

EXECUTIVE SUMMARY

The “Special 301” Report is an annual review of the global state of intellectual property rights (IPR) protection and enforcement, conducted by the Office of the United States Trade Representative (USTR) pursuant to Section 182 of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988 and the Uruguay Round Agreements Act (enacted in 1994).

This Report reflects the Administration’s resolve to encourage and maintain effective IPR protection and enforcement worldwide:

- The report highlights positive accomplishments, such as sustained efforts by trading partners such as the Republic of Korea (Korea) and Taiwan, both of whom have been removed from the Watch List, and a positive outcome in a U.S. World Trade Organization (WTO) dispute settlement case against China.
- The report notes continuing serious concerns in countries such as China and Russia. But it also credits positive steps by those trading partners, such as Russia’s accession to the WIPO Internet Treaties.
- The report identifies growing concerns with some trading partners, such as Algeria, Canada, and Indonesia, and with some key challenges, such as Internet piracy.

In the year ahead, USTR looks forward to working with our trading partners to address emerging and continuing concerns and build on the positive results achieved thus far.

The Special 301 designations and actions announced in this Report are the result of close consultations with affected stakeholders, foreign governments, and Congressional leaders, as well as interagency discussions within the United States Government. USTR requested written submissions from the public through a notice published in the *Federal Register* on January 23, 2009. Submissions were made available to the public at www.regulations.gov, docket number USTR-2009-0001.

The 2009 Special 301 review process examined IPR protection and enforcement in 77 countries. Following extensive research and analysis, USTR designates the following 46 countries in this year’s Special 301 Report in the categories of Priority Watch List, Watch List, and/or Section 306 Monitoring status:

Priority Watch List: China, Russia, Algeria, Argentina, Canada, Chile, India, Indonesia, Israel, Pakistan, Thailand, Venezuela

Watch List: Belarus, Bolivia, Brazil, Brunei, Colombia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, Egypt, Finland, Greece, Guatemala, Hungary, Italy, Jamaica, Kuwait, Lebanon, Malaysia, Mexico, Norway, Peru, Philippines, Poland, Romania, Saudi Arabia, Spain, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan, and Vietnam

Section 306 Monitoring: Paraguay

Out-of-Cycle Reviews

In 2009, USTR will conduct a number of Out-of-Cycle Reviews (OCRs) to monitor progress on IPR protection and/or enforcement and to consider the placement of these trading partners in the Special 301 Report.

- *Fiji* – Several public submissions raised concerns regarding large-scale commercial enterprises engaged in retail distribution of pirated optical discs (CDs and DVDs). USTR will conduct an OCR to examine Fiji's efforts to address this problem.
- *Israel* – The United States will continue the OCR that was started last year, in order to continue positive discussions with Israel regarding potential amendments to Israel's laws that affect IPR protection for pharmaceutical products.
- *Philippines* – The United States will conduct an OCR to monitor the Philippines' progress on IPR protection and enforcement initiatives.
- *Poland* – The United States will conduct an OCR to examine whether Poland continues to make progress on IPR enforcement, including through implementation of its National IPR Action Plan.
- *Saudi Arabia* – To build on the successful launch of the United States-Saudi Arabia IPR Working Group, the United States will conduct an OCR to monitor progress by Saudi Arabia on IPR enforcement and transparency objectives.

New Format of the Special 301 Report

USTR has restructured the Special 301 Report, which now has three main sections and two Annexes.

- **Section I: Developments in Intellectual Property Rights Protection and Enforcement** discusses broad global trends and issues in IPR protection and enforcement that USTR works to address on a daily basis.
- **Section II: Country Reports** includes narrative descriptions of issues of concern in particular countries.
- **Section III: Notorious Markets** is a listing of Internet markets and physical markets of concern.
- **Annex I** provides the statutory background for the Special 301 Report.
- **Annex II** provides a list of contracting parties to the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty (WPPT) and the WIPO Copyright Treaty (WCT) (*i.e.*, the WIPO Internet Treaties).