

among other things, would implement the WIPO Internet Treaties. While IPR public awareness and education has improved, enforcement efforts remain weak and non-deterrent. Piracy and counterfeiting, including illegal downloading of pirated works from the Internet, and the theft of cable and satellite signals, remain rampant in Thailand, and the motion picture industry has reported a significant increase in unauthorized camcording of motion pictures in theaters. The United States continues to encourage Thailand to engage in a meaningful and transparent manner with all relevant stakeholders, including owners of IPR, as it considers ways to address Thailand's public health challenges while maintaining a patent system that promotes investment, research, and innovation. In addition, the United States reiterates its support for the 2001 Doha Declaration on the TRIPS Agreement and Public Health, as described in Section I of this report. The United States encourages Thailand to make progress on its IPR initiatives and looks forward to working with Thailand on these and other matters.

Venezuela

Venezuela remains on the Priority Watch List. The protection and enforcement of IPR in Venezuela continued to deteriorate in 2010. The reinstatement of the 1955 Industrial Property Law, which followed Venezuela's 2006 withdrawal from the Andean Community, eliminated protections for certain formerly patentable inventions and created uncertainty about the status of protection for trademarks registered under the Andean Community law. Additionally, copyright piracy, including piracy over the Internet, as well as trademark counterfeiting, remain widespread. On a positive note, Venezuela passed a Law on Crime and Contraband in 2010, which imposes penalties for smuggling violations and provides for the seizure of goods that infringe IPR. This includes providing an effective system for protecting against unfair commercial use, as well as unauthorized disclosure, of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. Overall, the United States urges Venezuela to make significant improvements to its regime for IPR protection and enforcement.

WATCH LIST

Belarus

Belarus remains on the Watch List. The United States continues to be concerned about the delayed implementation of the IPR commitments Belarus made under the United States-Belarus Trade Relations Agreement of 1993. Belarus took some positive steps in 2010 by amending its Law on Trademarks to protect trademarks on the Internet, and by developing a National Strategy for Intellectual Property. However, enforcement efforts continue to be weak and ineffective and counterfeit and pirated goods continue to be widely available. Belarus should provide enforcement officials with authority to effectively investigate cases, seize infringing goods, and prosecute IPR cases without waiting for a right holder to file a complaint. Furthermore, Belarusian law does not provide adequate scope for *ex parte* searches. The United States encourages Belarus to amend its copyright law to implement the obligations of the WIPO Internet Treaties. The Russia-Belarus-Kazakhstan Customs Union entered into force in July 2010, and the United States will be monitoring the implementation of provisions granting *ex officio* authority to Customs officials and the creation of a unified trademark database to determine if this results in improved protection

and enforcement. The United States urges Belarus to take further steps to improve its protection and enforcement of IPR.

Bolivia

Bolivia remains on the Watch List. The United States remains concerned about high levels of piracy and counterfeiting in Bolivia, including the availability of counterfeit medical products, and the overarching need to improve its IPR enforcement. The United States recommends that Bolivia address the problem of unclear lines of responsibility among Bolivian authorities, as well as the need for additional human and financial resources. The United States also recommends that Bolivia work to ensure that judicial authorities prosecute IPR violations efficiently. The United States encourages the new leadership at the Bolivian Intellectual Property Office to increase its efforts with respect to IPR enforcement, and to increase efforts to improve public awareness about IPR protection and enforcement. The United States will continue to monitor Bolivia's progress on these and other issues.

Brazil

Brazil remains on the Watch List. The United States is encouraged by recent improvements that Brazil made with respect to IPR protection and enforcement. Of note was a recent opinion by the Federal Attorney General that the Brazilian sanitary regulatory agency, ANVISA, does not have authority to review patentability requirements when analyzing pharmaceutical patent applications. Instead, the National Industrial Property Institute (INPI) is the only administrative agency with authority to decide questions of patentability with respect to patent applications. Enforcement actions have increased, under the coordination of the National Council to Combat Piracy (CNCP), and these increased actions included several major operations in the beginning of 2011. The United States encourages Brazil to continue this work in 2011. In addition, Brazil took steps to address a backlog of pending patent applications. However, piracy and counterfeiting persist at significant levels in Brazil, including book piracy and a reported growth in piracy over the Internet. While enforcement efforts improved, including a larger number of raids and seizures, stronger enforcement at the border and deterrent level sentences are still needed. The United States urges Brazil to ensure that any amendments to its copyright law provide strong protections and establish means to enable effective enforcement against IPR violations that are committed on the Internet. The United States also encourages Brazil to provide an effective system for protecting against unfair commercial use, as well as unauthorized disclosure, of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. The United States looks forward to working with Brazil on these and other matters, including under the new United States-Brazil Agreement on Trade and Economic Cooperation.

Brunei

Brunei remains on the Watch List. Brunei made efforts to address the widespread availability of pirated music through a collaborative effort that it undertook with retailers and the recording industry in 2009. However, despite those efforts, the recording industry reports a recent increase in the availability of pirated music in retail outlets in Brunei. In addition, there is a significant growth of illegal downloading of pirated works of all kinds from the Internet, ranging from entertainment

software and business software to audiovisual works, including movies and television programs. The United States encourages Brunei to redouble its enforcement efforts against pirated and counterfeit products, including by granting *ex officio* authority to law enforcement officials, conducting targeted raids, seizing pirated and counterfeit goods, educating the business community, pursuing criminal prosecutions, and imposing deterrent penalties. To strengthen its legal infrastructure for IPR protection and enforcement, Brunei should also take the necessary steps to update its IPR laws and regulations so that these address fully the challenges of e-commerce and transnational intellectual property crime. Such steps should include enactment of long-pending amendments to the copyright decree, the adoption of measures to strengthen enforcement authority, and the allocation of necessary resources to IPR protection and enforcement. The United States looks forward to engaging with Brunei on these and other issues.

Colombia

Colombia remains on the Watch List. The United States commends Colombia for acknowledging the importance of IPR by including IPR protection in its National Development Plan. Colombia has taken steps to address its patent backlog by hiring additional examiners and by digitizing its patent database. Colombia has also continued its efforts to combat IPR infringement through enforcement actions, and has improved not only coordination among agencies responsible for IPR enforcement, but also cooperation of such agencies with rights holder organizations. The United States remains concerned, however, that the lack of additional resources and training continue to hamper enforcement efforts. The United States encourages Colombia to develop an effective system to address patent issues expeditiously in connection with applications to market pharmaceutical products. The United States also encourages Colombia to develop a mechanism to improve enforcement against IPR piracy over the Internet, including through the identification of effective enforcement procedures for dealing with such infringement. Optical disc piracy also remains a concern and should be addressed. The United States looks forward to working with Colombia to address these and other issues in the coming year.

Costa Rica

Costa Rica remains on the Watch List. Costa Rica enacted legislation to implement its commitments under the CAFTA-DR last year, and made progress by reviving an interagency IPR task force, collecting enforcement statistics, and taking steps to address its patent backlog. However, questions remain about Costa Rica's commitment to effective protection and enforcement of IPR, and overall IPR enforcement remains inadequate. The United States urges Costa Rica to address the relevant authorities' unwillingness to initiate prosecutions for copyright and other violations. The United States also urges Costa Rica to make combating IPR violations a higher priority, and in particular, to devote more resources to enforcement efforts, to prosecute cases against criminal IPR infringers, and to impose deterrent penalties. The United States will continue to monitor these and other issues relevant to Costa Rica's implementation of its international obligations and of its commitments under CAFTA-DR.

Dominican Republic

The Dominican Republic remains on the Watch List. The Dominican Republic continued its efforts to implement its commitments under CAFTA-DR and the United States commends the Dominican Republic on its progress in combating television broadcast piracy. Additionally, the Dominican Republic has taken important steps to increase the efficiency and capacity of its patent office. However, the United States continues to be concerned about the persistence of various problems, including a need for increased cooperation among enforcement agencies, a failure to devote sufficient resources to IPR enforcement, and the failure to train enforcement officials. In addition, pirated and counterfeit goods remain widely available. The United States will continue to monitor the Dominican Republic's implementation of its bilateral and multilateral commitments to provide an effective system for protecting against unfair commercial use, as well as unauthorized disclosure, of undisclosed test and other data generated to obtain marketing approval for pharmaceutical and agricultural chemical products, and to provide an effective system to address patent issues expeditiously in connection with applications to market pharmaceutical products. The United States looks forward to continuing its engagement on these and other matters with the Dominican Republic and will monitor the Dominican Republic's implementation of its commitments under CAFTA-DR.

Ecuador

Ecuador remains on the Watch List. The United States welcomes the progress Ecuador achieved with respect to IPR protection and enforcement in 2010. Ecuador's IPR undertakings included an enforcement campaign that Ecuador's Intellectual Property Institute (IEPI) initiated. That campaign includes efforts to work directly with shop owners at large markets to ensure that those shop owners do not offer pirated or counterfeit products. IEPI has also begun efforts to extend its services to other areas of the country and to facilitate access to patent information. Ecuador has expanded its IPR educational efforts by conducting a multimedia public awareness campaign and by training the public on IPR matters. However, there are still concerns about the widespread availability of pirated and counterfeit products in retail markets in Ecuador, and about the lack of specialized IPR courts. Such courts were required under Ecuador's 1998 IPR law. The United States encourages Ecuador to implement a recently promulgated regulation regarding protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. Ecuador should provide an effective system to address patent issues expeditiously in connection with applications to market pharmaceutical products. The United States will continue to monitor developments concerning compulsory licensing of pharmaceutical and agricultural chemical products in Ecuador, bearing in mind the discussion of the Doha Declaration on TRIPS and Public Health in Section I of this Report. The United States looks forward to continuing to work with Ecuador address these and other matters.

Egypt

Egypt remains on the Watch List. Egypt continued to make progress towards improving its IPR regime in 2010. One highlight was the establishment of the National Observatory for Industry Products, an organization that inspects goods for patent and trademark infringement. Egypt also conducted campaigns to raise public awareness about counterfeit pharmaceutical products. However, several obstacles to effective IPR protection and enforcement remain. These include

inadequate enforcement efforts, and a failure to provide additional training for judges who preside over IPR matters. In addition, Egypt should clarify its commitment to protect against unfair commercial use, as well as unauthorized disclosure, of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products, and to provide an effective system to address patent issues expeditiously in connection with applications to market pharmaceutical products. The United States looks forward to engaging with Egyptian officials at the appropriate time on these and other matters.

Finland

Finland remains on the Watch List. The United States continues to be concerned about the lack of product patent protection for certain pharmaceutical products. U.S. industry continues to express concern that the regulatory framework in Finland regarding process patents filed before 1995, and pending in 1996, denies adequate protection to many of the top-selling U.S. pharmaceutical products currently on the Finnish market. The United States will continue to work with Finland to address this and other matters.

Greece

Greece remains on the Watch List. Greece made some progress in 2010, including by creating a Special IP Protection Department within its tax police, establishing special IPR courts, and by creating two new IPR divisions within the Ministry of Finance's Financial Crime Prosecution Agency. In addition, Greece amended its copyright law to provide for administrative fines against shops that sell illegal sound recordings. While the United States appreciates the impact of the financial crisis on various initiatives, the United States is concerned that steps that Greece took to improve the coordination of enforcement efforts did not continue in 2010 and that enforcement efforts remain weak. Greece has also made only incremental progress in implementing its 2009 IPR action plan. The United States urges Greece to take more sustained action against IPR infringement and ensure that the appropriate tools are available to address counterfeiting and piracy. The United States will continue to work with Greece to address these and other issues.

Guatemala

Guatemala remains on the Watch List. Guatemala continues to improve its IPR enforcement framework. The new IPR prosecutor has worked to improve enforcement efforts by increasing the number of investigations, issuing more fines, securing more convictions for IPR violations, and seizing a significant amount of pirated and counterfeit products. In addition, the interagency IPR working group has focused its efforts on the training of judges and officials, including training aimed at identifying and preserving evidence of counterfeit medications. Training efforts have also led to improved cooperation between the IPR prosecutor, enforcement agencies, and rights holders. However, piracy and counterfeiting remain widespread, and concerns remain that the resources available for enforcement activities may be inadequate. The United States encourages Guatemala to continue its efforts, despite recent budget cuts, and to focus its enforcement efforts against manufacturers of pirated and counterfeit goods. The United States looks forward to continuing engagement with Guatemala on these and other matters and will monitor Guatemala's implementation of its commitments under CAFTA-DR.

Italy

Italy remains on the Watch List with an Out-of-Cycle review to be conducted this year. Italy continued to make progress in improving its IPR protection and enforcement in 2010, including by increased cooperation among law enforcement officials and improved enforcement actions against certain types of IPR violations. The United States remains concerned that, overall enforcement against copyright piracy continues to be inadequate and that piracy over the Internet continues to grow, severely damaging the legitimate market for distribution of copyrighted works. The United States welcomes recent efforts to address piracy over the Internet, and looks forward to measures to help ameliorate this problem. Specifically, proposed regulations by the Italian Communications Authority (AGCOM) could provide rights holders with an avenue to curb IPR violations online in an effective manner. The United States encourages Italy to ensure that the AGCOM regulations are swiftly promulgated and implemented, that these regulations create an effective mechanism against copyright piracy over the Internet, and that they address all types of piracy that takes place online. The United States also encourages Italy to address other IPR issues, including a troubling Data Protection Agency ruling prohibiting the monitoring of peer-to-peer networks. While rights holders report good efforts by the Finance Police and the Customs Police, few cases reach final sentencing and courts still fail to impose deterrent level sentences. The United States will continue to work with Italy to address these and other matters.

Jamaica

Jamaica remains on the Watch List. Jamaica has continued to make progress by increasing its IPR enforcement and training efforts. Rights holders are also filing an increasing number of cases in the Jamaican court system. However, the United States urges Jamaica to improve its IPR protection and enforcement. To date, Jamaica has not enacted the Patents and Designs Act, which is intended to implement certain provisions of the TRIPS Agreement and the United States-Jamaica Bilateral Intellectual Property Agreement. The United States recommends that Jamaica provide for deterrent level sentences to be imposed against IPR infringers. The United States will continue to work with Jamaica to address these and other issues.

Kuwait

Kuwait remains on the Watch List. Customs authorities continue to make progress on enforcement against piracy and counterfeiting. However, enforcement efforts are hampered by the lack of coordination among different agencies, and by the judiciary's failure to impose deterrent penalties against IPR violators. The United States remains concerned that several key pieces of draft IPR legislation, particularly proposed amendments to the 1999 copyright law, have remained pending for many years. The United States continues to provide technical assistance in connection with Kuwait's legislative efforts and encourages Kuwait to enact and implement legislation to strengthen its IPR protections, and to improve its enforcement efforts. The United States will continue to work with Kuwait to address these and other matters.

Lebanon

Lebanon remains on the Watch List. Lebanon continued working to improve its IPR legislative framework in 2010. Lebanon's parliament ratified the WIPO Internet Treaties, and began work on amendments to the Patent Law to provide an effective system for protecting against unfair commercial use, as well as unauthorized disclosure, of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. In the fall of 2011, the Judicial Training Institute will, for the first time, include IPR courses in its training program for new judges. The United States hopes this will help increase judicial awareness of the importance of effective protection and enforcement of IPR. However, several other necessary legislative measures concerning IPR remain pending. Although the Cyber Crime and Intellectual Property Rights Bureau of the police department tried to improve its enforcement efforts, the Bureau still lacks *ex officio* authority. A rights holder must file a complaint before the Bureau may initiate a criminal investigation, and this presents a hurdle to effective IPR enforcement. Rights holders continue to assert that more effort is necessary to combat piracy and counterfeiting effectively, including counterfeiting of medicines. The United States will continue to work with Lebanon to address these and other matters.

Malaysia

Malaysia remains on the Watch List. Malaysia continues to make positive progress with respect to the protection and enforcement of IPR. In 2010, Malaysia introduced amendments to its copyright law that intended to, among other things, implement the WIPO Internet Treaties and prohibit unauthorized camcording of motion pictures in theaters. In addition, the Ministry of Domestic Trade, Cooperatives, and Consumerism (MDTCC) offered more cooperation with, and was more responsive to, rights holders on matters pertaining to IPR enforcement. MDTCC revived its Special Anti-Piracy Taskforce, which led to more effective enforcement efforts. The MDTCC also instructed its enforcement division to begin to take *ex officio* action in 2010, resulting in significant seizures of pirated products. The United States is encouraged by Malaysia's establishment of specialized IPR courts, and by the training on IPR that Malaysia has provided to prosecutors. Nonetheless, enforcement efforts are hampered by a lack of follow-up investigations and effective prosecutions. Pirated and counterfeit products continue to be widely available in Malaysia, and book piracy remains a significant problem. Industry also reports an increase in piracy over the Internet. The United States encourages Malaysia to provide an effective system to address patent issues expeditiously in connection with applications for marketing of pharmaceutical products, and to address continuing concerns regarding Malaysia's protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. The United States looks forward to working with Malaysia to make progress on these and other issues.

Mexico

Mexico remains on the Watch List. Overall, Mexico continued to make progress in its IPR enforcement efforts in 2010, although piracy and counterfeiting rates remain high. Following recent leadership changes in several key agencies, the United States encourages Mexico to sustain positive momentum. Progress in 2010 was reflected in a record number of convictions for IPR violations, including Mexico's first conviction for unauthorized camcording of motion pictures in theaters. The

2010 enactment of legislation granting *ex officio* authority to Mexico's law enforcement officials was also positive, although the United States continues to encourage Mexico to provide its Customs officials with *ex officio* authority. There was also an increase in the number of prosecutions and deterrent-level sentences, although not all IPR violations are prosecuted in a uniform, consistent manner. Cooperation among enforcement officials has continued to improve, but coordination at the federal, state and municipal levels remains weak. The United States continues to encourage Mexico to increase resources devoted to prosecuting IPR violations and to improve enforcement efforts at the border. The United States recommends that Mexico enact legislation to strengthen its copyright regime, including by implementing the WIPO Internet Treaties and by providing stronger protection measures against unauthorized camcording of motion pictures in theaters. The United States also recommends that Mexico provide protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. Furthermore, in light of a January 2010 Supreme Court decision interpreting Mexico's Linkage Decree, the United States also recommends that Mexico clarify its system for addressing patent infringement allegations during the pendency of a related application for marketing approval of a pharmaceutical product. The United States looks forward to continuing to work with Mexico to address these and other issues.

Norway

Norway remains on the Watch List. The United States is encouraged by a proposed amendment to the Norwegian copyright law providing for the blocking of downloading and streaming sites, as well as the use of formal guidelines for warning letters. The United States continues to be concerned about the lack of product patent protection for certain pharmaceutical products. U.S. industry has expressed concerns that Norway's regulatory framework for process patents filed prior to 1992, and pending in 1996, denies adequate patent protection for a number of pharmaceutical products currently on the Norwegian market. The United States will continue to work with Norway to address this IPR concern. The United States will continue to work with Norway to address these and other matters.

Peru

Peru remains on the Watch List. Peru continued implementing its National Strategic Plan to combat counterfeiting and piracy. Peru also improved its enforcement efforts in 2010, including through action by its tax authority and its intellectual property office that led to significant raids and seizures at ports and at some of the largest and most well-known markets in Peru. However, additional resources are needed to expand on these enforcement efforts, and Peru should improve its border controls and judicial system. Peru should increase its efforts to prevent the government's use of unlicensed software as provided for under the United States-Peru Trade Promotion Agreement. Industry reports some possible improvements in Peru's system for protecting undisclosed test or other data submitted to obtain marketing approval for agricultural chemical products. However, the United States is concerned by recent developments in the protection of patents in Peru, and encourages Peru to clarify its protections for biotechnologically-derived pharmaceutical products. The United States looks forward to continuing to engage with Peru on these and other issues.

Philippines

The Philippines remains on the Watch List. The United States recognizes that in 2010 the Philippines took the important step of enacting legislation to address unauthorized camcording of motion pictures in theaters, and encourages the Philippines to enforce this new law effectively in order to deter the theft of motion pictures. However, despite an increase in enforcement efforts, pirated and counterfeit goods remain widely available in the Philippines. The Philippines should also enact legislation to amend its copyright law, which has been pending for many years. That legislation would, among other things, implement the WIPO Internet Treaties. The United States also encourages the Philippines to take steps to implement its 2011 IPR action plan. While additional efforts have been made to improve coordination among enforcement officials and to strengthen enforcement powers, the judicial system remains inefficient, with very few criminal IPR cases resulting in convictions over the last decade. In addition, the judiciary's decisions with respect to provisional measures, in particular on whether to maintain or revoke search and seizure orders, have not been predictable. The United States encourages the Philippines to continue efforts to reform its judicial system, including by designating particular courts to adjudicate civil and criminal IPR cases, and by promulgating specialized IPR procedural rules that would streamline the judicial process for IPR cases. The United States remains concerned about amendments to the Patent Law that limit the patentability of certain chemical forms unless the applicant demonstrates increased efficacy. The United States urges the Philippines to make progress in the short term to address these and other matters.

Romania

Romania remains on the Watch List. Romania took some positive steps in 2010 by disseminating manuals on addressing software piracy and by issuing instructions for interagency cooperation. Romanian officials have also actively participated in IPR training programs. However, the United States is concerned by an apparent decrease in commitment to IPR enforcement in Romania, reflected for example in reduced cooperation among enforcement authorities, decreased cooperation of police and prosecutors with rights holders, and a decrease in the number of enforcement actions. These developments may have resulted both from budgetary factors and from amendments to the criminal procedure code. Moreover, while the availability of infringing optical discs has decreased, piracy over the Internet, especially peer-to-peer downloading, continues to increase, and enforcement efforts have not addressed the problem effectively. The United States will monitor the effects of recent changes to the Penal Code which, among other things, provide for IPR cases to be adjudicated in lower-level courts, whose judges and prosecutors have much less IPR expertise. There is concern that this could have a negative impact on prosecutions and sentencing in IPR cases. The United States urges Romania to take steps to address judicial delays and the lack of deterrent-level sentences. The United States will continue to work with Romania to address these and other concerns.

Spain

Spain remains on the Watch List. The United States welcomes the recent passage of legislation that will provide a mechanism for rights holders to remove or block access to infringing content online. Spain has demonstrated a serious commitment to addressing piracy over the Internet with this initiative. The United States will monitor implementation of the legislation and urges Spain to

ensure that it addresses all forms of piracy over the Internet and that it provides for the swift removal of infringing content. The United States also urges Spain to continue to work to address additional concerns about piracy over the Internet, including the inability of rights holders to obtain identifying information necessary to prosecute online IPR infringers. Additionally, a 2006 Prosecutor General Circular that appears to decriminalize illegal peer-to-peer file sharing of infringing materials remains of concern. Delays in the adjudication of cases are common within Spain's judicial system, and judges do not appear to impose criminal penalties for IPR infringement crimes. The United States looks forward to continuing to work with Spain to address these and other concerns.

Tajikistan

Tajikistan remains on the Watch List. Tajikistan made progress in 2010 by ratifying the WIPO Performances and Phonograms Treaty. Once Tajikistan accedes to that treaty, U.S. and other foreign sound recordings may enjoy protection in Tajikistan. The United States encourages the Ministry of Foreign Affairs to complete its accession to the treaty in 2011. However, Tajikistan has yet to fully implement its IPR commitments under the 1993 United States-Tajikistan Trade Agreement. Additionally, concerns persist because, among other things, Tajikistan has not provided its authorities with *ex officio* authority in the area of border and criminal enforcement. The United States will continue to work with Tajikistan on these and other matters.

Turkey

Turkey remains on the Watch List. Turkey made progress in 2010 by establishing specialized IPR courts in three major cities, by increasing public awareness of IPR issues, and by undertaking IPR training initiatives. However, the United States urges Turkey to do more. Counterfeiting and piracy remain widespread, including piracy of books and of entertainment and business software, and there has been a reported increase in piracy over the Internet. While Turkey has ratified several international IPR treaties, such as the WIPO Internet Treaties in 2009, it should enact many legislative reforms in order to ensure strong protection and enforcement of IPR. Turkey's IPR enforcement efforts are increasing, and the United States encourages Turkey to improve interagency coordination and to provide additional training for judges on IPR laws and principles. U.S. industry continues to raise serious concerns regarding the export from, and transshipment through, Turkey of counterfeit and pirated products. There are reports that the Constitutional Court's dismissal of several trademark-related cases in 2008 has caused uncertainty with respect to the protection of the trademarks at issue in those cases. The United States encourages Turkey to clarify its protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approvals for pharmaceutical products. The United States will continue to work cooperatively with Turkey on these and other matters.

Turkmenistan

Turkmenistan remains on the Watch List. The United States is encouraged by the Parliament's recent announcements that Turkmenistan plans to join the Berne Convention for the Protection of Literary and Artistic Works and the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonographs (Geneva Phonograms Convention) in 2011. Reports that Turkmenistan plans to enact a new copyright law in 2011 are likewise positive. However, Turkmenistan has yet to implement fully the IPR provisions of the 1993 United

States-Turkmenistan Trade Agreement. Turkmenistan should also adopt more comprehensive administrative, civil, and criminal procedures for adjudicating IPR cases, and impose penalties for IPR infringement. Such steps would help to combat copyright piracy and trademark counterfeiting. Other steps that Turkmenistan should take include granting *ex officio* authority to its Customs officials to interdict suspected infringing materials at the border. The United States urges Turkmenistan to improve its IPR regime, including by adopting the necessary legal reforms to implement its commitments under the 1993 bilateral trade agreement. The United States looks forward to working with Turkmenistan on these and other matters.

Ukraine

Ukraine remains on the Watch List. Ukraine made some improvements in 2010, including by developing and adopting a highly publicized IPR action plan. The United States encourages Ukraine to meet the goals set forth in that action plan, which include addressing the government's use of unlicensed software, amending the Ukrainian copyright law, and increasing IPR enforcement. Overall enforcement efforts in Ukraine have not yet effectively addressed the widespread availability of counterfeit and pirated products, many of which are transshipped through Ukraine to third countries. Customs officials continue to lack *ex officio* authority to interdict shipments. Piracy over the Internet has reportedly increased, and the United States encourages Ukraine to adopt proposed legislation to provide an appropriate regime for notice and takedown. While Ukraine remains one of the world's leading distributors of unauthorized camcorderd movies, reports indicate that this illegal activity decreased significantly in 2010. The United States encourages Ukraine to improve the operation of its judicial system, which suffers from significant delays, a lack of deterrent-level sentences, and judges who lack relevant IPR expertise. The United States looks forward to engaging with Ukraine to address these and other issues and to assess the results of Ukraine's implementation of its action plan.

Uzbekistan

Uzbekistan remains on the Watch List. Uzbekistan has yet to fully implement its IPR-related commitments under the 1994 United States-Uzbekistan Trade Agreement. Uzbekistan's copyright law contains a number of gaps, and does not provide protection for preexisting works or for U.S. and other foreign sound recordings. Uzbekistan has also not joined the Geneva Phonograms Convention. While enforcement has improved slightly, criminal penalties for IPR infringement are not sufficient to deter further infringement. Additionally, amendments are needed to provide enforcement officials, including Customs officials, with *ex officio* authority to initiate investigations and enforcement actions. The United States will continue to work with Uzbekistan on these and other issues.

Vietnam

Vietnam remains on the Watch List. While Vietnam took steps to implement important amendments to its IP Law in 2010, the United States urges Vietnam to do more to ensure full implementation. Vietnam made positive progress in 2010 by clarifying certain administrative procedures. However, additional work is needed to streamline enforcement efforts and to improve coordination among enforcement authorities, including by making clear the respective areas of responsibility of the

various enforcement agencies. Although the General Department of Customs established an investigative IPR protection task force to focus efforts on protecting IPRs at the border, a range of IPR enforcement problems remain. These problems include high levels of copyright piracy, increasing levels of piracy over the Internet, satellite and cable signal piracy, and the general availability of counterfeit goods in the marketplace. The United States continues to encourage Vietnam's enforcement agencies to initiate more criminal prosecutions, and to impose deterrent-level sentences in appropriate cases. The United States encourages Vietnam to clarify its system for protecting against unfair commercial use, as well as unauthorized disclosure, of undisclosed test and other data generated to obtain marketing approval for pharmaceutical products. The United States will continue to engage with Vietnam under the U.S.-Vietnam Trade and Investment Framework Agreement to address these and other issues.