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BACKGROUND
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2. (U) MODERNIZATION OF THE JUDICIAL SYSTEM IS THE GODR'S HIGHEST PRIORITY. IN SEPTEMBER 1996, PRESIDENT FERNANDEZ CREATED THE COMMISSION FOR JUDICIAL REFORM AND MODERNIZATION (CRMJ) TO FOSTER JUSTICE SYSTEM REFORM. WORKING WITH THE CRMJ, USAID AND FCS/SANTO DOMINGO DEVELOPED A COMMERCIAL LAW SEMINAR FOCUSED ON INTELLECTUAL PROPERTY RIGHTS (IPR) AND ALTERNATIVE DISPUTE RESOLUTION (ADR).

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3. (U) IN PREPARATION FOR THE SEMINAR, FCS AND USAID RECRUITED SPEAKERS REPRESENTING THE U.S. PATENT AND TRADEMARK OFFICE AND TWO U.S. INDUSTRIES WHICH DEPEND ON EFFECTIVE IPR LAWS AND ENFORCEMENT. THE IPR-RELATED

4. (U) PRECEDING THE APRIL 13 SEMINAR, EMBASSY ORGANIZED TWO FULL DAYS OF APPOINTMENTS FOR THE SPEAKERS WITH GODR GOVERNMENT OFFICIALS AND LOCAL BUSINESS/INDUSTRY ASSOCIATIONS. USIS AND THE CRMJ ALSO ARRANGED PRINT AND T.V. INTERVIEWS.

PRIVATE SECTOR MEETINGS

5. (U) THE SPEAKERS MET WITH MAJOR DOMINICAN BUSINESS/TRADE ASSOCIATIONS (THE CHAMBER OF COMMERCE AND INDUSTRY OF SANTO DOMINGO AND THE NATIONAL COUNCIL OF PRIVATE COMPANIES), IPR ADVOCACY GROUPS, AS WELL AS:

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THE IPR COMMITTEE OF THE AMERICAN CHAMBER OF COMMERCE.

Current Class: UNCLASSIFIED
WHETHER THE U.S. AND OTHER DEVELOPED-COUNTRY
PHARMACEUTICAL COMPANIES HAD COMPLIED WITH DOMINICAN
LAW IN REGISTERING THEIR PATENTS. THE INFADOMI MEMBERS
ALSO ARGUED THAT INCREASED IPR PROTECTION WILL BENEFIT
DEVELOPED COUNTRY PHARMACEUTICAL COMPANIES AT THE
EXPENSE OF THE LOCAL INDUSTRY AND THAT DOMINICAN
CONSUMERS WILL PAY HIGHER PRICES FOR ACCESS TO DRUGS.

6. (U) ACKERMAN EFFECTIVELY ARTICULATED THE MESSAGE
THAT COUNTRIES WORLDWIDE HAVE RECOGNIZED THAT PROGRESS
IN IPR SPURS INVESTMENT, INNOVATION AND ECONOMIC GROWTH

R 091352Z MAY 97
FM AMEMBASSY SANTO DOMINGO
E.O. 12958: DECL: 01/01/10
TAGS: KIPR, PREL, DR
SUBJECT: COMMERCIAL LAW DEVELOPMENT SEMINAR
HIGHLIGHTING IPR AND ALTERNATIVE DISPUTE RESOLUTION

-- NOT ONLY BENEFITING THE PHARMACEUTICAL INDUSTRY BUT
ENHANCING CONDITIONS FOR BROADER INVESTMENT. ARMED
WITH EXTENSIVE DATA, HE ALSO DISPUTED THE ALLEGATIONS
THAT THE LOCAL PHARMACEUTICAL INDUSTRY AND CONSUMERS
WILL NECESSARILY LOSE WHEN THE GODR ACTS TO STRENGTHEN
PATENT PROTECTION. HE USED TO GREAT EFFECT DATA
PURPORTEDLY SHOWING COUNTRIES WITH SOLID IPR LAWS HAD
LOWER PHARMACEUTICAL PRICES.

MEETINGS WITH GODR OFFICIALS: INDUSTRY AND COMMERCE

7. (U) DURING A CORDIAL MEETING WITH COMMERCE AND
INDUSTRY SECRETARY LUIS MANUEL BONETTI AND HIS IPR
STAFF, THE U.S. PANELISTS SUMMARIZED THEIR RESPECTIVE
IPR POSITIONS AND OFFERED TO ASSIST THE SECRETARY'S
STAFF THROUGH INFORMATION EXCHANGE. SECRETARY BONETTI
STATED THAT THE GODR IS SEEKING TO MODERNIZE ITS IPR
LAW, BUT SUCH CHANGES WILL NOT COME QUICKLY. HE ASKED
FOR PATIENCE AND ASSISTANCE FROM THE U.S. ON THIS
ISSUE. MR. WILDER SUBSEQUENTLY RETURNED TO THE
MINISTRY TO PROVIDE THE FIRST OF THE CD-ROM'S
CONTAINING THE U.S. PTO DATABASE REQUESTED BY INDUSTRY
AND COMMERCE EARLIER THIS YEAR. HE ALSO DISCUSSED THE
POSSIBILITY OF PROVIDING ADDITIONAL TECHNICAL
ASSISTANCE TO THE GODR, SUCH AS THE ATTENDANCE OF AN

TELECOMMUNICATIONS

8. (C) [ ] [ ] ACCOMPANIED BY ECONOFF. MET WITH
[ ] [ ] FOR HIS EFFORTS IN SUPPORT OF MPA OBJECTIVES AND PROMISED MPA ASSISTANCE. [ ] [ ] STATED CABLE

PAGE 03 SANTO 02579 02 OF 03 091359Z OPERATORS HAVE UNTIL MAY 15 TO OBTAIN OPERATING LICENSES AND CONTRACTS FOR THEIR PROGRAMS. HE REITERATED HIS DESIRE TO WORK CLOSERLY WITH THE MPA. HE ALSO REVIEWED HIS AGENCY'S TELEVISION MONITORING PROGRAM. WHEN ASKED IF HE WOULD OPPOSE LEGAL ACTIONS BY THE MPA AGAINST CABLE PIRATES, HE STATED HIS AGENCY WOULD FULLY SUPPORT SUCH SUITS.

9. (C) [ ] [ ] ALSO NOTED HIS AGENCY CURRENTLY HAS JURISDICTION OVER VIDEO STORES, BUT WILL loose IT UNDER NEW GOVERNMENT TELECOM LEGISLATION. HE SAID HE HAD RECENTLY BEEN APPROACHED BY VIDEO STORE OWNERS ABOUT A VENDOR WHO CLAIMED TO REPRESENT THE MPA. [ ] [ ] TOLD THE OWNERS THEY SHOULD NOT BUY PRODUCTS FROM THE VENDOR UNTIL HE HAD VERIFIED ITS LICENSING AGREEMENT WITH THE MPA. (NOTE: THE VENDOR WAS A LEGITIMATE MPA LICENSEE.) FINALLY, [ ] [ ] ACKNOWLEDGED HOTELS WERE USING SATELLITE DISHES TO STEAL SIGNALS. HE SAID HE DID NOT HAVE ENOUGH RESOURCES TO DEAL WITH THE CABLE INDUSTRY AND THE SATELLITE DISH PROBLEM AT THE SAME TIME. HOWEVER, [ ] [ ] SAID THE CABLE INDUSTRY WOULD BEGIN TO PUT PRESSURE ON THE HOTELS AFTER THE INDUSTRY WAS FORCED TO CLEAN UP ITS LICENSING AND PROGRAMMING PROBLEMS.
THE SEMINAR

10. (U) THE CRMJ PRODUCED A WELL-MANAGED SEMINAR. THE AMBASSADOR ADDRESSED THE OPENING CEREMONY ON APRIL 12

STRESSING THAT THE PROTECTION OF INTELLECTUAL PROPERTY IS A FUNDAMENTAL STEP ON THE WAY TO PARTICIPATION IN THE INTERNATIONAL TRADING SYSTEM. SHE ALSO ACKNOWLEDGED THE HIGH PRIORITY THE GOVERNMENT ASSIGN TO JUDICIAL REFORM AND UNDERLINED ITS IMPORTANCE TO A FUNCTIONING DEMOCRATIC SOCIETY. OTHER SPEAKERS UNFORMLY GAVE PRESENTATIONS SUPPORTING IPR PROTECTION.

11. (U) CRMJ COORDINATOR DR. FRANKLIN ALMEYDA MODERATED THE SEMINAR AND KEEP STRICT CONTROL, FORCING SPEAKERS TO ADHERE TO THEIR ALLOTTED TIME. U.S. PTO WILDER WAS GIVEN 30 MINUTES FOR HIS PRESENTATION AND EACH SUBSEQUENT SPEAKER 10 MINUTES EACH (SPEAKERS INCLUDED LOCAL PLAYERS ON IPR ISSUES). DR. ALMEYDA PROVED ESPECIALLY EFFECTIVE IN LIMITING ADVOCACY PLEAS IN THE GUISE OF LONG-WINDED QUESTIONS WHICH AUDIENCE MEMBERS SOUGHT TO MAKE IN THE Q&A SESSIONS. MOST QUESTIONS FOCUSED ON PHARMACEUTICAL PATENT ISSUES.

12. (U) IN HIS PRESENTATION, WILDER PRESENTED AN OVERVIEW OF IPR AS AN IMPORTANT ELEMENT IN THE ECONOMIC INFRASTRUCTURE OF MARKET ECONOMIES. HE ALSO EXPLAINED TRIPS OBLIGATIONS AND OFFERED EXAMPLES OF RECENTLY
ACKERMAN CONTINUED TO EMPHASIZE THE POINTS HE HAD MADE SO ABLY WITH THE PRESS AND IN PREVIOUS MEETINGS WITH THE PRIVATE AND PUBLIC SECTORS. MONAHAN STRESSED THAT MPA MEMBERS RELY MOST OFTEN ON COPYRIGHT LAW TO PROTECT THEIR MOTION PICTURES. HE CITED RAMPANT INFRINGEMENT OF VIDEO CASSETTES AND UNAUTHORIZED
TRANSMISSION OF SATELLITE SIGNALS IN THE DR, WHICH SEVERELY IMPAIR ALL FACETS OF MOTION PICTURE DISTRIBUTION. HE UNDERSCORED THAT SUCH PIRACY NOT ONLY AFFECTS THE U.S. COPYRIGHT HOLDER, BUT IS COSTLY TO THE GOVERNMENT. IT ADOPTED PIRATES DO NOT PAY TAXES OR OTHER GOVERNMENT FEES. HE PUBLICLY ACKNOWLEDGED THE EFFORTS OF TELECOMMUNICATIONS DIRECTOR MONTAS.

14. (U) IN HIS SEGMENT JOHN ROONEY EXPLAINED THAT ALTERNATIVE DISPUTE RESOLUTION IS INCREASINGLY USED BY JUDGES AND OTHER PARTIES AS A WAY OF RESOLVING CIVIL AND COMMERCIAL DISPUTES IN AN EXPEDIENT AND COST-EFFICIENT MANNER (NOTE: IN THE DR, ADR HAS BEEN LIMITED BECAUSE EXISTING LEGISLATION FAILS TO ESTABLISH CLEARLY A LEGAL BASIS FOR BINDING ARBITRATION).

ADVANCING MUTUAL INTERESTS

15. (U) IN ADDITION TO OUR SUPPORTING THE GOVERNMENT’S JUDICIAL REFORM INITIATIVE, THE RECENTLY CONCLUDED SEMINAR ALSO SUCCEEDED IN ADVANCING TWO U.S. TRADE AND INVESTMENT POLICY OBJECTIVES IN THE DR: (1) PROMOTE RECOGNITION OF ALTERNATIVE DISPUTE RESOLUTION AND, (2) ENCOURAGE RESPECT FOR IPR AND IMPROVE ITS ENFORCEMENT.

THE SEMINAR’S IPR THEME FORTUITOUSLY COINCIDED WITH LOCAL REPORTAGE SPECULATING ON THE DR’S POSSIBLE IMMINENT INCLUSION ON THE SPECIAL 301 WATCH LIST. LOCAL MAJOR DAILIES RAN NUMEROUS IPR-RELATED ARTICLES BETWEEN APRIL 8 AND 17 WHICH FURTHER HEIGHTENED GENERAL
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AWARENESS OF THE ISSUE'S ECONOMIC IMPORTANCE TO THE
COUNTRY. FOR THE GODR, THE SEMINAR CONTRIBUTED, AS
PREVIOUS CRMJ-ORGANIZED CONFERENCES HAVE, TO CREATING A
BROADER CONSTITUENCY AND INCREASING MOMENTUM FOR LAW
REFORM.

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COMMENTS
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16. (U) CLEARLY THE LOCAL PHARMACEUTICAL INDUSTRY WAS
MOBILIZED TO COUNTER PHARMA'S POSITION SPECIFICALLY,
AND THE IPR SEMINAR GENERALLY. NOT SO COINCIDENTALLY,
PABLO CHALLU, THE DIRECTOR OF ARGENTINA'S WELL-FUNDED
PHARMACEUTICAL INDUSTRY CENTER (PHARMA'S PRINCIPAL
INDUSTRY OPPOSITION IN THE WESTERN HEMISPHERE), VISITED
THE DOMINICAN REPUBLIC THREE DAYS BEFORE THE CRMJ
SEMINAR AND CONDUCTED A PRESS CONFERENCE IN WHICH HE
MADE THE PRINCIPAL POINTS CITED BY LOCAL PHARMACEUTICAL
INDUSTRY REPRESENTATIVES. HRINAK

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Current Class: [REDACTED] Page: 10