

and may be extended for an additional 12 months thereafter, if certain conditions are met.

[FR Doc. 98-31279 Filed 11-23-98; 8:45 am]

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**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

[Docket No. 301-117]

Section 304 Determination: Intellectual Property Laws and Practices of the Government of Paraguay; Termination of Intellectual Property Review of Paraguay Under the Generalized System of Preferences (GSP)

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of determination, termination and monitoring.

SUMMARY: Having concluded the investigation undertaken pursuant to section 302 of the Trade Act of 1974, as amended ("Trade Act"), the United States Trade Representative (USTR) has determined pursuant to section 304(a)(1)(A)(ii) that certain acts, policies and practices of the Government of Paraguay concerning the protection and enforcement of intellectual property rights are unreasonable and discriminatory and constitute a burden or restriction on United States commerce. On November 17, 1998, the United States and Paraguay signed a Memorandum of Understanding (MOU) in which the Government of Paraguay committed to take a number of near-term and longer-term actions to address the practices that were the subject of this investigation. In light of the foregoing, the USTR has determined: not to take further action at this time; to terminate the investigation; and to monitor Paraguay's implementation of the MOU. The GSP review of Paraguay's intellectual property practices has also been terminated.

EFFECTIVE DATE: November 17, 1998.

FOR FURTHER INFORMATION CONTACT: Claude Burcky, Director for Intellectual Property, (202) 395-6864; Kellie Meiman, Director for Mercosur and the Southern Cone, (202) 395-5190; or GERALYN S. RITTER, Assistant General Counsel, (202) 395-6800.

SUPPLEMENTARY INFORMATION: On January 16, 1998, the USTR identified Paraguay as a "priority foreign country" under the "Special 301" provisions of the Trade Act (19 U.S.C. 2242). In identifying Paraguay as a "priority foreign country," the USTR noted deficiencies in Paraguay's acts, policies, and practices regarding intellectual

property, including a lack of effective action to enforce intellectual property rights. The USTR also observed that the Government of Paraguay had failed to enact adequate and effective intellectual property legislation covering patents, copyrights and trademarks. As required under Section 302(b)(2)(A) of the Trade Act, (19 U.S.C. 2412(b)(2)(A)), the USTR initiated an investigation of these acts, policies and practices on February 17, 1998. On August 4, 1998, the USTR extended the investigation until November 17, 1998, in light of the complex and complicated issues involved, pursuant to section 304(a)(3)(B) of the Trade Act. On October 16, 1998, the USTR proposed to determine under section 304(a)(1)(A)(ii) that the Government of Paraguay's acts, policies and practices regarding intellectual property are unreasonable, discriminatory and burden or restrict U.S. commerce, and requested public comment on what action, if any, to take in response.

During bilateral negotiations held to resolve these issues, the Government of Paraguay indicated that it has undertaken and will undertake a number of actions to improve the protection of intellectual property rights in Paraguay. For example, since this investigation was initiated, Paraguay has passed new copyright and trademark laws, and has undertaken efforts to legalize government use of software. The Government of Paraguay also has made efforts to improve enforcement of intellectual property rights, including conducting a number of notable recent seizures of counterfeit and pirated products. Despite these efforts, however, piracy and counterfeiting of U.S. products continue to be serious problems in Paraguay.

On November 17, 1998, the United States and Paraguay signed an MOU that includes an Enforcement Action Plan to address the issues that were the subject of this investigation. The MOU contains specific near-term and longer-term obligations that, when fully implemented, will greatly strengthen Paraguayan intellectual property law and enforcement procedures. For example, Paraguay has committed to implement institutional reforms to strengthen enforcement at its borders and to pursue amendments that will facilitate effective prosecution of copyright piracy. Paraguay also has committed to take immediate action against known centers of piracy and counterfeiting, and to coordinate the anti-piracy efforts of its customs, police, prosecutorial and tax authorities. In addition, Paraguay has agreed to pursue reform of its patent law, and to ensure

that its government ministries use only authorized software.

Section 304 Determination

The USTR determines pursuant to section 304(a)(1)(A)(ii) of the Trade Act that acts, policies, and practices of the Government of Paraguay with respect to the protection and enforcement of intellectual property rights are unreasonable and discriminatory and constitute a burden or restriction on U.S. commerce. In light of the MOU signed by the Government of Paraguay on November 17, 1998, the USTR has determined not to take further action at this time under section 301(b)(2) of the Trade Act and has terminated this investigation. Pursuant to section 306 of the Trade Act, the USTR will monitor Paraguay's implementation of the MOU and will determine what further action to take under section 301(a) of the Trade Act if Paraguay does not satisfactorily implement the MOU.

Termination of GSP Review

In 1996, a review of Paraguay's protection of intellectual property rights was initiated in response to a petition filed by Nintendo. In light of the above-referenced MOU and Paraguay's recent steps to improve intellectual property protection, the GSP review is terminated.

Joanna K. McIntosh,

Chairman, Section 301 Committee.

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DEPARTMENT OF TRANSPORTATION

Office of the Secretary

**Aviation Proceedings, Agreements
Filed During the Week Ending
November 13, 1998**

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C. 412 and 414. Answers may be filed within 21 days of date of filing.

Docket Number: OST-98-4726

Date Filed: November 9, 1998

Parties: Members of the International Air Transport Association

Subject:

COMP Telex Passenger/Cargo Mail

Vote 972

Zimbabwe Currency Conversion

r1-010x r2-010mm

Intended effective date: January 1, 1999.

Docket Number: OST-98-4727

Date Filed: November 9, 1998

Parties: Members of the International Air Transport Association