
1. India Remains on U.S. Priority Watch List

Prelims Syllabus: International

Mains Syllabus: GS-II Bilateral, Regional and Global Groupings and Agreements Involving INDIA and/or affecting India's Interests.

Why in News?

- India continues to be on the 'Priority Watch List' of the United States Trade Representative (USTR) Special 301 report for lack of adequate intellectual property (IP) rights protection and enforcement.

Highlights:

- While India made "meaningful progress" to enhance IP protection and enforcement in some areas over the past year, it did not resolve recent and long-standing challenges, and created new ones.
- Algeria, Argentina, Chile, China, Indonesia, Russia, Saudi Arabia, Ukraine and Venezuela are also on the Priority Watch List.
- Online IP enforcement in India has improved but progress is undercut by factors including
 - ✓ Weak enforcement by courts and the police,
 - ✓ Lack of familiarity with investigative techniques and
 - ✓ No centralised IP enforcement agency.
- The same assessment was made in the 2019 report.
- The report notes some of the best practices by India in the IP sector last year.
 - ✓ For instance, India's Cell for Intellectual Property Rights Promotion and Management (CIPAM) that organises and spearheads the government's efforts to simplify and streamline IP processes, increase IP awareness, promote commercialization, and enhance enforcement.
- Long-standing concerns were about -Innovators not being able to receive, maintain and enforce patents particularly in the pharmaceutical sector.
- India also restricted the transparency of information provided on state-issued pharmaceutical manufacturing licenses,
- Continues to apply restrictive patentability criteria to reject pharmaceutical patents, and
- Still has not established an effective system for protecting against the unfair commercial use, as well as the unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceuticals and certain agricultural chemical products.

- Concerns over copyright laws not incentivising the creation and commercialisation of content.
 - ✓ Further 2019 draft Copyright Amendment Rules, if implemented, would have “severe” consequences for Internet-content rights holders, as the proposed rules broadened the scope of compulsory licensing from radio and television broadcasting to online broadcasting.
 - ✓ Compulsory licensing is when a government allows someone else to produce a patented product or process without the consent of the patent owner or plans to use the patent-protected invention itself.
- An outdated trade secrets framework.
 - ✓ Trademark counterfeiting levels were “problematic” and there were “excessive delays” in obtaining trademarks due to a lack of examination quality.
 - ✓ The U.S. continues to urge India to join the Singapore Treaty on the Law of Trademarks, a treaty that harmonises trademark registration.
- India maintains extremely high customs duties directed to IP-intensive products such as medical devices, pharmaceuticals, Information and Communications Technology (ICT) products etc. which hinders the trade.
- The USTR also noted that India was ranked among the top five source economies for fake goods by the Organization of Economic Development and Cooperation (OECD) in 2019.

Way Ahead:

- Priority watch countries will be the subject of increased bilateral engagement with the USTR to address Intellectual Property (IP) concerns.
- The USTR will review the developments against the benchmarks established in the Special 301 action plans for countries that have been on the ‘Priority Watch List’ for multiple years.
- For such countries that fail to address US’ concerns, the USTR will take appropriate actions, such as
 - ✓ Enforcement actions under Section 301 of the Trade Act or
 - ✓ Pursuant to World Trade Organisation or other trade agreement dispute settlement procedures

Intellectual Property:

- It is a category of property that includes intangible creations of the human intellect.

- There are many types of intellectual property, and some countries recognize more than others.
- The most well-known types are copyrights, patents, trademarks, and trade secrets.
- The main purpose of intellectual property law is to encourage the creation of a wide variety of intellectual goods.
- To achieve this, the law gives people and businesses property rights to the information and intellectual goods they create, usually for a limited period of time.
- This gives economic incentive for their creation, because it allows people to profit from the information and intellectual goods they create.

Special 301 Report:

- It is prepared annually by the Office of the United States Trade Representative (USTR) that identifies trade barriers to United States companies and products due to the intellectual property laws, such as copyright, patents and trademarks, in other countries.
- The USTR must identify countries which do not provide -
- Adequate and effective protection of intellectual property rights, or
- fair and equitable market access to United States persons that rely upon intellectual property rights
- It is published pursuant to Section 301 of the Trade Act of 1974 as amended by Section 1303 of the Omnibus Trade and Competitiveness Act of 1988.
- It was first published in 1989.

Main Categories Under the Report:

- Priority Foreign Countries - These are judged to have inadequate intellectual property laws and may be subject to sanctions.
- Priority Watch List - These countries have serious intellectual property rights deficiencies which requires increased USTR attention.
- Watch List - These are identified as having serious intellectual property rights deficiencies but are not yet placed on the "Priority Watchlist"