

1. Taiwan on Special 301 “Priority Watch List”

Taiwan’s Bureau of Foreign Trade indicated that at 3pm on April 30 (U.S. Eastern Time), the USTR had released its Special 301 Report for 2002, which listed a total of 51 of U.S.’s trade partners. Taiwan was named on the “Priority Watch List”.

USTR categorizes countries based on 3 different degrees of inadequacy in their intellectual property protection: “priority foreign countries”, “priority watch list” and “general watch list”. The U.S. would engage in discussions with countries named on the “priority foreign countries” list within 6 months, and if an agreement could not be reached, the U.S. would adopt relevant trade retaliation measures. Countries named on the “priority watch list” or “general watch list” would not face any immediate retaliation measures or requests for negotiation, unless more serious violations of intellectual property rights were discovered. If the U.S. has the view that there is a need to review certain countries, then those countries may be listed on the “irregular review” list. If a country were listed as “under monitoring” or as “Section 306”, then if that country has already breached its bilateral IP agreement with the U.S. under the U.S. *Trade Act*, and has not made promised improvements, the U.S. can proceed directly with trade sanctions without further investigations or discussions.

During the Special 301 Report of 2002, the U.S. expressed its disappointment in Taiwan’s *Optical Media Management Law*, and had also accused Taiwan of being the main source of pirated optical media products globally. Further more, in its view a substantial proportion of Taiwanese businesses are still using unlicensed software, and there are also problems with trademark infringements, including pharmaceutical product trademarks.

2. Taiwan & U.S. Sign “Agreement on Criminal Justice Cooperation”

The Ministry of Justice indicated Taiwan and the U.S. had recently signed an “Agreement on Criminal Justice Cooperation” on the afternoon of March 26, 2002 (U.S. Eastern Time). The signing took place at the AIT, and the signatories were Mr. CHEN Chien-jen of Taiwan’s TECRO in U.S., and Mr. PU Jui-che, Chairman of AIT. Criminal justice cooperation provided by the two countries under the said Agreement include: (1) Interrogation of witnesses; (2) Provision of such evidence as documents, records, and objects; (3) Location of relevant parties and confirmation of identity; (4) Service of documents; (5) Transporting persons in custody for testimonial or other purposes; (6) Executing requests for search and arrests; (7) Provide assistance in freezing and confiscating assets, payment of damages, collection of fines; (8) Any other form of assistance that does not violate the laws of the country receiving the application for assistance.

The signing of this Agreement will strengthen cooperative relationship between Taiwanese and U.S. judicial authorities in combating cross-national crimes, including drug-related crimes, money laundering, economic crimes, Internet crimes and so on. It will also facilitate our assistance to the U.S. in fighting against terrorism.