

SECTION II. COUNTRY REPORTS

PRIORITY WATCH LIST

CHINA

China will remain on the Priority Watch List in 2009 and will remain subject to Section 306 monitoring. China's enforcement of IPR and compliance with its TRIPS Agreement obligations remain top priorities for the United States. The United States looks forward to working with China to implement the WTO Dispute Settlement Body's recommendations and rulings in the *China – Measures Related to the Protection and Enforcement of Intellectual Property Rights* dispute.

While the Chinese Government continues to provide increased attention to the IPR environment, the shared goal of significantly reducing IPR infringement throughout China has not yet been achieved. China's IPR enforcement regime remains largely ineffective and non-deterrent.

The United States also remains concerned by reports that officials, apparently motivated by the financial crisis and the need to maintain jobs, are urging more lenient enforcement of IPR laws. The United States believes that, consistent with the rule of law, IPR enforcement actions should be initiated, cases should be decided, and remedies should be granted based on the merits of the case and in accordance with the law. Moreover, a strengthened approach to IPR protection and enforcement in China would contribute to a more robust and innovative economy in the longer term.

Of particular concern is the rise of Internet piracy in China, especially given its emergence as a leading nation in terms of the number of Internet, broadband and mobile device users. Strong action to curb trademark counterfeiting and copyright piracy on the Internet is critical to the future of IPR protection in China. China should significantly increase criminal prosecutions and other enforcement actions against Internet-based piracy and counterfeiting operations through a coordinated, national effort backed by appropriate resources. During the Beijing Olympics, the Chinese Government went to unprecedented lengths to launch a coordinated crackdown on the unauthorized retransmission of sporting events as well as online activities related to the Olympic Games. These efforts reportedly resulted in 453 online infringement cases, through which 192 sites were shut down, 173 sites were required to remove infringing content, 88 sites received administrative punishment, and infringing activities related to 10 sites were transferred for criminal prosecution. This experience shows that when the Chinese Government chooses to exercise its political will to deal with an IPR problem, it can yield results. We urge the Chinese Government to demonstrate this resolve generally when fighting piracy and counterfeiting on the Internet.

Retail and wholesale trademark counterfeiting in China continues to be a major source of frustration for international brand owners. In spite of significant attention and resources from brand owners, administrative supervision, civil lawsuits, agreements with landlords, and attention from China's central Government and foreign governments, counterfeiting remains pervasive in many retail and wholesale markets. It appears that additional measures, including

criminal sanctions, will be necessary to bring this problem under control. While rightsholders reported that they were encouraged by the innovative protocol brokered by the Beijing municipal courts between brand-owners and the landlord of the notorious Silk Market, they are disappointed that the settlement protocol is not being enforced. We encourage the appropriate authorities to take the actions necessary to ensure that this protocol can be adequately enforced.

Despite the crackdowns during the Olympics and an increasing number of IPR cases in Chinese courts, overall piracy and counterfeiting levels in China remained unacceptably high in 2008. The share of IPR-infringing product seizures at the U.S. border that were of Chinese origin was 81 percent in 2008, and that share rose in terms of value by 40 percent over 2007. Chinese counterfeit products include pharmaceuticals, electronics, batteries, auto parts, industrial equipment, toys, and many other products that pose a direct threat to the health and safety of consumers in the United States, China and elsewhere. The U.S. copyright industries estimate that losses due to piracy in China were approximately \$3.5 billion for the music recording and business software industries alone. While Internet piracy continues to grow, trade in illegal optical discs also continues to thrive, supplied by both licensed and unlicensed factories and by smugglers. Small retail shops continue to be the major commercial outlets for pirated movies and music and a wide variety of counterfeit goods. Piracy of books and journals and end-user piracy of business software also remain key concerns.

Inadequate IPR enforcement is a key factor contributing to these shortcomings, and there are a number of legal obstacles to effective enforcement that result in limited deterrence provided by Chinese law. These impediments include high value and volume thresholds that must be met before criminal prosecution of IPR infringement is possible as well as difficulties in initiating or transferring cases to the criminal authorities that do meet China's thresholds for criminal prosecution. Rules designed to promote the transfer of cases to criminal authorities do not appear to have solved the problem. Moreover, the vast majority of enforcement is channeled to administrative authorities. U.S. trademark and copyright industries continue to point out that administrative fines are too low and irregularly awarded to provide an effective deterrent, and as a result infringers continue to consider administrative seizures and fines as a cost of doing business. Civil damages for infringement are also low. IPR enforcement at the local level is hampered by poor coordination among Chinese Government ministries and agencies, local protectionism and corruption, high thresholds for initiating investigations and prosecuting criminal cases, lack of training, and inadequate and non-transparent processes. In addition, rightsholders report that in the eight years since China's current Copyright Law was adopted, China has yet to set a rate under Article 42 of that law for the remuneration of rightsholders for the use of their works by radio or television broadcasters.

As in the past, the United States will continue to review the policies and enforcement situation in China at the sub-national levels of Government. In 2009, USTR will conduct a review to assess the strengths, as well as weaknesses and inconsistencies, in and among the specific jurisdictions of provincial and municipal Governments' IPR protection and enforcement regimes.

Apart from longstanding concerns over IPR enforcement, the United States recognizes U.S. industry concerns about the possibility that laws or policies in a variety of fields might be used to unfairly favor domestic intellectual property (IP) over foreign IP. Such concerns are especially

acute in light of Chinese Government policies that appear to establish a procurement preference for domestically innovated products. The Chinese Government is currently considering legal and/or policy changes in areas such as the scope of compulsory licensing of patented inventions, the treatment of IPR in setting standards, and other areas that have the potential to affect IPR protection and market access for IPR-reliant goods and services. The United States will monitor these developments closely to ensure fair and equitable treatment for U.S. rightsholders.

China also maintains market access barriers, such as import restrictions and restrictions on wholesale and retail distribution, which can discourage and delay the introduction of a number of legitimate foreign products that rely on IPR into China's market. These barriers create additional incentives for infringement of products like movies, video games, and books, and inevitably lead consumers to the black market, again compounding the severe problems already faced by China's enforcement authorities. The United States has initiated WTO dispute settlement on several market access barriers affecting U.S. copyright industries.

The treatment of IPR in standards-setting processes has garnered continuing attention in China and elsewhere. The United States understands that the Standards Administration of China is expected to issue revised draft regulations regarding the treatment of patents and other IPR in national standards. Earlier draft regulations, issued in 2005, prohibited the incorporation of patents in mandatory national standards. U.S. stakeholders continue to have concerns about these issues, due in part to recent Chinese Government officials' public comments suggesting that patent holders might be required to share their patented technologies on a royalty-free basis or meet other mandatory requirements such as participation in patent pools, in order to participate in the standards development process.

China enacted the Third Amendment to its Patent Law in 2008. These changes will go into effect on October 1, 2009. While many areas of the Patent Law were clarified and improved, rightsholders have raised a number of concerns about the new law. For example, the requirement to disclose the origins of genetic resources has led to concerns regarding whether a patent application can be rejected or whether the validity of a patent can be challenged if the disclosure requirements are not met. Also, there are concerns regarding the inadequacy of a two year statute of limitation for filing a patent infringement case and about the scope and role of compulsory licensing under the new law. In addition, while the United States welcomes proposals in China's 2008 Action Plan on IPR Protection to more closely coordinate patent grants with pharmaceutical marketing approval, the United States continues to have concerns about the extent to which China provides effective protection against unfair commercial use for undisclosed test or other data generated to obtain marketing approval for pharmaceutical products.

The United States believes that continued bilateral dialogue and cooperation can lead to further progress in these and other areas. The United States will continue to put serious efforts into its joint work with China on IPR enforcement and protection strategies, innovation policies, and the range of other important IPR-related matters in our bilateral economic relationship, including through the Joint Commission on Commerce and Trade (JCCT) and other fora.

RUSSIA

Russia will remain on the Priority Watch List in 2009. While Russia has made some progress in improving IPR protection and enacting necessary legislation, concerns remain, particularly with respect to Russia's slow implementation of some of its commitments in the November 2006 bilateral agreement on IPR ("IPR Bilateral Agreement").

The United States urges Russia to provide stronger enforcement against piracy and counterfeiting, which remain major concerns. The U.S. copyright industries estimate a loss in excess of \$2.7 billion in 2008 due to copyright infringement, especially through online piracy, which has become an acute problem. Despite having closed down some illegal websites offering pirated music, many more have sprung up in their place. Complicating this situation are certain rogue "collecting societies" that negotiate "licenses" with these Internet sites, despite not having any authority to issue such licenses. We continue to urge the Russian Government, as part of its efforts to reform the legitimate collecting societies, to shut down those that are fraudulent. In addition, to help combat Internet piracy, we have urged the Russian Government to fully empower the Computer Crimes Unit of the Ministry of the Interior ("Department K") to combat copyright infringement that occurs on the Internet by providing investigation and prosecution guidelines for these crimes.

In the IPR Bilateral Agreement, Russia committed to fight optical disc and Internet piracy, protect against unfair commercial use of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products, deter piracy and counterfeiting through criminal penalties, strengthen border enforcement, and bring its laws into compliance with WTO and international IPR norms. Russia's implementation of these IPR commitments will be essential to completing the final WTO accession process. While Russia has made some progress in implementation, additional work remains for Russia to fully implement its commitments under the IPR Bilateral Agreement. Specifically, the United States looks to Russia to make further progress by ensuring that the Russian Customs Code, Civil Code and Law on Medicines comply with the IPR Bilateral Agreement and the relevant TRIPS Agreement obligations that will take effect upon Russia's accession to the WTO.

On the positive side, Russia recently acceded to the WIPO Internet Treaties, and has made progress combating software piracy. In addition, the Moscow City Government has recently banned DVD/CD kiosks in the public transport system and pedestrian spaces, thus eliminating one major nexus of retail trade in pirated videos and music. Amendments to the Civil Code and Customs Code have been introduced into the Duma and are under active consideration. The United States-Russia Bilateral Working Group on IPR met in March 2009. The United States Government looks forward to future collaborative meetings to discuss how both governments can work to strengthen the protection and enforcement of IPR.

ALGERIA

Algeria will be added to the Priority Watch List in 2009. The United States is troubled by a law that took effect in Algeria on January 1, 2009 that bans numerous imported pharmaceutical products and medical devices in favor of local production in Algeria. This import ban prevents

market access by U.S. companies that rely on intellectual property, and is a serious concern. In addition, the United States remains concerned about the lack of protection in Algeria against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. Industry has also noted concern over the granting of marketing approval in recent years to unauthorized copies of drugs protected by Algerian patents, and the lack of effective judicial remedies to enable rightsholders to challenge in court the granting of such marketing approvals. Enforcement against piracy and counterfeiting is weak. The United States looks forward to working with Algeria to address these IPR concerns, including through Algeria's bid for accession to the WTO, the bilateral Trade and Investment Framework Agreement, and other bilateral mechanisms.

ARGENTINA

Argentina will remain on the Priority Watch List in 2009. Although cooperation between Argentina's enforcement authorities and U.S. copyright industries remains positive, and the Argentine Customs authority and law enforcement have taken steps to improve enforcement at the border and Argentina's most significant illegal market, respectively, the United States encourages stronger IPR enforcement actions to combat the widespread availability of pirated and counterfeit products. Copyright piracy remains a significant problem in numerous industry sectors. Civil damages are ineffective and the judiciary is apparently reluctant to impose deterrent-level penalties in criminal cases. The United States notes that Argentina continues to make progress in decreasing its backlog of patent applications and commends their implementation of a patent recordation and alert system. However, Argentina still does not provide adequate protection against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. The United States also urges Argentina to implement an effective system to prevent the issuance of marketing approvals for unauthorized copies of patented pharmaceutical products. The United States will continue to monitor Argentina's efforts to address these IPR concerns.

CANADA

Canada will be added to the Priority Watch List in 2009. The United States appreciates the high level of cooperation between our two governments in many important bilateral and multilateral IPR initiatives. The United States also welcomed the Government of Canada's reaffirmation earlier this year of its 2007 and 2008 commitments to improve IPR protection and enforcement. However, the Government of Canada has not delivered on these commitments by promptly and effectively implementing key copyright reforms. The United States continues to have serious concerns with Canada's failure to accede to and implement the WIPO Internet Treaties, which Canada signed in 1997. We urge Canada to enact legislation in the near term to strengthen its copyright laws and implement these treaties. The United States also continues to urge Canada to improve its IPR enforcement system to enable authorities to take effective action against the trade in counterfeit and pirated products within Canada, as well as curb the volume of infringing products transshipped and transiting through Canada. Canada's weak border measures continue to be a serious concern for IP owners. The United States hopes that Canada will implement legislative changes to provide a stronger border enforcement system by giving its customs officers the authority to seize products suspected of being pirated or counterfeit without the need

for a court order. The provision of additional resources and training to customs officers and domestic law enforcement personnel would enhance IPR enforcement. The United States will continue to follow Canada's progress toward providing an adequate and effective IPR protection and enforcement regime, including near term accession to and implementation of the WIPO Internet Treaties and improved border enforcement.

CHILE

Chile will remain on the Priority Watch List in 2009. Chile has made some positive efforts to improve its IPR regime, including the creation of a specialized brigade within the Chilean police force to handle IPR crimes. In addition, Chile recently opened a National Institute for Industrial Property to oversee administrative actions related to industrial property, including patents and trademarks. Chile also acceded to the Patent Cooperation Treaty, thus fulfilling a commitment under the U.S.-Chile Free Trade Agreement (FTA). Nevertheless, Chile's IPR performance continues to fall well below expectations of a U.S. free trade agreement partner. The United States remains concerned about inadequate enforcement against copyright piracy and trademark counterfeiting. Chile's Congress continues to consider legislation to implement various provisions of the FTA regarding Internet service provider liability, limitations and exceptions to copyright protection, and enforcement and penalties against copyright infringement. However, certain modifications to the pending legislation should be made in order to bring Chile's IPR regime into line with its multilateral and bilateral commitments. Several other bills pending before Congress are intended to implement provisions of the FTA, including laws that would ratify the International Convention for the Protection of New Varieties of Plants (UPOV 91) and a law to ratify the Trademark Law Treaty. The United States also remains concerned about inadequate protection against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products, and urges Chile to provide an effective system to prevent the issuance of marketing approvals for unauthorized copies of patented pharmaceutical products. While some U.S. pharmaceutical companies have reported positive outcomes in patent infringement cases, the underlying weaknesses in Chile's legal regime require resolution in order for Chile to fully implement its obligations under the FTA. The United States will continue to work with Chile on the implementation of its IPR commitments in the FTA.

INDIA

India will remain on the Priority Watch List in 2009. India has made progress on improving its IPR infrastructure, including through the modernization of its IP offices and the introduction of an e-filing system for trademark and patent applications. Further, the IP offices have started the process of digitization of intellectual property files. In addition, the Indian ministerial committee on IPR enforcement has supported the creation of specialized IPR police units. Customs enforcement has also improved through the implementation of the 2007 IPR (Imported Goods) Enforcement Rules as well as by seizures of unlicensed copyrighted goods intended for export. However, the United States remains concerned about weak IPR protection and enforcement in India. The United States continues to urge India to improve its IPR regime by providing stronger protection for copyrights and patents, as well as effective protection against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical

and agrochemical products. The United States encourages India to enact legislation in the near term to strengthen its copyright laws and implement the provisions of the WIPO Internet Treaties. The United States also encourages India to improve its IPR enforcement system by enacting effective optical disc legislation to combat optical disc piracy. Piracy and counterfeiting, including of pharmaceuticals, remain a serious problem in India. India's criminal IPR enforcement regime remains weak. Police action against those engaged in manufacturing, distributing, or selling pirated and counterfeit goods, and expeditious judicial dispositions for IPR infringement and imposition of deterrent-level sentences, is needed. As counterfeit medicines are a serious problem in India, the United States is encouraged by the recent passage of the Drugs and Cosmetics (Amendment) Act 2008 that will increase penalties for spurious and adulterated pharmaceuticals. The United States urges India to strengthen its IPR regime and stands ready to work with India on these issues during the coming year.

INDONESIA

Indonesia will be added to the Priority Watch List in 2009. There has been little progress on IPR protection and enforcement since 2006, when Indonesia's status in the Special 301 report improved following promising steps taken by the Government. That trend has not continued, and the Government appears to be moving backward from some previous advances. The Optical Disc Regulations are not being implemented effectively; problems include issuance of licenses for suspect production lines and failure to permanently revoke licenses and seize equipment and materials after convictions. One of the key weaknesses in the Indonesian IPR enforcement regime has been in the prosecution of IPR crimes: cases move slowly, few cases result in successful convictions, and convictions often result in small fines that do not deter repeat infringers. Overall, raids appear to have decreased. Implementing regulations for the Customs Law Amendment that passed in 2006 have not yet been completed. Reports indicate that the National IP Task Force, created in 2006 to coordinate IPR protection and enforcement efforts, is ineffective. On the pharmaceutical front, counterfeit medicines continue to be a major problem. In addition, Indonesia should provide effective protection against unfair commercial use of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. Indonesia introduced a law last year on the operation of foreign pharmaceutical companies that raise significant market access concerns. Despite the overall decline in IPR enforcement, some parts of the Government remain interested in improving the IPR regime, as reflected by the recent resolution of a longstanding trademark dispute. The United States urges Indonesia to recapture the momentum created in 2006 and to rebuild on that promising start.

ISRAEL

Israel will remain on the Priority Watch List in 2009. The United States is encouraged by the high level of constructive engagement between the United States and Israel over the past year, which has included positive dialogue among the United States, Israel, and the affected industries in both countries. Consequently, the United States will continue to conduct the OCR that began last year as a positive step to encourage progress in Israel on IPR issues. The United States remains committed to reaching a resolution to the IPR issues that have been under discussion with Israel for many years. Recent progress on certain IPR issues in Israel over the past few years has included: the passage of copyright legislation and issuance of a decree in 2007 that

ensures national treatment for U.S. rightsholders in accordance with the 1950 exchange of letters between the United States and Israel; the issuance of regulations in 2007 and policy clarifications in 2008 by the Ministry of Health on the manufacturing of pharmaceutical products for export; and the announcement by the Government of Israel in its recent Special 301 submission that the Israeli Ministry of Justice has commenced preparatory work for a bill that will require the publication of patent applications following the expiration of a period of eighteen months from the determining date for patent applications filed in the Israeli Patent Office.

Despite this progress, the United States remains seriously concerned with two key matters: Israel's inadequate protection against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products, and measures that adversely affect the length of patent term extension granted to compensate for delays in obtaining regulatory approval of a pharmaceutical product. These policies result in an unfair disadvantage to innovative pharmaceutical companies who receive comparatively weak protection for innovative pharmaceutical products under Israel's current laws.

The United States has encouraged Israel to amend its laws to provide an appropriate term of data protection to innovative pharmaceutical companies, commensurate with Israel's advanced level of development. For example, due to the significant amount of time it takes for the Ministry of Health to complete its regulatory approval process for pharmaceutical products, Israel only provides an effective period of approximately three and a half to four years of data protection under its current laws. The United States continues to request that Israel amend its laws to provide at least five years of effective data protection to innovative pharmaceutical companies, which is equivalent to the term of data protection provided by the United States.

We have also asked that Israel amend its laws to increase the effective patent term extension given to pharmaceutical products to compensate for delays in the regulatory approval process. Both U.S. innovative pharmaceutical companies and Israeli generic pharmaceutical companies have raised concerns about the significant amount of time it takes for the Israeli Ministry of Health to complete its regulatory approval process, which delays public access to both innovative and generic medicines in Israel. We appreciate that the Ministry of Health has established a goal of completing its marketing approval reviews within six months, and we encourage the Israeli Government to provide the necessary resources and funding to the Ministry to achieve this goal. We also note that U.S. pharmaceutical companies have raised concerns with procedures issued by Israel's Ministry of Health in late 2008, which are intended to clarify how the Ministry handles confidential information.

The United States hopes that Israel will accede to and implement the WIPO Internet Treaties in order to address the growing problem of Internet piracy in Israel. As noted in past reports, the United States continues to expect Israel to provide an appropriately high level of IP protection that reflects its status as a partner in the U.S.-Israel FTA and its objective of becoming a member of the OECD. The United States will continue to work closely together with Israel during the OCR to ensure the strengthening of Israel's IPR regime.

PAKISTAN

Pakistan will remain on the Priority Watch List in 2009. In 2005, Pakistan conducted a number of raids of optical disc plants and shut down many of them. While these actions appear to have reduced the production and export of pirated optical discs in and from Pakistan, only some of those arrested were prosecuted and the few verdicts that were issued resulted in imposition of only minimal sentences. Pakistan's Federal Investigation Agency continues to conduct large scale raids, but the lack of successful prosecutions provides little deterrent effect. Moreover, Pakistan has not made progress to provide effective protection against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products, nor has it provided an effective system to prevent the issuance of marketing approvals for unauthorized copies of patented pharmaceutical products. The United States encourages Pakistan to strengthen enforcement against book and optical disc piracy, aggressively prosecute IPR crimes, and seek deterrent-level sentences for IPR infringers, especially against those connected with the optical disc pirate plants that were shut down in 2005. The United States will continue to monitor closely the IPR situation and work with Pakistan to achieve further improvements in its IPR protection and enforcement regimes.

THAILAND

Thailand will remain on the Priority Watch List in 2009 due to a broad range of continuing concerns surrounding IPR protection and enforcement. The Thai Government made little progress over the past year in addressing the widespread problems of piracy and counterfeiting. The United States is encouraged, however, by the positive statements made by senior Thai officials in Prime Minister Abhisit's Administration, which has been in office since mid-December 2008, on the new Government's intentions to make IPR protection and enforcement a higher priority and to address the longstanding deficiencies in IPR protection in Thailand. We welcome the Thai Government's message that stronger IPR protection and enforcement is a national priority, reflected by the creation of the National Task Force and the participation of the Prime Minister in this group. The United States hopes that the Thai Government will quickly translate these commitments into concrete actions to reduce large-scale entertainment and business software piracy, cable and signal theft, and organized book piracy, as well as actions to address delays in granting patents. The United States is also encouraged by Thailand's expressed intentions to reduce the uncertainty created by the previous Government's policies concerning the issuance of compulsory licenses on patented pharmaceutical products. We further encourage Thailand to ensure that the patent system promotes the development and creation of new lifesaving drugs. As affirmed in the 2001 WTO Doha Declaration on the TRIPS Agreement and Public Health, the United States respects a country's right to protect public health and, in particular, to promote access to medicines for all. In this regard, the United States respects a country's right to grant compulsory licenses in a manner consistent with the provisions of the TRIPS Agreement. Consistent with these views, we urge Thailand to consider ways of addressing its public health challenges while maintaining a stable patent system that promotes investment, research, and innovation.

VENEZUELA

Venezuela will remain on the Priority Watch List in 2009. Protection and enforcement of IPR deteriorated in Venezuela in 2008. Copyright piracy continues to worsen, while proposed copyright legislation, if re-introduced, would severely undercut the existing Venezuelan copyright law, as well as bilateral and international standards of IP protection. The U.S. pharmaceutical industry reports that Venezuela has not issued a patent to a foreign pharmaceutical product since 2003. Further, in 2008, Venezuela reinstated a 1955 law that prevents the patenting of medicines and food. Venezuela also does not provide sufficient protection against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. In April 2006, Venezuela withdrew from the Andean Community. This raises questions about Venezuela's ability to fulfill its international IPR obligations since the Andean Community Decisions establish basic IP law for the region. The United States urges the Venezuelan Government to take immediate action to improve IPR protection, particularly by amending unsatisfactory legislative proposals or laws and by protecting against unfair commercial use of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products, and to improve IPR enforcement, particularly by addressing piracy and counterfeiting.

WATCH LIST

BELARUS

Belarus will remain on the Watch List in 2009. In the 2008 Special 301 Report, the United States reiterated its concern about Belarus' delayed implementation of its IPR commitments under the United States-Belarus Trade Agreement. There has been no apparent progress since that time. The Belorussian market is dominated by illegal optical disc, with pirated DVDs of films sometimes making it to the market before they are released in U.S. cinemas. The Government reportedly misuses software licenses openly. Enforcement officials have no *ex officio* authority to investigate, seize or prosecute IPR cases. Reports indicate that IPR enforcement is virtually non-existent.

The United States continues to urge Belarus to strengthen its IPR laws and to enforce against piracy and counterfeiting. In 2008, there were reports that Belarus planned to amend its copyright law; Belarus is urged to move forward with this plan including the proper implementation of the WIPO Internet Treaties, which Belarus ratified in 1998. We also encourage Belarus to amend its IPR laws to provide much needed *ex officio* authority to its enforcement officials for cases of piracy and counterfeiting.

BOLIVIA

Bolivia will remain on the Watch List in 2009. Rampant piracy and counterfeiting, including counterfeiting of medicines, persist in Bolivia. In particular, concerns remain about the erosion of IP protection for pharmaceutical products. There were no notable improvements to Bolivia's IPR regime during 2008. As a WTO member, Bolivia committed to increase its levels of IPR