

SECTION 306

PARAGUAY

In 2009, the United States will continue to monitor Paraguay under Section 306, specifically with respect to Paraguay's implementation of bilateral agreement regarding IPR protection and enforcement. In 2008, the United States and Paraguay signed an extension and revision of a previous Memorandum of Understanding, which will remain in effect through 2009. 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). However, 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 being issued. A new penal code, approved in 2008, provides minimum sentences for counterfeiting and piracy. The United States urges effective prosecutions under this new law, which goes into effect in July 2009. 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.