US Naming India for Violating US Intellectual Property Rights

54. SHRI SANAT KUMAR MANDAL: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government have studied the implications of the U.S. decision to name India as a priority foreign country violating US intellectual property rights;

(b) if so, the Government’s reaction thereto; and

(c) the measures which the Government propose to take against the U.S. threat to impose trade on its own terms?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) On 26 April, 1991, the United States Trade Representative designated India as a Priority Foreign Country under the Special 301 provision of the U.S. Omnibus Trade & Competitiveness Act of 1988, along with China and Thailand for allegedly denying adequate and effective protection of intellectual property rights and having an adverse impact, actual or potential on US products.

Under the Special 301 provisions, if a country is identified as a Priority Foreign Country, the USTR must initiated an investigation of the policies and practices that were the basis of the identification within 30 days. The investigation must be concluded within six months, unless it is extended by a further three months. At the end of the investigation period, the USTR must decide whether the measures under investigation are actionable and if so, decide what response is appropriate, including possible retaliation.

Government of India has regretted the unilateral decision of the Government of United States when these issues are already being negotiated in the Uruguay Round of Multilateral Trade Negotiations.

Retaliatory action under Special 301 is not mandatory. Further the U.S. Trade Representative has stated that imposition of trade sanctions is not inevitable or desirable.