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## Philippines remains on piracy watch list

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DESPITE high-profile raids and publicity stunts, the Philippines has fallen short of addressing violations of intellectual property rights (IPR) in the country, according to the US government.

In its Special 301 Report released April 30, the Office of the US Trade Representative (USTR) retained the Philippines on its Watch List, citing Manila's "ineffective enforcement of IPR," which "continues to be a concern."

The Special 301 Report recommends trade barriers or sanctions on US trading partners that are perceived lacking in IPR protection.

"Although some agencies continue making progress to increase raid and seizure activity, these efforts have proven inefficient to address widespread piracy and counterfeiting in the [Philippines]," the USTR said.

The Philippines has been on the lower-level Watch List of the Special 301 Report since 2005.

The USTR once again cited 168 Mall, Binondo, Greenhills, Makati Cinema Square and Quiapo as so-called "notorious markets" or piracy hotspots in the country.

"Street stalls in these areas are a haven for counterfeit clothing, shoes, watches and handbags," the USTR said. "Due to the unwillingness of local investigation agencies and government authorities to confront stall owners, trademark owners have a difficult time obtaining meaningful government action."

"[A]lthough a 2006 Executive Order established landlord liability, reportedly no landlords have yet been prosecuted for IPR violations," the USTR said.

While the Philippine judiciary made inroads in strengthening IPR protection through the creation of specialized courts, the USTR said that the legislative branch of government still has much work to do.

"The US encourages the Philippines to complete its work on legislative reforms needed to strengthen IPR protection, including the implementation of the WIPO [World Intellectual Property Organization] Internet Treaties, which have been pending in Congress for years, and the final signing of the Anti-Camcording Bill," the US agency said.

Washington is also "concerned about amendments to the Patent Law that prohibit patents on certain chemical forms unless the applicant demonstrates increased efficacy."

"Intellectual property theft in overseas markets is an export killer for American businesses and a job killer for American workers here at home. USTR's Special 301 report is important because it serves as the foundation for a year-round process used to secure meaningful reforms that bolsters our exports and supports American jobs in IPR-intensive industries," Ambassador Ron Kirk of the USTR said.

The USTR said it would conduct an out-of-cycle review for the Philippines, as well as Thailand, this year, to "monitor progress on specific IPR issues, which will allow us to deepen our IPR dialogue and cooperation with two key trading partners."

Besides the Philippines, other countries on the Watch List are Belarus, Bolivia, Brazil, Brunei, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, Finland, Greece, Guatemala, Italy, Jamaica, Kuwait, Lebanon, Malaysia, Mexico, Norway, Peru, Romania, Spain, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan and Vietnam.

China, Russia, Algeria, Argentina, Canada, Chile, India, Indonesia, Pakistan, Thailand and Venezuela were placed on the higher-level Priority Watch List this year. The USTR said these 11 nations would be "the subject of particularly intense engagement through bilateral discussion during the coming year," as they "do not provide an adequate level of IPR protection or enforcement, or market access for persons relying on intellectual property protection."

Similar to last year, Paraguay would still be under Section 306 monitoring through a bilateral memorandum of understanding.

Czech Republic, Hungary and Poland were removed from the Watch List of the 2010 Special 301 Report.

For the 2010 report, the USTR reviewed IPR protection and enforcement efforts in 77 countries.