

SECTION 306

PARAGUAY

In 2008, the United States will continue to monitor Paraguay under Section 306, specifically related to Paraguay's implementation of bilateral understandings regarding IPR protection and enforcement. During the meeting of the Joint Commission on Trade and Investment in December 2007, the United States and Paraguay negotiated an extension and revision of a previous Memorandum of Understanding (MOU). Formal signature of the revised MOU is expected soon, and the agreement will remain in effect through 2009. While there have been continued strong efforts by Paraguay to improve IPR enforcement, particularly by increasing the number of raids and seizures of pirated and counterfeit goods (by the IPR investigative unit in particular), Paraguay continues to have problems providing effective IPR protection due to porous borders, ineffective prosecutions of IPR infringers, and the lack of deterrent-level sentences in court cases. The United States has concerns about the inadequate protection against unfair commercial use of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products as well as shortcomings in Paraguay's patent regime. The United States will continue to work with Paraguay to address these IPR concerns during the coming year, including through the Joint Commission on Trade and Investment.