

**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**
**Identification of Countries That Deny Adequate Protection, or Market Access, for Intellectual Property Rights Under Section 182 of the Trade Act of 1974 (Special 301)**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Identification of countries that deny adequate protection for intellectual property rights or market access for persons that rely on intellectual property protection.

**SUMMARY:** The United States Trade Representative (USTR) is required by the "Special 301" provisions in U.S. trade law to identify those foreign countries that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to United States persons that rely upon intellectual property protection, and those foreign countries determined to be priority foreign countries. These identifications are presented below.

**DATES:** These identifications took place on April 30, 1998.

**ADDRESSES:** Office of the United States Trade Representative, 600 17th Street, N.W., Washington, DC 20508.

**FOR FURTHER INFORMATION CONTACT:** Claude Burcky, Director for Intellectual Property, (202) 395-6864, Steve Fox, Deputy Director for Intellectual Property, (202) 395-6864, or GERALYN S. RITTER, Associate General Counsel, (202) 395-6800.

**SUPPLEMENTARY INFORMATION:** Section 182 of the Trade Act of 1974, as amended (the Trade Act) (19 U.S.C. 2242) (commonly referred to as Special 301) requires the USTR, within 30 days of the publication of the National Trade Estimates Report provided for in section 181(b) of the Trade Act, to identify all trading partners that deny adequate and effective protection of intellectual property rights or deny fair and equitable market access to United States persons that rely upon intellectual property protection. Those countries that have the most onerous or egregious acts, policies, or practices that have the greatest adverse impact (actual or potential) on the relevant United States products must be identified as "priority foreign countries," unless they are entering into good faith negotiations or are making significant progress in bilateral or multilateral negotiations to provide adequate and effective protection for intellectual property rights. In identifying countries in this

manner, the USTR is directed to take into account the history of intellectual property laws and practices of the foreign country, including any previous identifications as a priority foreign country, and the history of efforts of the United States, and the response of the foreign country, to achieve adequate and effective protection and enforcement of intellectual property rights. In making these determinations, the USTR must consult with the Register of Copyrights, the Commissioner of Patents and Trademarks, other appropriate officials of the Federal Government and take into account information from other sources such as information submitted by interested persons.

On April 30, 1998, the USTR identified 47 trading partners as failing to provide adequate and effective intellectual property protection and fair and equitable market access to persons that rely on such protection. In addition, China's implementation of the 1995 and 1996 Bilateral IPR Agreements will remain subject to monitoring under section 306 of the Trade Act (19 U.S.C. 2416). As a result of these agreements and extensive follow-up work with Chinese officials, China now has a functioning system to protect intellectual property rights (IPR). As an integral part of this national effort, numerous laws, regulations and circulars were issued during 1997. There has also been continued progress on enforcement in China. In 1997, U.S. industry losses from pirated optical media exports declined very significantly according to industry estimates. Nevertheless, we remain concerned with end-user piracy of business software, continuing retail piracy, growing trademark counterfeiting and problems in obtaining administrative protection for pharmaceuticals. U.S. officials will continue to work to ensure that China strengthens its enforcement against illegal importation, distribution, reproduction and sale of all illegitimate IPR products.

Fifteen other trading partners were placed on the administratively-created "priority watch list," including Argentina, Bulgaria, the Dominican Republic, Ecuador, Egypt, the European Union, Greece, India, Indonesia, Israel, Italy, Kuwait, Macao, Russia and Turkey. Bulgaria will be subject to review during the course of the year to maintain pressure for further progress. Thirty-one other countries were placed on the special 301 "watch list," including Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Guatemala, Honduras, Hong Kong, Ireland, Jamaica,

Japan, Jordan, Korea, Oman, Pakistan, Peru, The Philippines, Poland, Qatar, Saudi Arabia, Singapore, South Africa, Sweden, Thailand, Ukraine, U.A.E. (United Arab Emirates), Venezuela, and Vietnam. Of these, at least Colombia, Hong Kong, Jordan, and Vietnam will be subject to interim reviews during the coming year. The USTR highlighted concerns, developments and expectations for further progress in 17 other countries. Finally, the USTR announced the initiation of a WTO dispute settlement case against Greece and the European Communities for violations of the enforcement obligations of the Agreement on Trade-Related Aspects of Intellectual Property Rights.

**Claude Burcky,**

*Director of Intellectual Property.*

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**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

[Docket No. 301-108]

**Determinations Under Section 304 of the Trade Act of 1974: Argentine Specific Duties and Non-Tariff Barriers Affecting Textiles, Apparel, Footwear and Other Items**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of determinations, termination and monitoring.

**SUMMARY:** The United States Trade Representative (USTR) has determined that Argentina's specific duties on textiles and apparel and statistical tax on almost all imports violate the General Agreement on Tariffs and Trade (GATT) 1994. This determination is based on the report of a dispute settlement panel convened under the auspices of the World Trade Organization (WTO) at the request of the United States and the report of the WTO Appellate Body reviewing the panel report. The panel report and the Appellate Body report (the WTO reports) were adopted by the WTO Dispute Settlement Body (DSB) on April 22, 1998. The United States expects that Argentina will conform its specific duties and statistical tax to meet its obligations under the GATT 1994, consistent with the decisions of the panel and the Appellate Body. In light of the foregoing, the USTR will not take action under section 301 of the Trade Act of 1974 (the Trade Act) at this time and has terminated this investigation. The USTR will monitor Argentina's steps to implement the WTO reports