recently. Russia's failure to combat aggressively the rampant and increasing piracy of U.S. intellectual property must be remedied immediately. An "out-of-cycle" review in December will monitor Russia's effort to (1) put in place meaningful criminal penalties and (2) provide retroactive protection for artistic and literary works and sound recordings. Other issues to be reviewed for progress include improved trademark protection for well-known marks. Finally, a side letter to our bilateral trade agreement on compulsory licensing of patents is long overdue for signature.

Saudi Arabia has made progress in improving its enforcement activities against copyright piracy, particularly for motion pictures and sound recordings. However, serious copyright problems remain particularly regarding computer software piracy, including end-user piracy. Saudi Arabia's copyright law contains deficiencies making it incompatible with international standards, including an inadequate term of protection. It is important that existing efforts be maintained and that further improvements occur, particularly in terms of software enforcement. To ensure that such progress is maintained, an out-of-cycle review will occur in September.

Singapore: Although Singapore has a good record of protecting intellectual property, its copyright law is not TRIPs consistent. Outstanding issues include lack of rental rights for sound recordings and software, inadequate protection against making bootleg copies of musical

performances, the scope of copyright protection for cinematographic works and overly broad exceptions from copyright protection. Singapore's level of economic development is sufficiently advanced to expect TRIPs implementation as a developed country.

Thailand: Despite progress in providing more effective intellectual property protection, including the entry into force of a modern copyright law in March 1995, certain concerns remain. These include: a falling off of enforcement activity in 1995; the lack of a TRIPs-consistent patent law; and the need to ensure that deterrent penalties are imposed on convicted pirates. To better monitor this situation, an out-of-cycle review will occur in October.

UAE (United Arab Emirates): Piracy of motion pictures and sound recordings has been largely eliminated in the UAE. However, a 1995 "out-of-cycle" review confirmed that software piracy remains a serious problem. While the pace of enforcement activity against business software piracy picked up in 1995, efforts have not been sufficiently aggressive or penalties severe enough to significantly reduce the level of illegal activity. The UAE's copyright law omits specific protection for sound recordings and is deficient in a number of other areas. UAE patent law exempts medicines and pharmaceutical compounds from protection and contains onerous compulsory licensing provisions. Concerns remain about reports of the unauthorized production of pharmaceutical products.

Venezuela: While Venezuela's copyright law establishes a generally effective and Berne-consistent system, the GOV's enforcement efforts against copyright piracy continue to be modest. Piracy and lack of border enforcement continue to be a significant problem. Deficiencies in its patent and trademark regime include compulsory licensing provisions, working requirements, inadequate protection of pharmaceutical patents, and lack of protection against parallel imports. The United States will continue to monitor the implementation and enforcement of IPR laws, as well as proceedings for patent and trademark applications. Venezuela has not yet fully implemented the WTO TRIPs Agreement.

OTHER OBSERVATIONS

This year, the USTR wishes to draw attention to a number of countries where the lack of adequate and effective protection of intellectual property rights also is a concern. These countries are **the Dominican Republic, Lebanon, Nicaragua and Qatar.** The USTR expects these countries to take steps to address the shortcomings in their intellectual property regimes. In the case of Nicaragua, the United States and Nicaragua continue their negotiations on a bilateral IPR Agreement to help resolve these problems. The USTR will monitor developments in all of these countries and, in next year's Special 301 review, will assess the extent to which they have made progress in providing better protection for intellectual property.

In addition, the USTR wishes to note developments in the following countries.

Bolivia has made some efforts to enforce its antipiracy laws. However, TV, book, and sound

recording piracy continues to be a significant problem. In addition, Bolivian copyright law is unclear as to the protection of software. The United States notes that the national treatment obligations of the TRIPs Agreement now require Bolivia to provide full copyright protection for sound recordings. The Administration will monitor carefully to ensure that such protection is provided. Finally, legislation has not been passed either to enact the national 1992 copyright law or to implement the Andean Pact copyright Decision 351. An "out-of-cycle" review will be conducted in September to evaluate continued antipiracy efforts in all areas as well as revisions in the copyright law that are consistent with international standards.

Bulgaria: The Government of Bulgaria has implemented a substantial portion of its commitments under an April 1995 exchange of letters by adhering to the Geneva Phonograms Convention and publishing a statement in its official gazette confirming copyright protection for U.S. and other foreign sound recordings. Another positive step was the recent passage of a decree establishing a title verification system aimed at preventing and detecting unlicensed production at the CD plants and other facilities. However, Bulgarian enforcement efforts have waned recently. As a result, exports of pirated product appear to have increased significantly. An "out-of-cycle" review will be conducted in September to ensure implementation of the title verification system and that enforcement efforts are improved. Special attention will be paid to the level of production of pirated CDs and CD-roms carrying computer software, as well as the export of illegitimate CDs and CD-roms from Bulgaria throughout the region and to other markets.

Cyprus has made progress on piracy since passage of its copyright law in January 1994. The United States will be monitoring efforts by the Government of Cyprus to continue to act aggressively against piracy of software and of video and audio recordings. The current patent regime in Cyprus is inadequate as well as inconsistent with TRIPs. We expect that the Government of Cyprus will act expeditiously to implement fully its TRIPs obligations, especially with regard to patent protection for pharmaceuticals and enforcement against piracy.

Germany: Efforts by U.S. firms to combat high levels of computer software piracy are undercut by the apparent unavailability of ex parte search and seizure procedures in civil court cases. The Administration will consider the TRIPs-consistency of this situation after establishing more definitively the unavailability of these procedures in Germany.

Honduras: The Government of Honduras has drafted and submitted to the Honduran Assembly amendments intended to address shortcomings found in Honduras' 1993 copyright law. The United States continues to work with the Government of Honduras to improve patent and trademark laws and better its enforcement, particularly through negotiations on a bilateral IPR agreement and implementation of the TRIPs Agreement.

Hong Kong has taken steps to combat the flood of pirated compact discs entering its territory from China, and to draft legislation to enable local prosecutors to pursue Hong Kong investors in pirate plants on the mainland. Despite these efforts, however, the problem is growing, as evidenced by the ubiquity of pirated CDs and software throughout Hong Kong. The United States urges the Hong

Kong Government to act decisively against the retailers, wholesalers and investors who have made Hong Kong a center for pirated goods. USTR will review Hong Kong's performance in six months to determine whether Hong Kong's status on Special 301 should be modified or terminated.

Ireland's patent law is not in conformity with the patent compulsory licensing provisions of the TRIPs Agreement. The law appears to violate the discrimination and "working requirement" limitations under Article 27.1 of the TRIPs Agreement and the limitations on the grant of compulsory licenses under Article 31 of the TRIPs Agreement. The Administration expects that Ireland will comply promptly with its TRIPs obligations.

Israel has an inadequate copyright law which, combined with poor enforcement, has led to widespread cable and software piracy. The Administration seeks revision of the copyright law and improved enforcement and passage of a law governing licensing of satellite signals by cable operators. The Administration remains concerned about the potential passage of troubling modifications to Israel's patent law.

Jordan's 1992 copyright law is cumbersome and falls far short of international standards in most respects. Jordan intends to revise its copyright law as part of its economic liberalization program and accession to the WTO. The inadequacies of the patent law, which dates from 1953, have led to a growing problem of patent infringement for pharmaceuticals which are manufactured for both domestic and export markets. Trademark protection is unavailable absent extreme vigilance by U.S. rights holders and revisions in the law are necessary to expand the definition of "trademark" to include services and goods.

Mexico is experiencing significant problems with copyright piracy and, to a lesser extent, trademark counterfeiting. As a result, a bilateral working group on intellectual property has been established which has already begun to make progress. The Administration looks for increased efforts by the Government of Mexico to amend its copyright law and to improve copyright and trademark enforcement.

Panama has become a major transshipment and assembly point for pirated and counterfeited products. The Government of Panama has only recently begun to enforce its customs and IPR laws, particularly in the Colon Free Zone, where most of this activity occurs. The United States welcomes the recent passage of Panama's new industrial property law and looks to Panama to continue improving its intellectual property laws and their enforcement, particularly in the context of its WTO accession.

Portugal: Portuguese patent law does not comport with the TRIPs requirement that the term of a patent be 20 years from filing and that this term apply to new patents granted as well as to those that are still in effect. Portugal has chosen to interpret TRIPs as requiring that the 20-year term apply only to new patents granted after June 1, 1995, not to existing patents. As a result, the Administration will initiate formal consultations with Portugal under WTO dispute settlement procedures.

Romania provides no pipeline patent protection for pharmaceuticals despite assurances under the U.S.-Romania Trade Agreement to "exert best efforts" to enact such legislation by December 1993. However, the Romanian Government passed a new copyright law on March 13, 1996 which appears to meet international standards. We will monitor developments over the coming year to ensure that the new law is effectively implemented and enforced in order to end (1) the piracy of U.S. motion pictures by TV stations in Romania, (2) the production of pirated audio cassettes and (3) piracy of American books.

South Africa is provisionally removed from the Watch List. In September 1996, an out-of-cycle review will be conducted to confirm that (1) the legislative changes to which South Africa committed itself in December 1995 are being expeditiously accomplished; and (2) legislation has been introduced into Parliament and other appropriate measures have been undertaken which would bring South Africa into compliance with its international obligations and resolve outstanding trademark concerns.

Taiwan has continued to make significant strides in improving the protection of intellectual property in Taiwan. As a result, Taiwan is being removed from the watch list. However, concerns remain about certain aspects of IPR protection and enforcement in Taiwan. As result, an 18 point action plan was concluded in late April. The plan outlines improvements to be made in such areas as cross-strait piracy, enforcement, education and the export monitoring system. To monitor implementation, an out-of-cycle review will be conducted in October.

Vietnam U.S. works do not receive copyright protection in Vietnam unless published in Vietnam within 30 days of their first publication elsewhere, basically leaving all U.S. works without protection in Vietnam. Discussions have begun to conclude a bilateral agreement with Vietnam which would establish bilateral copyright relations, and in doing so, bring Vietnam into closer conformity with Berne Convention requirements. Other issues must be addressed in the context of the broader bilateral trade agreement that is being negotiated to allow Vietnam to receive MFN status.

DEVELOPMENTS IN INTELLECTUAL PROPERTY RIGHTS1995**MAY**

- o India's new copyright law, approved in May 1994, entered into force on May 10.
- o Bulgaria amended its penal code on May 19 to provide criminal sanctions for copyright infringements.
- o Romania enacted legislation to protect integrated circuits.
- o Hong Kong enacted increased criminal penalties for commercial piracy.

JUNE

- o Portugal promulgated a new industrial property code which went into effect on June 1. The intent of the new code is to bring Portugal's patent and trademark laws into compliance with TRIPs, as well as the European Patent Convention and the Patent Cooperation Treaty.
- o Germany adopted amendments to transpose the EU directives on copyright duration and rental rights into its law on June 2.
- o The Turkish Parliament approved legislation amending Turkey's copyright law on June 7. The approved law still falls short of U.S. objectives in key respects.
- o The Czech Republic adopted amendments to its trademark law on June 21 which, inter alia, will simplify administrative steps concerning registration and sale of trademarks, strictly define trademark fraud and ban unauthorized registration and use in the Czech Republic of generally well-known marks.
- o Turkey enacted by decree new patent and trademark laws on June 27. The EU Customs Union Agreement requires Turkey to provide both product and process protection by 1999.
- o Korea enacted amendments to its Computer Program Protection Law which, inter alia, increase the term of protection for computer software to 50 years.
- o St. Lucia's accession to the Paris Convention for the Protection of Industrial Property became effective.

- o Italy issued a decree law on June 28 extending copyright protection for authors of literary works and films to 70 years. The decree also extends from 40 to 50 years the term of protection for performing artists, radio and television broadcasters, and producers of films and other audio visual works.
- o Norway adopted amendments to its copyright law to bring it into compliance with the TRIPs Agreement on June 30.

JULY

- o The Japanese Patent Office began to accept patent applications in the English language (with a translation to follow in two months).
- o India's National Association of Software and Service Companies (NASSCOM) launched the first raids since India's new copyright law came into effect in New Delhi on July 7.
- o The Greek Parliament enacted the Press and Media law on July 18. The law came into effect on August 3. The new law makes copyright compliance a prerequisite for obtaining and maintaining a broadcast license.
- o The Turkish Parliament approved Turkey's accession to the Paris Act of the Berne Convention for the Protection of Literary and Artistic Works.
- o Taiwan enacted the Integrated Circuit Layout Protection Act on July 13.
- o Korea's Audio and Video Works Act became effective on July 1 which provides essential non-copyright regulations against unauthorized importation or distribution of recorded music and video.
- o Cambodia became a member of the Convention Establishing the World Intellectual Property Organization.
- o Bolivia implemented on July 26 Andean Pact Decision 344, which should provide improved protection on patents and trademarks.

AUGUST

- o Saint Vincent and the Grenadines became a member of the Convention Establishing the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of Literary and Artistic Works.

- o Latvia became a member of the Berne Convention for the Protection of Literary and Artistic Works.

SEPTEMBER

- o Italy's Guardia di Finanza conducted its first raid on software counterfeiters in late September, seizing 25,000 copies of MICROSOFT's latest programs, 11 software duplicating machines and another 260 pieces of hardware. The confiscated goods are worth \$3 million.
- o Bulgaria became a member of the Geneva Phonograms Convention.
- o Venezuela became a member of the Paris Convention for the Protection of Industrial Property.
- o The U.S. Patent and Trademark Office released its white paper on Intellectual Property and the National Information Infrastructure.

OCTOBER

- o Spain adopted amendments to transpose into its law the EU directives on copyright duration and satellite broadcasting and cable retransmission on October 11.
- o Albania became a member of the Convention Establishing the World Intellectual Property, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Madrid Agreement Concerning the International Registration of Marks, and the Patent Cooperation Treaty.
- o Ukraine became a member of the Berne Convention for the Protection of Literary and Artistic Works and the Convention for the Protection of New Varieties of Plants.
- o Lesotho became a member of the Patent Cooperation Treaty.
- o Portugal became a member of the Convention for the Protection of New Varieties of Plants.
- o Venezuela established a National Copyright Office which will register copyrighted material and provide arbitration services in copyright disputes.

NOVEMBER

- o The UAE Cabinet approved adherence to the Paris Convention for Protection of Industrial Property on November 12.
- o St. Kitts and Nevis became a member of the Convention Establishing the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property, and the Berne Convention for the Protection of Literary and Artistic Works.
- o The Republic of Moldova became a member of the Berne Convention for the Protection of Literary and Artistic Works.

DECEMBER

- o The Panamanian legislature approved the Berne Convention on December 30, 1995.
- o Taiwan enacted the Trade Secret Law on December 22.
- o Azerbaijan became a member of the Convention Establishing the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, the Madrid Agreement Concerning the International Registration of Marks, and the Patent Cooperation Treaty.
- o Liberia became a member of the Madrid Agreement Concerning the International Registration of Marks.

1996

JANUARY

- o The WTO TRIPS Agreement became fully effective for developed countries on January 1.
- o The Australian Trademarks Act, which the Parliament passed in 1995, entered into force on January 1. Under the Act, distinctive smells, shapes and sounds will be eligible for protection.
- o The European Community Office for the Harmonization of the Internal Market began accepting applications for the “Community Trademark” on January 1.
- o The Eurasian Patent Convention came into force. The following countries are members: Armenia, Azerbaijan, Belarus, Kazakstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, and Turkmenistan.

- o Amendments to Singapore's patent law came into effect on January 1. The Act was approved by Parliament on November 1, 1995 and was signed into law by President Ong Teng Cheong on November 18.
- o The Duration of Copyright and Rights in Performance Regulations went into effect in the United Kingdom on January 1.
- o Amendments to Finland's Copyright Act came into effect on January 1.
- o In Japan, pre-grant oppositions to the grant of patents were replaced with a post-grant system, effective January 1. In addition, a new accelerated examination system is available to patent applicants which will result in a decision to grant a patent or abandonment of the application within 36 months of the date on which accelerated examination is requested.
- o Korea reduced the duty rate on all computer software to zero, effective January 1.
- o Colombia's Constitutional Court in late January approved legislature's ratification of Colombia's adherence to the Paris Convention.
- o Chile became a member of the Convention for the Protection of New Varieties of Plants.
- o Haiti became a member of the Berne Convention for the Protection of Literary and Artistic Works.
- o Ecuador acceded to the WTO and committed to fully implement the TRIPS Agreement by July 1996.

FEBRUARY

- o The first TRIPS-related WTO dispute settlement proceedings were initiated by the U.S. on February 9 against Japan for its failure to implement copyright retroactivity obligations for pre-existing sound recordings.
- o The Nicaraguan National Assembly enacted legislation for adherence to the Paris Convention for the Protection of Industrial Property on February 15.

MARCH

- o As part of the Free Trade Area of the Americas (FTAA) process, the 34 countries of the Western Hemisphere established a Working Group on Intellectual Property

Rights at the second Summit of the Americas Trade Ministerial, held in Cartagena, Colombia, on March 21.

APRIL

- o Brazil enacted a new, long-awaited industrial property law on April 10. The new law contains a one-year transition period for pharmaceutical patent protection.
- o Canada introduced legislation in the House of Commons to amend the Copyright Act on April 26. The proposed amendments include, among other initiatives, measures dealing with neighboring rights for sound recordings, home copying and exceptions for certain groups. One of the stated objectives of the reforms is to help strengthen Canadian identity and contribute to the cultural sector.
- o Panama's National Assembly approved a new industrial property law on April 9.
- o Bulgaria's Council of Ministers adopted a decree on April 16 implementing a copyright title verification system.

FACT SHEET
APRIL 30, 1996

1996 Title VII Decisions

Acting United States Trade Representative Charlene Barshefsky announced today the Administration's decisions with respect to this year's review under Title VII of the 1988 Omnibus Trade and Competitiveness Act, as amended by the 1994 Uruguay Round Agreements Act.

Identification of Germany

The Administration has identified Germany for a "significant pattern or practice of discrimination" in the heavy electrical equipment sector. In the 1995 Title VII Report, the Administration referred to this procurement market in Germany as "warranting special attention" as an area "of substantial concern." The Administration's concern arose out of a procurement of steam turbines for the Lippendorf project, which involved a number of irregularities in the procurement process. Among other problems, a U.S. firm, General Electric (GE), was inexplicably excluded from a final stage of bidding in which two German manufacturers were permitted to present best and final offers on price. When GE sought to challenge the procedure before an impartial German review body, it experienced substantial difficulties in identifying a forum, despite the fact that Germany is obligated under the 1993 U.S.-European Union (EU) Memorandum of Understanding (MOU) to provide a remedy mechanism.

Since the publication of the 1995 Report, other developments have occurred that lead the Administration to conclude that a systemic problem exists with Germany's implementation of its obligations. A second U.S. firm, Westinghouse, participated in the initial stages of a second heavy electrical equipment procurement in the city of Cottbus and also found irregularities in the process that effectively excluded it from competitive bidding. Westinghouse too has had difficulties in obtaining an impartial review of its complaints.

At the same time, the Commission of the European Communities has proceeded with an infringement action against Germany for its implementation of relevant EU procurement directives that in turn implement obligations with the United States. In light of the Lippendorf and Cottbus cases, the Administration has concluded that an institutional problem exists with Germany's implementation and enforcement of these directives.

Identification under Title VII triggers a 60-day consultation period during which the Administration will seek to resolve these problems with the German government. If no resolution is forthcoming by the end of this period, the Administration will decide on further action, including the possibility of sanctions. Any further action will take into account that the Lippendorf and Cottbus cases are covered by the 1993 MOU, as opposed to the new WTO Government Procurement Agreement (GPA).

Bribery and Corruption

The Administration has made no additional identifications in the 1996 Title VII Report. However, it has provided information on Administration initiatives in multilateral trade fora, including the OECD and the WTO, to combat bribery and corruption in international commercial transactions. In particular, the Report details recent efforts to launch a WTO negotiation on transparency, openness and due process in government procurement practices by all WTO Members. The Report also applauds the efforts of three countries -- Singapore, New Zealand and Chile -- to enforce anti-corruption measures in their government procurements.

Other Information

Finally, the Title VII Report provides information on practices that do not meet the statutory criteria for identification but that, nevertheless, remain areas of concern for the Administration:

- Japan with respect to public works, supercomputers and computers;
- Australia with respect to information technology and telecommunications;
- Brazil with respect to telecommunications; and
- China with respect to a general lack of transparency across-the-board.

The Title VII Report concludes with an update on implementation of the WTO GPA and NAFTA Chapter 10.