IACC
INTERNATIONAL ANTICOUNTERFEITING COALITION

Submission of the International AntiCounterfeiting Coalition to the United States Trade Representative

2026 Special 301 Review Identification of Countries Under Section 182 of the Trade Act of 1974 90 FR 57519 – 21 (December 11, 2025)

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TABLE OF CONTENTS

Introduction	1

I. Priority Watch List Recommendations

Argentina	3
China	4
India	7
Indonesia	9
Mexico	10
Philippines	12
Russia	14

II. Watch List Recommendations

Bolivia	15
Brazil	17
Canada	19
Colombia	21
Ecuador	23
Egypt	25
Iraq	27
Kuwait	28
Malaysia	29
Morocco	30
Oman	32
Panama	33
Paraguay	34
Saudi Arabia	36
South Africa	37
Thailand	38
Türkiye	39
United Arab Emirates	41
Vietnam	42

III. Other Observations / No Formal Recommendation for Placement

Armenia	43
Bangladesh	44
Cambodia	45
Kenya	46
Ukraine	47

INTRODUCTION

The International AntiCounterfeiting Coalition, Inc. ("IACC"), is pleased to submit these comments to the Office of the United States Trade Representative ("USTR"), pursuant to the request published in the Federal Register on December 11, 2025, seeking written submissions from the public concerning the acts, policies, and practices of foreign countries relevant to the determination by the USTR, in cooperation with its interagency partners in the Special 301 review ("Special 301"), under Section 182 of the Omnibus Trade and Competitiveness Act of 1988, 19 USC § 2242, of countries that deny adequate and effective protection of intellectual property rights ("IPR") or deny fair and equitable market access to U.S. persons who rely on intellectual property protection.

The IACC is the world's oldest and largest organization dedicated exclusively to combatting trademark counterfeiting and copyright piracy. Founded in 1979, and based in Washington, D.C., the IACC represents manufacturers, trade associations, and professional firms, spanning a broad cross-section of industries; our members include manufacturers and distributors of thousands of the world's best-known brands in the apparel, automotive, electronics, entertainment, luxury goods, pharmaceutical, personal care, wine and spirits, software, and other consumer product sectors.

Central to the IACC's mission is the education of both the general public and policymakers regarding the severity and scope of the harms caused by intellectual property crimes – not only to legitimate manufacturers and retailers, but also to consumers and governments worldwide. The IACC seeks to address these threats by promoting the adoption of legislative and regulatory regimes to effectively protect intellectual property rights, and by encouraging the application of resources sufficient to implement and enforce those regimes.

To that end, the IACC worked with both foreign government officials and the private sector throughout the past year to identify, and to seek remedies to, legislative deficiencies and practical impediments to IP enforcement. The IACC has also led the development of voluntary collaborative programs on a global scale to address key priorities in the online space, including its RogueBlock and IACC MarketSafe programs. The role of governments in encouraging these types of collaborative approaches remains vital. Further, rightsholders continue to face obstacles to acquiring and effectively enforcing IP rights, requiring the direct intervention by governments at home and abroad. These challenges continue to evolve, and we welcome the assistance of the U.S. government in resolving both the new concerns highlighted in this year's comments, and those which have been reported in past years' submissions.

Whether measured in terms of lost sales by legitimate manufacturers, tax revenue and duties that go unpaid to governments, decreased employment, or diminished investment in research and development; counterfeiting is a significant drain on the U.S. and global economy. Further, the production and distribution of goods manufactured in an entirely unregulated supply chain, where the makers have every incentive to cut corners by using cheap, substandard components, and no incentive to abide by accepted standards of

product safety, presents a clear threat to the health and well-being of consumers, and to the integrity of our national security infrastructure. We look forward to working with you to ensure the safety of consumers and the vitality of the global marketplace for legitimate manufacturers and retailers.

As in past years, the comments submitted by the IACC are drawn from a variety of sources including surveys of and consultations with member companies, interviews with local experts in the identified countries of concern, research of publicly available sources, and data generated by the IACC through its own programs and direct engagement with foreign governments. It should be noted, however, that the countries and issues discussed herein do not represent an exhaustive list of rights-holders' concerns, but merely a snapshot of current and ongoing issues faced by rights-holders around the world, to which the IACC wishes to draw special attention. It is expected that the majority of the countries and issues raised in this filing will come as no surprise to USTR and the interagency team, as many of the concerns highlighted by IACC members involve long-standing issues that have been raised in previous years' filings.

Our comments this year cover 31 countries and span 5 continents, underscoring the truly global scope of the problems faced by rights-holders. Section I of our comments includes feedback in connection with 7 countries for which we recommend placement at the Priority Watch List level. Section II includes comments pertaining to 19 countries for which we recommend placement at the Watch List level. Section III offers comments in connection with 5 additional jurisdictions for which the IACC makes no formal placement recommendation. It is hoped that those comments will serve to inform the U.S. Government's ongoing work throughout the coming year. We thank you for the opportunity to share our experiences.

I. Priority Watch List Recommendations

ARGENTINA

Concerns Highlighted by USTR in 2025:

- Widespread trafficking of counterfeit and pirated goods and services, both in brick and mortar and online contexts, exacerbated by a lack of proactive enforcement, slowly progressing prosecutions, and nondeterrent penalties
- Failure to enact much-needed legislative amendments including proposals related to landlord liability and increased criminal penalties for counterfeiting by criminal networks

Additional Concerns Highlighted by IACC in 2025:

- N/A

Current Year Assessment:

IACC members broadly concurred with USTR's placement of Argentina on the Priority Watch List in 2025, and reported minimal progress on deficiencies previously identified. The country's border enforcement regime was the primary focus of stakeholders' feedback during this year's consultations; most respondents reported few notifications from Customs concerning detentions or seizures of counterfeits at the border. IACC member brands described Argentinian Customs as under-resourced – both in terms of personnel and material support – and lacking a clear strategy to interdict the high volumes of counterfeit imports that continue to inundate brick and mortar and online outlets (including notorious markets such as La Salada and Barrio Once).

The absence of effective assistance from government authorities at the border and within the internal market has led some rights-holders to rely almost exclusively on civil remedies. Unfortunately, those efforts continue to be hindered by inefficiently managed, slowly progressing court cases; as a result, such civil enforcement is seen as unnecessarily costly and time consuming. The lack of statutory damages introduces additional uncertainty over the value of litigation.

Absent a significant increase in the government's prioritization of addressing these and other long-standing concerns related to IP protection, most respondents expressed little optimism for improvement.

CHINA

Concerns Highlighted by USTR in 2025:

- Slow progress in implementing amendments to the country's legal framework related to the protection of IP rights, including amendments to the Criminal Law, Copyright Law, and Patent Law
- Failure to fully implement commitments undertaken pursuant to the United States-China Economic and Trade Agreement (Phase One Agreement)
- Insufficient progress in reining in the manufacture, domestic sales, and exports of counterfeit goods, including goods with clear consumer health and safety implications
- Widespread copyright piracy, and increasing concerns related to the facilitation of copyright piracy globally via the production and distribution of illicit streaming devices, piracy apps, and circumvention devices
- Concerns related to trademark examination quality and bad faith registrations

Additional Concerns Highlighted by IACC in 2025:

- Overreliance on administrative enforcement, minimizing deterrence against IP offenses; high thresholds for criminal referrals, compounded by a lack of transparency and consistency in calculating the severity of offenses
- Rampant sales of counterfeit and pirated goods through e-commerce channels
- Insufficient border enforcement efforts, borne out by China's continued status as the top source of counterfeit goods intercepted by U.S. Customs and Border Protection (and customs authorities in countless other jurisdictions); need for the adoption and implementation of KYC obligations for shipping and logistics intermediaries

Current Year Assessment:

While China's efforts to address longstanding concerns related to IP protection and enforcement have led to notable progress in recent years, the country remains the jurisdiction of greatest concern for IACC members across a wide range of product sectors. This will surely come as no surprise to USTR, given China's status as the top source globally for the production and export of all manner of counterfeit goods.

Online trafficking of counterfeits was a primary concern cited by IACC members this year; this includes sales through "traditional" channels such as standalone websites and e-commerce marketplaces, as well as increased traffic via social media channels (including in the context of "livestreamed flash sales," private selling groups, and via emerging strategies leveraging so-called "hidden links"). Stakeholders stressed the need for the implementation of enhanced vetting of online sellers, including more robust seller identification and verification standards, noting that despite recent amendments to

China's E-Commerce Law, bad actors continue to enjoy a great deal of anonymity online that greatly hinders enforcement efforts.

Though most respondents reported positive working relationships with Chinese enforcement authorities – several Public Security Bureau (PSB) offices throughout the country and the Ministry of Public Security (MPS) were each the subject of rights-holders' compliments during this year's consultations – members noted some areas in which improvements would be welcomed. For example, last year, the MPS issued new guidance which is said to have effectively precluded PSBs from taking on cross-jurisdictional cases, in turn limiting their ability to pursue actions against larger operations spanning multiple provinces.

We have also continued to hear IP owners' concerns related to enforcement agencies' procedures for determining case valuations (and in turn, whether the heightened deterrence available from criminal prosecutions will be available). Historically, rights-holders have bemoaned what has been viewed as an overly formalistic approach to collecting and considering evidence related to the true scope of an operation; that approach appears aimed more at facilitating a prompt resolution of the case than with creating a lasting impact. Oftentimes, enforcement agencies base their determination of the severity of a violation on the volume / value of illicit merchandise present at the time of a raid, to the exclusion of business records or other relevant evidence. As noted in past submissions, counterfeiters have become adept at minimizing their risk of criminal prosecution by managing inventory levels on hand at any single location, and this year we've also received reports regarding counterfeiters' regular destruction of electronic records with the aim of obfuscating the true scope of their operations. We would strongly encourage the PSBs to consider historical sales data, as evidenced by available business records, or which may be otherwise available from third parties (e.g., financial service providers).

Stakeholders also continue to report frustrations related to the PSBs' reliance upon Pricing Bureaus in determining case valuations, most notably in connection with the Pricing Bureaus' frequent refusal to include the value of goods intended for export in those calculations. Such decisions artificially deflate case values, decrease the likelihood that the threshold for criminal prosecution will be met, and in turn effectively limit the availability of deterrent penalties. Respondents expressed strong support both for lowering the current criminal thresholds and for the adoption of a statutory framework that more clearly establishes standards for calculating case values.

Rights-holders also described growing concerns over the frequency with which Public Prosecutors have chosen not to pursue prosecutions, even where the PSBs have seized illicit products in volumes/values that far exceed the current thresholds. The rationale for such decisions remains unclear, but whatever the reason, is the subject of a great deal of consternation.

With respect to China's border enforcement regime, even those brands who've reported regular, and significant, seizures underscored that China remains the top source of the counterfeit goods on offer in markets around the world. Many brands, however, stated that notifications from Customs – whether in connection with seizures, or requests for assistance in authenticating suspected counterfeits – remain relatively rare. We would encourage significantly greater coordination and intelligence sharing between China Customs and other key agencies within the enforcement landscape, including Hong Kong Customs & Excise given the volume of exports from mainland China which pass through Hong Kong en route to other global markets. Neither China, nor its counterparts in other jurisdictions, though can seize the overwhelming volume of counterfeit goods at issue; greater emphasis must be placed on tracing illicit shipments back to their source. Doing so however will require improved collaboration, while also addressing longstanding obstacles to enforcement. In past years, the IACC has urged the adoption and implementation of effective "Know Your Customer" obligations, and imposing clear duties on shipping and logistics intermediaries to assist Customs in tracking down bad actors. We reiterate those past requests.

IACC members in the pharmaceutical and medical device sectors commented positively regarding China's introduction of the "One Drug, One Code" system last year, which is intended to enhance supply chain transparency, while reducing opportunities for product diversion and the infiltration of counterfeit products into the legitimate supply chain. However, we've heard growing concerns from the sector with respect to China's central role in connection with the booming trade in the trafficking of counterfeit (and otherwise illicit) GLP-1 drugs. China is said to be the single largest supplier of unauthorized semaglutide and tirzepatride active pharmaceutical ingredients entering the United States. Those products have repeatedly been found to be manufactured in facilities with limited (if any) regulatory oversight, and lacking safeguards to ensure sanitary production standards necessary to prevent product contamination.

Beyond those issues squarely focused on the trafficking of counterfeit goods, we've also heard a number of concerns during this year's process related to trafficking of "Non-Counterfeit Illicit Products" – primarily in the context of goods in product sectors which are subject to extensive regulatory controls – and which have been introduced into the US retail market (most frequently via online channels) without the required regulatory clearance and/or which do not comply with legally-mandated labeling, safety, environmental, or taxation frameworks. Not only does the marketing and sale of such products subject U.S. manufacturers to unfair competition, it also poses a variety of consumer health and safety and other harms.

As a final matter, we wish to highlight some troubling reports detailing apparent discriminatory treatment of U.S. rights-holders in connection with IP enforcement both within the Chinese market and at the border. We are seeking additional details regarding rights-holders' stated concerns, and look forward to providing further information in due course.

INDIA

Concerns Highlighted by USTR in 2025:

- Inconsistent progress on IP protection and enforcement; continued high volume sales of counterfeit and pirated goods in both brick and mortar and online markets
- Inadequate levels of enforcement, attributed to poor coordination among national and state law enforcement agencies, lack of familiarity with IP investigation techniques, and non-deterrent penalties for IP offenses
- Insufficient legal framework for the protection of trade secrets

Additional Concerns Highlighted by IACC in 2025:

- Ineffective / inconsistent border enforcement measures
- Lack of efficiency in the judiciary, leading to protracted timelines for resolving both criminal and civil matters
- Need for a more strategic approach to enforcement to increase the impact of such efforts

Current Year Assessment:

IACC member brands' feedback regarding their experience in India has been relatively consistent in recent years, often focused on practical impediments to IP protection and enforcement in the country. Chief among those are years-long backlogs for those seeking to register their marks, coupled with delays in the country's courts; as a result, trademark owners face significant challenges both with respect to asserting and enforcing their rights.

The need for improved border enforcement was cited as a priority by a number of respondents this year; most described limited interactions with Customs, with one global brand reporting no seizures at all during the past year. Despite clear adjudication timelines under current law, in practice, border enforcement efforts are said to be characterized by repeated delays, which in turn create practical impediments to obtaining required bonds / sureties. Some brands also highlighted deficiencies within the country's recordation procedures as contributing to the current state of affairs. Concerns involving the timeliness and transparency of authorities' disposition of seized counterfeit goods were likewise heard by a number of respondents.

With respect to enforcement in the internal market, IACC members' reported experience varied a great deal. In recent years, we've been pleased by rights-holders' reports of improvements in the level of interest and engagement by enforcement bodies, particularly in areas that have established specialized IP units. Unfortunately, the level of cooperation and assistance remains inconsistent, particularly outside of major cities. The ultimate impact of enforcement actions also continues to be called into question, largely due to the protracted nature of court proceedings (serving to postpone the

consequences for engaging in the illicit trade) and the rarity with which truly deterrent penalties are imposed by courts. While India's High Courts, particularly in Delhi, were viewed in a more positive light, thanks to their dedicated IP benches and those judges' experience in handling IP cases, the consensus view of respondents was that the inefficiency of the judicial system is a major obstacle to IP protection in the country.

And while India has long been a major consumer market for counterfeit goods, we were troubled to hear reports from rights-holders across several product sectors concerning significant increases in local production of counterfeits, most notably with respect to apparel and footwear, pharmaceuticals, and medical devices. Intelligence shared by IACC members indicates that this increased domestic manufacturing is primarily aimed at satisfying demand from local consumers, though some is also undoubtedly intended for export to other markets. In either case, however, rights-holders noted correlations with the booming trade of illicit goods through India's e-commerce platforms.

As detailed in the IACC's most recent Notorious Markets submission, IndiaMART – and that platform's laissez faire approach to oversight of the sellers that leverage the services it offers – continues to be the subject of great consternation. That platform, along with brick and mortar markets such as Bhagirath Palace in Delhi, were singled out by a number of rights-holders for their complicity in driving the trafficking of counterfeit goods due to their lax oversight of sellers and their continued insistence that they have no duty to do more than they do at present. Setting aside questions of legal obligations versus moral responsibility, their permissive attitude towards the flagrant trafficking of illicit goods that has taken, and continues to take place, on their platform demands intervention by the Indian government. As recounted by rights-holders during this year's consultations, the Indian government has demonstrated a consistent lack of accountability regarding the activities of e-commerce intermediaries, which has permitted the largely unfettered growth of illicit trafficking online.

The role played by India in the production and global trafficking of counterfeit pharmaceuticals is worthy of special mention. The country remains one of the single largest sources of production for illicit medicines distributed around the world, surpassed only perhaps by China. While some product sectors have seen progress in recent years on enforcement of their trademark rights, representatives from the pharmaceutical sector stressed that that has not been their experience. We would welcome steps to increase scrutiny of exports of pharmaceutical products, and the imposition of comprehensive "Know Your Customer" duties on shipping and logistics intermediaries.

We were pleased to hear that the Indian government is actively working to implement new amendments to the country's e-commerce framework, but will continue to monitor the situation for substantive, and much-needed, improvements.

INDONESIA

Concerns Highlighted by USTR in 2025:

- Widespread counterfeiting and piracy – both online and offline – exacerbated by ineffective statutory / regulatory regimes, lax enforcement, and non-deterrent penalties
- Border enforcement deficiencies, including structural impediments which preclude rights-holders' utilization of enforcement tools

Additional Concerns Highlighted by IACC in 2025:

- Inadequate levels of enforcement, characterized by a largely reactive approach; chronic under-resourcing of enforcement bodies

Current Year Assessment:

Rights-holders' feedback concerning their experience in Indonesia remained largely unchanged since our filing last year. A lack of proactive enforcement actions, attributed in part to insufficient resourcing, high levels of corruption, and an apparent lack of government support for addressing long-standing challenges to effective IP protection, continues to contribute to pervasive sales of counterfeit and pirated goods and the largely unimpeded trafficking of such goods through Indonesia's ports en route to other markets. As detailed in prior years' submissions, rights-holders continue to report few prosecutions even where customs authorities have effected seizures or the police have undertaken raids.

The continued growth of online trafficking and the need for significant improvements to the country's border enforcement regime were the concerns most frequently cited as priorities by IACC member brands during this year's consultations. Respondents generally viewed Indonesian e-commerce platforms as lagging behind others in the broader region in terms of their adoption of best practices for seller onboarding and vetting, transparency, and the implementation of tools to facilitate reporting and self-help. Some rights-holders also shared the opinion that e-commerce platforms and other online intermediaries have been less receptive to collaboration on "online-to-offline" enforcement initiatives.

We were also greatly troubled by feedback received from stakeholders in the pharmaceutical and medical device sectors this year. They highlighted increased, and more visible, trafficking via online and brick and mortar channels over the past year; Pramuka Market, in Jakarta, was singled out as a major distribution hub for illicit prescription medicines (including both counterfeit pharmaceuticals and unlicensed / unapproved drugs). That increased trafficking is described as "the natural outcome of lax regulatory oversight, and systemic weaknesses in Indonesia's statutory and regulatory framework.

MEXICO

Concerns Highlighted by USTR in 2025:

- Failure to implement legislative reforms, including commitments made pursuant to the United States – Mexico – Canada Agreement
- Lack of coordination between relevant government authorities tasked with IP enforcement
- Unwillingness to pursue criminal investigations and prosecutions, resulting in minimal deterrence while fostering endemic counterfeiting and piracy

Additional Concerns Highlighted by IACC in 2025:

- Widespread sales of counterfeit and pirated goods online and in well-known physical markets
- Official corruption; involvement of cartels / organized crime in illicit trade
- Ineffective border enforcement regime; Customs lacking necessary authority to act ex officio, and without consistent support from the Attorney General or IMPI

Current Year Assessment:

Mexico continues to be viewed by IACC members as among the most challenging jurisdictions in all of Latin America. As detailed in past years, there is a widespread perception that the Mexican government does not consider IP protection to be even a minor priority. Enforcement continues to be frustrated by a lack of effective coordination among Mexican authorities.

We were alarmed by rights-holders' reports concerning a significant deterioration in the level of customs enforcement activity over the past year – one global brand cited a 50% year-over-year decrease in the volume of counterfeit seizures at the border. And while that alone would be sufficient cause for concern, one must keep in mind that insufficient levels of border enforcement have been a perennial issue highlighted by rights-holders (and USTR). The lack of ex officio authority remains a point of frustration, particularly given the apparent disinterest of the Attorney General's Office in pursuing IP offenses. And while some reported positive engagements with the Mexican Navy, they were unable to point to any significant actions undertaken to increase interdictions at the border.

Rights-holders shared somewhat more positive feedback regarding IMPI, but again, were unable to point to substantive progress in addressing the continued widespread trafficking of counterfeit goods.

IACC members shared two concerning trends over the past year that bear highlighting. First, we've received reports of a pronounced shift in the mode of counterfeit importation over the past year, with traffickers moving away from large-scale ocean cargo imports and

the more frequent use of small parcel mail and express consignment shipments. This apparent trend is perhaps unsurprising given the increased online trade in fakes that has been reported in Mexico and countless other jurisdictions in recent years. This shift will undoubtedly present additional enforcement challenges, given the resource demands associated with targeting and interdicting small consignments. Stakeholders also noted an uptick in the trafficking of components and labels which appears to correlate with a growth in domestic assembly and finishing operations.

Rights-holders described their experience in Mexico over the past year in increasingly dire terms; holistic improvements to the country's legal framework, enforcement strategies, resourcing of police and customs, and political will are essential to resolving IP owners' concerns.

PHILIPPINES

Concerns Highlighted by IACC in 2025:

- Lax border controls, contributing to widespread availability of counterfeit goods in the domestic market and facilitating distribution of counterfeits throughout the region and globally
- Growing concerns related to online trafficking of counterfeit and pirated goods
- Insufficient levels of enforcement; minimal follow-through subsequent to raids and seizures; criminal prosecutions remain infrequent, are often protracted, and fail to result in the imposition of meaningful or deterrent penalties

Current Year Assessment:

IACC members' feedback with respect to the Philippines during this year's Special 301 process was largely consistent with that voiced in a number of recent years. Respondents decried the relatively low levels of enforcement, minimal seizures at the border, a lack of prosecutions, and continued concerns over official corruption; stakeholders expressed little surprise at the lack of progress on those issues over the past year, given the government's perceived disinterest in addressing or even acknowledging these previously reported problems.

Customs enforcement remained a point of great frustration for most participants in this year's discussions. As noted in past submissions, Customs' enforcement operations are not only reactive in nature, but officials frequently refuse to act absent rights-holders' provision of detailed intelligence regarding specific incoming shipments. Sufficient information to motivate engagement is, as a practical matter, either unavailable, or else necessitates a more rapid response than authorities seem capable of mustering. In those instances where seizures have been carried out, past submissions have described rights-holders' dissatisfaction with Customs' handling of the goods, with numerous brands describing insufficient procedures for ensuring that seized items are properly inventoried, securely stored, and verifiably destroyed. Those concerns were heard again during this year's process. And while IACC members generally reported limited concerns in connection with local manufacturing of counterfeit products, the deficiencies in the Philippines' border regime have allowed illicit imports to keep notorious markets such as Greenhills well-stocked with all manner of counterfeit products.

Assessments of enforcement within the domestic market remain similarly dismal. Raids of retail-level sellers and larger warehousing or distribution facilities – if not derailed as a result of tip-offs to the intended targets – often fail to lead to the initiation of criminal cases by the Public Prosecutor, putting the onus on IP owners to pursue private criminal actions. Whether undertaken by Public Prosecutors or the rights-holders themselves, the sentences handed down are not seen as providing significant deterrence.

Online sales of counterfeit goods are also seen as a growing concern; as has been the case in Indonesia, online marketplaces are said to lag well behind global norms with respect to their implementation of effective seller vetting, proactive screening of offerings, responsiveness to rights-holders' complaints, and willingness to engage with IP owners or government bodies to rein in the illicit trafficking.

RUSSIA

Concerns Highlighted by USTR in 2025:

- Politically motivated adoption of legislative and regulatory measures targeting rights-holders from "unfriendly" countries, resulting in diminished protection and enforcement of IP rights
- Widespread trafficking of counterfeit and pirated goods – particularly in the online context
- Overly burdensome and unrealistic requirements imposed in connection with the protection of trade secrets; insufficient protections against the unauthorized disclosure and unfair commercial use of test data for pharmaceuticals

Additional Concerns Highlighted by IACC in 2025:

- Low levels of enforcement, both at the border and within the domestic market
- Retaliation and discrimination against Western rights-holders

Current Year Assessment:

Rights-holders reported minimal changes with respect to their experience in Russia over the past year, largely as a result of the continuation of Russia's war on neighboring Ukraine, and the withdrawal of many Western rights-holders from the Russian market. Enforcement of IP rights – never particularly robust even prior to the hostilities – remained minimal in 2025; stakeholders offered little optimism for improvement in the near term, and broadly supported Russia's retention on the Priority Watch List during this year's consultations.

II. Watch List Recommendations

BOLIVIA

Concerns Highlighted by USTR in 2025:

- Antiquated and inadequate statutory regime
- Insufficient border measures to address the high volume of counterfeit goods entering the country; lack of ex officio authority
- Exceedingly high levels of copyright piracy; among the highest in all of Latin America

Additional Concerns Highlighted by IACC in 2025: N/A

Current Year Assessment:

IACC members' feedback this year regarding Bolivia echoed USTR's assessment from 2025, describing holistic concerns with the country's IP protection and enforcement regime.

Border enforcement was cited as among respondents' highest priorities, as counterfeits are said to flow largely unimpeded into the country. That practical reality was attributed in part to a lack of coordination between Bolivian Customs and SENAPI – the former was the subject of a great deal of criticism by brands who described the agency as unwilling to share information with the latter, often citing tax secrecy provisions to justify withholding essential data.

As described by respondents, the Bolivian IP framework offers few disincentives to counterfeiters, or prospective counterfeiters. The lack of ex officio enforcement authority serves to decrease any likelihood of investigation, while the country's lack of statutory damages minimizes the threat of real consequences. Criminal enforcement and prosecutions were generally viewed as slow to progress, and a lack of expertise among the judiciary creates a great deal of uncertainty regarding case outcomes. And while some brands reported obtaining favorable outcomes through administrative enforcement actions, none viewed such an approach as an effective long-term strategy.

We encourage the Bolivian government to engage in a comprehensive review of the country's current framework to bring it in line with international norms, and to ensure that IP owners can assert and protect their rights in a meaningful way. At present, most participants have expressed little optimism that such a review is forthcoming.

As a final matter, we wish to highlight a concern shared by one member with respect to the government's recent economic decrees establishing a 0% import tariff. That decision is thought to potentially undermine IP enforcement by reducing the costs and commercial risk of importing counterfeit goods from abroad, and is viewed as prioritizing short-term economic policy at the expense of IP protection.

BRAZIL

Concerns Highlighted by USTR in 2025:

- High levels of copyright piracy, as well as trafficking of counterfeit goods, circumvention devices, illicit streaming devices, and modified gaming consoles
- Lax criminal and border enforcement of IP rights; failure to impose meaningful penalties where legal actions are pursued
- Need for greater transparency and cooperation from law enforcement agencies to facilitate rights-holders' self help

Additional Concerns Highlighted by IACC in 2025:

- Growing dismay over increased local manufacturing and finishing of counterfeit goods
- Inability or unwillingness to aggressively pursue operators of well-known and notorious markets within the country
- Lower than expected border seizures by Customs; inadequate coordination with Tri-Border neighbors to address ingrained trafficking impacting the broader region

Current Year Assessment:

IACC members across a broad range of product sectors continued to report high levels of counterfeiting during this year's Special 301 consultations; operations are also said to have become increasingly sophisticated and specialized.

Consistent with feedback heard in past years, Brazil's border enforcement regime remained a high priority for rights-holders in 2025. Seizures were described as "exceedingly low, given the size of the market and the visibility of illicit product in well-known markets throughout the country." As in countless other jurisdictions, customs officials have struggled to adapt to shifting modes of trafficking; rights-holders have seen a significant increase in the volume of small parcels entering Brazil, generally correlated with growing online sales of counterfeit and pirated goods. These problems are exacerbated by a continuing absence of systemic and consistent inspection protocols, regulatory gaps, and far from sufficient levels of resourcing. Border enforcement operations were greatly diminished last year, in part due to a months-long strike by Customs officers; one global brand reported a 70% decrease in year over year seizure stats. Some respondents expressed optimism for improvements in the coming year, however, citing the Brazilian Federal Revenue Service's issuance of the Interpretative Declaratory Act (ADI) RFB No. 3 last December. The ADI is seen as providing some

much-needed legal certainty and procedural consistency in customs enforcement with its confirmation of officials' ex officio authority to detain goods suspected of infringing IP rights.

Despite this positive regulatory development, broader enforcement challenges persist. Structural deficiencies remain, including the absence of statutory damages and the inconsistent practical application of enforcement tools, which continue to limit the overall deterrent effect of the legal framework.

IACC members expressed frustration during this year's process with the "mixed signals" sent by the Brazilian government concerning IP. While high-ranking and influential ministers have on numerous occasions voiced their support for, and commitment to, tackling historical obstacles to IP protection, those statements ring somewhat hollow when the government consistently fails to make necessary investments in connection with the resourcing and training of enforcement agencies. Rights-holders continue to highlight disappointment over decisions by the government in recent years to dismantle a number of specialized police units that were viewed as effective partners in addressing IP crime.

IP owners' desire for greater resourcing, specialization, and training likewise extends to the Brazilian judiciary; court proceedings were characterized as "slow moving," and "overly bureaucratic," leading to significant delays and inconsistent rulings.

CANADA

Concerns Highlighted by USTR in 2025:

- Lack of enforcement, contributing to high levels of counterfeit and pirated goods in both physical and online markets
- Inadequate border enforcement measures; insufficient training for personnel tasked with border enforcement of IPR; failure to make appropriate use of ex officio authority to combat counterfeit imports
- Failure to impose meaningful and deterrent penalties for IP offenses

Additional Concerns Highlighted by IACC in 2025:

- Insufficient priority placed upon IP protection and enforcement at the national level; relatively few criminal prosecutions
- Lacking authority and onerous procedures that effectively limit CBSA's capacity to interdict counterfeits
- Unavailability of treble or statutory damages, which adversely impacts civil enforcement efforts undertaken by rights-holders

Current Year Assessment:

IACC members' feedback regarding Canada has remained relatively consistent over the past two decades. While progress has been made in addressing a number of the concerns highlighted in prior submissions, e.g., the enactment of criminal penalties for trademark counterfeiting, extending ex officio authority for IP-related detentions, and the implementation of a recordation system to facilitate border enforcement; even those additional tools have failed to lead to more, or more effective, enforcement. Whether considered in the context of CBSA's interdiction of counterfeit goods at the border, or the efforts of federal, provincial, or local law enforcement agencies to combat the proliferation of illicit sales after those goods have entered the market; Canadian enforcement of IP rights has fallen short. That assessment did not change over the past year.

Customs enforcement, traditionally one of the greatest frustrations voiced by respondents, was reported to have deteriorated even further during 2025. Member brands estimated that CBSA detained "maybe a couple hundred shipments" during the past year under its "Request for Assistance" process; rights-holders expressed disappointment both in those figures themselves, and CBSA's failure to report comprehensive enforcement stats, effectively precluding stakeholders' ability to gauge

year-over-year performance. And while a number of brands have, in the past, questioned the benefits offered from participation in the RFA scheme, those doubts are said to have become even more pronounced; many IP owners are reportedly choosing to not renew their existing RFA filings.

Rights-holders' displeasure at the level of border enforcement was further amplified by the fact that CBSA has reportedly increased its overall staffing levels for border officers over the past year, while concurrently assigning fewer officers to work on IP enforcement matters. Those tasked with IP enforcement are also said to have less experience than was typically the case in the past. As a final matter, several respondents highlighted that customs seizures are now being coordinated through an office at the agency's headquarters in Ottawa; that move has resulted in unnecessary delays and introduced confusion into what was already widely seen as an inefficient process.

Appraisals of enforcement inside Canada's borders were no rosier; respondents cited minimal buy-in from law enforcement and a lack of recognition of the harms associated with the trafficking of counterfeit and pirated goods as contributing to a dearth of criminal cases. Rights-holders also flagged continued (and growing) difficulties in connection with notorious outlets such as the Pacific Mall. Vendors of illicit goods have reportedly become far more cautious about advertising their wares, and increasingly keep goods locked away in separate locations and/or adopt "shop by appointment" business models to limit their exposure. The owners and management must adopt more stringent seller vetting procedures, and must impose and enforce prohibitions against sellers' engagement in, or facilitation of, illegal activity on their premises. Absent such steps, rights-holders offered little optimism for improvement.

COLOMBIA

Concerns Highlighted by USTR in 2025:

- Insufficient progress on implementation of the country's obligations under the IPR chapter of the United States – Colombia Trade Promotion Agreement
- Lack of transparency and insufficient process in connection with compulsory licensing decisions for pharmaceutical products
- Widespread copyright piracy / unlicensed retransmission of content via mobile apps, IPTV, community antennae, and the like
- Pervasive retail sales of counterfeit goods, including through notorious markets; need to sufficiently empower enforcement bodies to address ingrained trafficking

Additional Concerns Highlighted by IACC in 2025:

- Apparent lack of priority placed on IP protection, as evidenced by decreased resources for the National IP Unit
- Frustrations related to both the costs of undertaking enforcement and the protracted timelines for resolving criminal and civil matters
- Underperformance of customs authorities; lower than expected border seizures given the size of the market and the prevalence of counterfeits on offer through both traditional brick and mortar and online channels

Current Year Assessment:

IACC members this year reiterated many of the same concerns heard during last year's Special 301 cycle.

Customs enforcement continues to be a sore spot for many brands; seizures at the border remained relatively low, and certainly lower than should be expected in a market of Colombia's size. Counterfeits remain widely available (and visible) in the retail market – including in a number of markets identified by the IACC and other stakeholders during USTR's most recent Notorious Markets review. The importation of counterfeit goods from abroad was described by one brand as "essentially unimpeded." Members in the pharmaceutical sector also raised alarms over increased trafficking of counterfeit medicines through Colombia into Ecuador and Venezuela; the growing volume of illicit trafficking through neighboring Panama (also discussed in past submissions) may be a contributing factor. On a more positive note, though, we have also heard reports of increased interest by Colombian authorities in pursuing pharmaceutical counterfeiting operations.

Respondents' consensus view was that enforcement in the domestic market remains insufficient to permit significant progress, and while cases continue to be brought, they

are said to progress slowly. That is perhaps unsurprising given cuts in recent years to the National IP Unit; the number of specialized prosecutors is estimated to be approximately half of what it was just a few years ago. Resource limitations appear to be effectively capping the level of enforcement. The inconsistency and slow progress of investigations, and slow to proceed prosecutions, often culminating in only modest penalties, is thought by some to further embolden counterfeiters operating in Colombia.

ECUADOR

Concerns Highlighted by USTR in 2025:

- Deficiencies in the country's statutory regime related to IP protection
- Weak enforcement; insufficient criminal prosecutions, attributed in part to insufficient resourcing for specialized prosecutors
- Need to address border enforcement gaps, including the provision of ex officio authority for customs

Additional Concerns Highlighted by IACC in 2025:

- Insufficient resourcing of enforcement bodies, including Customs authorities
- Need to modernize and upgrade outdated IT infrastructure, which was seen by rights-holders as contributing to significant downtime, delays, and growing backlogs at the IP office.
- Lack of an effective customs recordation regime

Current Year Assessment:

While some IACC members described positive engagement with Ecuadorian authorities, noting their responsiveness and "genuine interest in collaboration," that view was not shared by all. Indeed, we have received troubling reports during this year's consultations involving official corruption within Customs, and allegations of the direct or financial participation by some political figures in the trafficking of counterfeit goods. This obviously raises significant concerns with respect to the rule of law, and highlights the need for transparency in enforcement and prosecutorial decisions.

One respondent shared information concerning a scheme under which Customs officers knowingly permitted the entry of shipments of counterfeit goods with the apparent aim of collecting additional tariff revenue. The knowing facilitation of counterfeit shipments by those tasked with enforcing against illicit trade serves only to compound the harm to Ecuador's already dismal reputation for border enforcement.

On a more general note, Ecuador's continued lack of an effective customs recordation system, and the continued lack of effective coordination between Customs and the IP Office are cited as major hindrances to the country's border enforcement regime.

Another brand also sought to draw attention to provisions within Ecuadorian law that have served to greatly impede IP investigations. While intended as a means of protecting due process, Ecuadorian law requires the notification of any citizen who is the subject of investigation for alleged unlawful conduct. In practice, this notification requirement enables bad actors to conceal or destroy evidence related to the alleged misconduct before

law enforcement authorities have an opportunity to gather relevant evidence, effectively derailing the investigation before it has even begun.

EGYPT

Concerns Highlighted by USTR in 2025:

- Ineffective and opaque enforcement procedures
- Border enforcement deficiencies including a lack of ex officio authority, leading to low levels of counterfeit seizures
- Protracted court proceedings and nominal penalties which provide limited deterrence

Additional Concerns Highlighted by IACC in 2025:

- Need for greater transparency in the disposition of counterfeit goods post-seizure, given "in situ" seizures and reports of seized goods being auctioned rather than permanently removing the items from the market
- Reports of official corruption

Current Year Assessment:

Egypt has made regular appearances in the IACC's Special 301 submissions for several years, and is viewed as a key jurisdiction in the region.

Recent years have seen some positive developments with respect to the country's legal regime for IP, including amendments to the Consolidated IP law in 2020, updated Customs regulations to clarify the agency's authority to detain and seize infringing goods at the border, and the establishment of a national IP authority (reportedly modeled on a similar initiative undertaken in Saudi Arabia). Some stakeholders have noted a lack of clarity with respect to the extent of the new agency's mandate, and whether enforcement would be within its purview. Despite some reported progress however, IACC member brands continue to report high volumes of counterfeit goods in the market, increased domestic manufacturing and finishing of counterfeits, and a need for more (and more proactive) efforts to rein in growth in trafficking on- and offline.

Reviews of Egypt's border enforcement measures were mixed during this year's consultations; some brands reported more consistent cooperation with customs authorities, though many cited fewer seizures, limited notifications, and a continued need for greater transparency. Others described frustration over the lack of a simple / expedited destruction procedure, particularly given the cost and time associated with the current process in which the onus is on the impacted rights-holder to file a complaint. Evidence of the need for more concerted efforts to interdict illicit imports can be found on display in retail outlets throughout the country, and online; with respect to the latter, we've heard significant concerns this year regarding a major increase in counterfeiters' leveraging of social media to market their wares.

Egypt's judicial system was also the subject of significant criticism. Despite some reported improvements in courts' willingness to accept electronic evidence, and increased interest in receiving specialized training on IP matters, most described court proceedings as lengthy and unpredictable, with "successful" cases often resulting in nominal penalties that offer little deterrence. Even criminal convictions are said to typically only be met with fines or suspended sentences, especially for first offenses.

IRAQ

Concerns Highlighted by IACC in 2025:

- Lax border controls contributing to the proliferation of smuggling routes between Iraq, Jordan, Türkiye, Kuwait, and Iran.
- Increased reports of domestic production of counterfeit spirits, both for domestic consumption and export to neighboring countries
- Lack of harmonization between Iraq and Kurdistan, contributing to increased costs and resource demands
- Slow, and low quality, examinations leading to difficulty registering trademarks; need for additional actions to address increasing numbers of bad faith filings

Current Year Assessment:

Rights-holders' feedback with respect to Iraq was largely unchanged from that which we heard during last year's consultations.

IACC members strongly encourage the Iraqi government to take necessary steps to update the country's antiquated legal framework to better reflect the practical realities of the modern illicit trade landscape, to facilitate better coordination of efforts – both internally and with respect to private sector stakeholders – and to enable more efficient enforcement operations. Government to government capacity building assistance focused on global best practices for IP enforcement could be beneficial; rights-holders have also expressed a willingness to lend their assistance for such programs.

Within the local market, the effectiveness of law enforcement is said to be greatly limited by a lack of necessary resources and limited expertise in investigating or prosecuting IP crimes. The country's border regime also exhibits significant deficiencies; rights-holders would welcome the implementation of a customs recordation process to foster collaboration with and input from IP owners. We would also encourage improved harmonization and coordination with authorities in Kurdistan, as respondents again cited challenges associated with inconsistent regulations and procedures.

KUWAIT

Concerns Highlighted by IACC in 2025:

- Insufficient levels of enforcement both at the border and within the domestic market
- Desire for more collaborative approach to enforcement, including more timely communication and greater transparency with respect to the status / progress of cases (and explanations as to decisions to not pursue investigations / prosecutions following rights-holders' complaints)

Current Year Assessment:

IACC members reported little, if any, progress by Kuwait in addressing the concerns detailed in our submission last year, and in several prior filings. Most respondents described an overall lack of enforcement activity; that is perhaps unsurprising however, given that IP owners also continue to decry the level of transparency and communication on the part of their counterparts in the government. The insufficiency of Kuwait's enforcement regime is borne out by stakeholders' market surveys and simply by the visibility of counterfeits on offer in the local market.

The country's border enforcement regime was not viewed any more positively, as most respondents reported few or no seizures; frustrations highlighted in past comments are continuing to compound.

Given past experience with the country's judicial system, characterized as overly bureaucratic, and administered by judges who often lack experience in handling IP matters, member companies also question the viability of civil litigation to protect their rights in Kuwait.

MALAYSIA

Concerns Highlighted by IACC in 2025:

- Inadequate border enforcement regime, characterized by a lack of transparency or cooperation with rights-holders, resulting in low volumes of seizures
- Lack of coordination between enforcement authorities and the public prosecutors; few criminal cases are pursued, and those that are progress slowly and typically result in the imposition of only nominal penalties
- Heightened concerns related to increased online trafficking of counterfeit and pirated goods

Current Year Assessment:

IACC members reiterated concerns heard in recent years with respect to the protection of their rights in Malaysia; border enforcement remained the highest priority for most respondents. Counterfeit goods continue to enter, and pass through, the country largely unimpeded. Rights-holders remain broadly frustrated with the lack of an effective customs recordation system, lacking communication and collaboration between Malaysian Customs and the Ministry of Domestic Trade and Consumer Affairs (which extends to those agencies' interactions with their private sector counterparts), and insufficient training and resourcing of personnel tasked with IP protection.

In last year's submission, we highlighted frustration with the MDTCA's bureaucratic approach to enforcement – specifically in connection with the Ministry's refusal to seize counterfeit packaging and labels, in the absence of a Class 16 registration. The practical impact of that policy is decreasing the volume / value of offenses, which in turn minimizes the severity of charges that might be brought against counterfeiting operations. As brands more frequently raise concerns involving local production and finishing, the harm caused by this policy continues to increase.

Official corruption and a burgeoning online trade in counterfeits were also named as top priorities in the country. With respect to the latter issue, stakeholders viewed Malaysian e-commerce platforms as lagging behind others in the region in terms of their transparency, implementation of proactive enforcement measures, and their willingness to engage with both rights-holders and the MDTCA.

MOROCCO

Current Year Assessment:

IACC members offered support for Morocco's placement on the Watch List this year, citing the country's growing prominence in both the production and distribution of counterfeit goods throughout the region.

Respondents described Morocco's legal framework for the protection of IP rights as "adequate on paper, though less so in practice." Sales of counterfeits in local markets, production for local consumption and export to other markets, along with reported increases in the volume of illicit goods flowing through Morocco's free trade zones are said to significantly impact rights-holders in the apparel and footwear, automotive, personal care and cosmetics, and electronics sectors, among others. Though some respondents described positive interactions with law enforcement, the general consensus among participants in this year's process was that the impact of the criminal authorities has been limited by slowly progressing prosecutions and penalties that fail to provide any true deterrence against recidivism. As in a number of other jurisdictions, rights-holders expressed concerns over the common practice of "in situ" seizures. One stakeholder recounted multiple instances in which the counterfeit goods "seized" at retail outlets simply disappeared before the case proceeded to trial.

With respect to civil enforcement, member brands were somewhat more positive in their views, noting the more expedient resolution of cases by the country's commercial courts. However, the costs associated with carrying out raids and pursuing litigation are said to be unnecessarily high, and some have expressed concerns regarding the consistency of results. For those reasons, and due to the relatively low damages typically awarded by courts, civil cases are often settled prior to trial. Rights-holders would welcome the adoption of a statutory damages regime to provide significantly greater deterrence than is currently available.

Morocco's border enforcement measures have been cited as a priority by many; despite the availability of ex officio powers and consistent engagement by rights-holders to offer training and other assistance, IACC members typically reported minimal detentions or seizures. Some expressed frustration regarding a lack of transparency (particularly with respect to the final disposition of seized goods), and a lack of consistent communication from Customs authorities. Respondents broadly concurred that the reintroduction of free trade zones, and the "utter lack of enforcement in the FTZs" has greatly exacerbated the situation.

As noted at the outset, we've received troubling reports regarding an uptick in domestic production of counterfeits, both for local consumption and export abroad. IACC members have identified a number of clandestine workshops engaged in manufacturing and finishing of counterfeits in Marrakech, Casablanca, and (to a somewhat lesser extent) Tangier.

Respondents also highlighted growing concerns online – both with respect to direct sales through e-commerce channels, livestreaming, and the like, and the leveraging of social media tools to drive traffic to brick and mortar retail locations. Rights-holders expressed an interest in undertaking collaborative "online to offline" enforcement efforts with Moroccan authorities.

OMAN

Concerns Highlighted by IACC in 2025:

- Omani authorities were alternately described as "unresponsive" and "disinterested"
- Pervasive retail sales of counterfeit goods, largely viewed as a result of historically low levels of enforcement
- Significant investment of time and resources by rights-holders viewed as necessary to obtain even modest progress

Current Year Assessment:

Oman has increasingly been a subject of rights-holders' ire in recent years, as detailed in several prior submissions. Both the number of reports received, and the severity of respondents' concerns, continued to increase during 2025.

IACC members bemoaned the general lack of engagement on display by Omani enforcement authorities, and the lack of political will to address widespread trafficking, or to even acknowledge the extent of the issues.

In last year's submission, we highlighted one brand's guarded optimism following an apparent increase in authorities' receptivity to training opportunities, and another's acknowledgement of a slight uptick in criminal raids. Unfortunately, further improvements in the frequency or consistency of enforcement actions have been slow to materialize.

PANAMA

Concerns Highlighted by IACC in 2025:

- Continuing concerns related to the country's border enforcement regime; minimal seizures; failure to fully utilize ex officio enforcement authority
- Need for a more proactive approach to enforcement

Current Year Assessment:

IACC members remained frustrated over the overall lack of progress seen during the past year, and voiced continued disappointment with the state of Panama's border enforcement regime.

While the Panamanian government established a new multi-agency Port Task Force, which was credited by at least one brand with a modest uptick in seizures during 2025; most participants in this year's consultations viewed Panamanian Customs authorities as dramatically underperforming. Indeed, in the view of some, the agency's performance in recent years has given it no place to go but up, yet rights-holders continue to be disappointed.

Panama plays a vital role in global distribution chains and should be a regional leader on IP enforcement – as it was in the past. And while we're pleased that the new administration appears to increasingly recognize that fact, significantly greater progress is needed if the country wishes to restore rights-holders' faith in their commitment to IP protection.

PARAGUAY

Concerns Highlighted by USTR in 2025:

- Ineffective and inconsistent criminal prosecutions, which serve to limit the impact of increased enforcement activity
- Long-standing concerns related to the trafficking of counterfeit goods in and through Ciudad del Este; increased reports of domestic manufacturing and finishing operations in CdE

Additional Concerns Highlighted by IACC in 2025:

- Outdated legal framework; concerns re: sufficiency for dealing with the modern landscape of counterfeiting and illicit trade
- Perceived lack of priority within the government to address long-standing IP protection and enforcement issues
- Inconsistent and reactive approach to enforcement, further hampered by non-deterrent sentencing
- Onerous procedures that serve to limit the effectiveness of border enforcement measures
- Need for greater expertise among prosecutors and the judiciary to ensure consistent and predictable outcomes of prosecutions and civil actions

Current Year Assessment:

Paraguay remained a jurisdiction of great concern for most IACC members over the past year, unsurprisingly given the country's status as a key entry point for counterfeit goods destined for markets throughout South America. The country is also increasingly serving as a hub for "finishing" facilities that import components for assembly, labeling and packaging prior to distribution in local markets or elsewhere in the region.

Deficiencies in the country's Customs enforcement regime were among those most frequently detailed in rights-holders' recommendations for the country's inclusion on the Watch List; container inspections and examinations of air cargo waybills were decried as "virtually nonexistent". IP related seizures at the border are reported to have decreased repeatedly in recent years, though retail and wholesale level trafficking is said to have increased. Clearly, Customs' efforts are having little impact on counterfeiters' ability to maintain their levels of inventory.

Despite some significant raid and seizure operations in the domestic market, the impact of such enforcement activity was questioned by many stakeholders. Prosecutors –

including those with specialized training on handling IP matters – are chronically under-resourced, leading to backlogs. The progress of cases is likewise hindered by diminished levels of expertise within the judiciary, undoubtedly a result of most cases now being presided over by generalists, as opposed to IP specialists which was typically the norm in the past. Similar concerns extend to courts' handling of civil cases, where cases are also said to progress slowly – in some cases taking many years to resolve – while providing inconsistent and uncertain outcomes.

Combatting IP crimes does not appear to be a high priority, though given the nexus between counterfeiting and other crimes that tend to be deemed more serious by the authorities (such as other types of illicit trafficking, tax evasion, or money laundering); rights-holders would encourage a "big picture" strategy that acknowledges this polycriminality.

Some rights-holders also voiced frustration over a lack of activity on the part of the country's National Center on Intellectual Property. IACC members were hopeful that the center would play an important role in coordinating multi-agency initiatives and operations, but such improvements have largely failed to materialize.

SAUDI ARABIA

Concerns Highlighted by IACC in 2025:

- Continued frustration over the impact of lost expertise resulting from the country's transition of IP protection and enforcement responsibilities to the Saudi Arabia IP Authority (SAIP)
- Insufficient resourcing, seen as contributing to diminished enforcement capacity at the border and in the internal market
- Decreased visibility of counterfeit goods in the domestic market, but no apparent decrease in availability of illicit goods

Current Year Assessment:

In recent years, IACC members have repeatedly highlighted frustrations over the enforcement of their rights in Saudi Arabia reporting year over year decreases in border seizures, relatively limited enforcement in the domestic market, lacking coordination among enforcement agencies, and a diminished level of expertise. Each of these concerns have been tied to the establishment of the Saudi Arabia IP Authority (SAIP) which led to a comprehensive reorganization of the country's IP apparatus.

We were pleased to receive scattered reports of improved levels of enforcement activity and an uptick in seizures of counterfeits during the past year. Respondents remain cautiously optimistic that the enforcement environment may finally return to past form, as the SAIP continues to work through the growing pains highlighted in previous submissions.

IP owners welcomed the recent launch of the SAIP's Taradi platform, which aims to enhance operational efficiency and transparency; initial feedback from member brands has been positive, though we will certainly continue to monitor the effectiveness of the system in 2026.

SOUTH AFRICA

Concerns Highlighted by IACC in 2025:

- Inadequate levels of enforcement, attributed by some to insufficient resourcing of enforcement agencies
- Failure to impose deterrent-level penalties for IP offenses
- Continued reports of official corruption seen as hindering enforcement
- Widespread availability of counterfeit goods in the domestic market, as a result of each of the above concerns

Current Year Assessment:

Feedback received from the IACC's membership concerning South Africa during this year's consultations largely mirrored that heard during a number of recent years. The volume and visibility of counterfeits in the market, widely attributed to insufficient resourcing and sporadic enforcement, remains unacceptably high.

Rights-holders in core copyright sectors have also voiced concerns regarding the country's legal and procedural framework for enforcement. At present, South African law only provides a general statutory duty to implement takedown policies and procedures for service providers that are part of a recognized industry body. In practice, this has limited the statutory duty to internet service providers, while excluding other key parties in the distribution chain (e.g., e-commerce platforms). We would encourage the government to play a more active role in facilitating cooperation and intelligence sharing among the full range of relevant stakeholders in the market.

Additionally, rights-holders expressed support for the implementation of simplified / expedited disposition procedures by Customs – particularly for cases in which there is no opposition from the importer – to ensure the prompt and verifiable destruction of seized contraband. Doing so will not only minimize costs and logistical issues associated with storage, but also reduce the potential for seized goods to re-enter the market.
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THAILAND

Concerns Highlighted by USTR in 2025:

- Need to finalize adoption of proposed amendments to the Copyright Act to facilitate accession to the WIPO Performances and Phonograms Treaty
- Insufficient focus on higher-level / upstream suppliers of counterfeit and pirated goods; lack of deterrent level penalties for IP offenses

Additional Concerns Highlighted by IACC in 2025:

- Need for enforcement agencies to adopt a more collaborative approach; desire for increased intelligence sharing
- Growing concerns related to online trafficking of counterfeit and pirated goods; encouragement of legislative review to identify gaps to addressing illicit trade via e-commerce channels
- Inefficient examination of applications / issuance of trademark registrations

Current Year Assessment:

While we were pleased to hear reports of increased engagement and activity on the part of the Department of Intellectual Property over the past year, some respondents characterized the increased activity as more focused on optics than impact. Sales of counterfeits remain widespread in the domestic market – both in traditional brick and mortar outlets and, increasingly, through online channels. In short, the visibility of counterfeits on offer may have decreased, but the volume of counterfeit sales has not.

Troublingly, we have received reports of increased protectionism by local law enforcement, including leaks and tip-offs in advance of planned raids of retail outlets and storage facilities enabling the operators to conceal the extent of their illicit activity. Even where enforcement actions have been carried out, they are often said to be cursory affairs, resulting in seizures of relatively small quantities of contraband, and causing only minor disruptions to counterfeiters' operations. IACC members reiterated their calls for a more strategic approach to enforcement targeting higher-level suppliers.

Respondents described minimal progress on other issues raised in past submissions including the need for a more proactive approach to combating online trafficking; we would welcome further efforts to identify gaps in the country's IP framework with respect to those concerns.

The need for more deterrent penalties in cases involving IP violations was also highlighted by a number of brands, though some considered the typically low punishments to be, in part, a factor of authorities' continued focus on minor offenses.

TÜRKIYE

Concerns Highlighted by USTR in 2025:

- Continued, large-scale manufacturing and distribution of counterfeit and pirated goods in the domestic market; facilitation of trafficking into Europe and the broader region
- Enforcement efforts hindered by non-deterrent penalties, onerous procedures, insufficient authority for proactive efforts by law enforcement, and lacking expertise among the judiciary
- Need for improved enforcement online and implementation of the WIPO Internet Treaties

Additional Concerns Highlighted by IACC in 2025:

- Widespread availability of counterfeit and pirated goods in the market, driven by both increases in local manufacturing and lax border measures
- Desire for more consistent follow-through on raids and seizures, and improved communication with rights-holders
- Continued frustrations related to courts' insistence upon the use of "independent experts", given historical concerns with both the independence and expertise of those individuals

Current Year Assessment:

IACC members continue to name Türkiye as a significant priority, citing the country's status as a key transit point for counterfeits sourced abroad and bound for consumer markets in Europe and the broader region, and increasingly in recent years, as a major source of counterfeit manufacturing. With respect to that latter issue, Türkiye has emerged as one of the world's largest manufacturing sources for counterfeit medicines.

Historically, the enforcement landscape in Türkiye has been challenging, to say the least, and that continued to be the case in 2025. Insufficient resourcing, an overly formalistic judiciary, and a lack of effective coordination among enforcement bodies has limited Türkiye's progress on a variety of concerns, and we were disappointed to hear reports of less frequent raids and seizures during the past year. Istanbul, as well as the country's southeastern border areas, and touristic areas such as Antalya, Bodrum Izmir, and Cappadocia have been cited as key hotspots for production, retail sales, and wholesale distribution of counterfeits by brands in a variety of product sectors, including apparel and footwear, electronics, pharmaceuticals, luxury goods, and food & beverage.

Similar to rights-holders' assessments of the situation in the United Arab Emirates, Türkiye's legal framework was generally viewed as sufficient, though in practice, there remain a number of challenges. Courts' reliance on experts, who often lack sufficient training, has been detailed in numerous past submissions, and member brands continue

to complain about the high evidentiary thresholds imposed by courts in order to authorize raids and search warrants. Civil enforcement is not widely seen as an effective option, given the associated costs and slow resolution times, along with the limited deterrence provided.

Overwhelmingly, IACC members expressed a desire for Türkiye to adopt a more collaborative approach to enforcing IP rights with increased intelligence sharing, and an emphasis on efficiency to minimize the costs to both rights-holders and their counterparts in the public sector. By way of example, one member shared frustration over being required to send representatives to obtain their own photographs of goods seized by Customs rather than Customs simply sharing that evidence when it is collected. They also offered support for Customs' implementation of simplified disposal procedures in the absence of opposition from the importer, in line with norms in the European Union.

UNITED ARAB EMIRATES

Concerns Highlighted by IACC in 2025:

- Continued concerns related to the sufficiency of the UAE's border enforcement regime, particularly with respect to the enforcement of IPR in the country's free trade zones; apparent prioritization of trade facilitation at the expense of trade enforcement
- Reported reluctance on the part of the judiciary to impose truly deterrent penalties in cases involving trademark counterfeiting

Current Year Assessment:

IACC members continued to express frustration over the level and consistency of IP enforcement in the United Arab Emirates during this year's process, with one stating that the UAE's "IP regime is strong on paper, but less so in practice." These concerns are tied, in part, to the decentralized nature of the country's legal system – each Emirate has its own enforcement system, leading to inconsistent and fragmented procedures, and hindering cooperation between authorities across the Emirates.

Rights-holders have historically offered high praise for their counterparts in the DEDs and Police, though we were troubled to receive some reports this year describing diminished receptiveness among the criminal authorities in taking on cases. One brand recounted repeated rejections of complaints filed with the Criminal Investigation Department (CID); others, meanwhile, expressed concerns about the level of forensic expertise.

Customs enforcement – long a priority of rights-holders in the Emirates – remained the focus of much of the feedback we've received this year. Enforcement against cross-border trafficking is said to be hampered by the lack of a centralized recordation system; enforcement in the UAE's free trade zones also continues to be problematic, a result of unclear jurisdictional authority and insufficient coordination.

Some respondents reported experience pursuing civil remedies, but described it as a less preferred avenue, citing excessive costs, slow proceedings, uncertain case outcomes, and – even when successful – often resulting in only nominal penalties.

Copyright owners among the IACC's membership also sought to highlight UAE authorities' insistence that those rights-holders provide a UAE copyright registration as a prerequisite to enforcement, in apparent conflict with principles of the Berne Convention.

We look forward to working with USTR and the Emirates to resolve rights-holders' concerns in the coming year.

VIETNAM

Concerns Highlighted by USTR in 2025:

- Overall level of copyright piracy; despite some significant enforcement actions, the country continued to have "the highest incidence of online piracy in the Asia-Pacific region," attributed in part to nominal penalties that fail to create deterrence
- Reports of increased domestic manufacturing of counterfeit goods; over-reliance on administrative enforcement
- Need for the adoption of legislative reforms to rein in online trafficking of counterfeit and pirated goods; need for more consistent and effective coordination among enforcement authorities

Additional Concerns Highlighted by IACC in 2025:

- Lack of consistency regarding border enforcement outcomes; desire for more collaborative approach and increased transparency / communication
- Continued, widespread availability of counterfeit goods in the market, spanning numerous product categories

Current Year Assessment:

Vietnam has made regular appearances in the IACC's annual Special 301 comments for a number of years. Despite some notable progress on a range of issues, high volumes of counterfeit goods – both locally manufactured and imported (primarily from neighboring China) – persist in local brick and mortar outlets; illicit goods have also become increasingly available through e-commerce and social media channels. Vietnam's historic (over-)reliance on administrative enforcement remained a concern for respondents during this year's process; rights-holders continue to urge a greater emphasis on criminal prosecution of IP offenses, given the greater deterrence offered.

Much of the feedback received from IACC members this year focused on Vietnam's ongoing administrative reorganization, approved by the Central Committee in early 2025. While the aim of this initiative is said to be increased efficiency and a streamlining of existing bureaucracy, IP owners have shared concerns regarding some "growing pains" associated with the transition and its impact on coordination between enforcement bodies. Rights-holders will undoubtedly be closely monitoring these developments.

In the interim however, IACC brands spanning numerous product sectors continue to highlight high volumes of counterfeit sales in Vietnam, particularly in key areas such as Hanoi, Ho Chi Minh City, Da Nang City and Khanh Hoa province. We welcome USTR's continued attention and engagement on these issues.

III. Other Observations / No Formal Recommendation for Placement

ARMENIA

Concerns Highlighted by IACC in 2025:

- Reports of significantly increased manufacturing and distribution of counterfeit goods, most notably within the wine and spirits sector
- Lack of sufficient border control measures to target and interdict shipments destined for other markets in southern Europe, Eurasia, and the Middle East
- Growing concerns related to the involvement of organized criminal networks in the trafficking of counterfeits

Current Year Assessment:

IACC members continued to report significant concerns related to Armenia's protection and enforcement of IP rights during this year's consultations.

Sitting at the crossroads between Central Asia, the Middle East, and Europe, Armenia plays an increasingly prominent role in the distribution of counterfeit goods in the region. The insufficiency of the country's customs enforcement regime – particularly with respect to interdictions of counterfeit goods in transit – was the complaint most commonly heard from rights-holders. Article 384 of the EAEU Customs code, is seen as creating a lack of clarity over Customs' authority to take action against goods in transit; that confusion has been greatly exploited by counterfeiters to facilitate the movement of shipments that may otherwise be seized. Respondents also questioned the usefulness of the "Unified Customs Register," noting that it provides little in the way of practical benefits, given that it only covers rights registered in all five member states of the Customs Union. Armenian Customs' approach to enforcement was described as largely reactive, and dependent on intelligence developed by rights-holders and driven by IP owners' requests for assistance.

We've also received increased reports of local manufacturing during this year's process, further compounding the challenges faced by rights-holder. Enforcement within the domestic market is described as uneven and inconsistent, with brands variously citing a lack of resourcing, official corruption, and a general lack of priority for addressing the trafficking on the part of the government. Most reported a low level of awareness concerning the harms associated with the counterfeit trade among the general public and within the government. Respondents stressed the need for capacity building programs, including training opportunities for enforcement bodies and the judiciary. Improved coordination between Armenian Customs and their counterparts in neighboring jurisdictions – particularly, Georgia – were likewise viewed as essential to improving the current situation.

BANGLADESH

Concerns Highlighted by IACC in Past Submissions:

- Large scale manufacturing of counterfeit apparel for export
- Lax border control measures, particularly with respect to illicit exports
- Insufficient political priority to more aggressively pursue counterfeiting operations, especially significant operations that employ large numbers of individuals

Current Year Assessment:

Bangladesh has been the focus of a great deal of attention among rights-holders during recent years, due in part to a drastic increase in domestic manufacturing (and exports) of counterfeit goods dating back to the COVID-19 pandemic, and to the country's imminent graduation from LDC status in November of this year. IP owners, particularly those in the most impacted product sectors (e.g., apparel), are eager to engage with the government of Bangladesh to address long-standing concerns related to the protection and enforcement of their rights. Ongoing negotiations in connection with trade agreements, proposed amendments to the country's customs framework, and similar workstreams are seen as offering opportunities for such engagement.

At present however, brands continue to see high volumes of counterfeits in the domestic market, large volumes of Bangladesh-sourced counterfeits appearing in other jurisdictions (e.g., the Philippines), and limited support from relevant enforcement bodies tasked with upholding IP rights. With respect to that final point, respondents typically bemoaned the reactive approach of law enforcement and generally low levels of activity focused on illicit production and trafficking.

Improvements to Bangladesh's border measures remained a priority, with most participants in this year's consultations reporting low volumes of seizures, if any; the country's current recordation process is also described as unwieldy and offering limited benefits in terms of its facilitation of enforcement.

CAMBODIA

Concerns Highlighted by IACC in Past Submissions:

- Significantly increased local production of counterfeit goods, most notably within the apparel sector
- Inefficient and costly enforcement; few raids, seizures, or criminal prosecutions
- Need for more effective coordination on cross-border trafficking, particularly with authorities in neighboring Vietnam

Current Year Assessment:

Cambodia has made a number of appearances in the IACC's Special 301 submissions, most recently in 2024. During this year's consultations we heard increased concerns from stakeholders in the pharmaceutical and medical device sector; we would welcome USTR's attention to the growing concerns highlighted by stakeholders over the past year.

IACC member brands described Cambodia's existing legal framework as offering sufficient enforcement tools in principle, though not in practice. Though authorized penalties for counterfeiting offenses include imprisonment and substantial fines, in the experience of most respondents, the imposition of deterrent penalties is not the norm. Unsurprisingly, counterfeit goods are widely available in the market, and manufacturers and distributors of illicit products are said to operate with seeming impunity. Enforcement continues to be frustrated by a lack of resources, insufficient training, and inadequate coordination. Those deficiencies, in turn, have contributed to delayed investigations and decreased numbers of prosecutions.

We would welcome more consistent engagement aimed at addressing these, and other, concerns voiced by IP owners in recent years.

KENYA

Concerns Highlighted by IACC in 2025:

- Some brands reported improved enforcement, though trafficking of counterfeits in some product sectors was said to be more pervasive despite the increased levels of enforcement
- Questions regarding the sufficiency of Kenya's statutory framework for protecting IP rights, particularly with respect to the availability of deterrent penalties
- Need for capacity building initiatives aimed at increasing the expertise of law enforcement, prosecutors, and the judiciary in handling IP matters

Current Year Assessment:

IACC members again wish to highlight concerns related to Kenya's implementation of a mandatory customs recordal regime; while seemingly well-intended, that decision has adversely impacted rights-holders due to the lack of clarity regarding the requirements, insufficient guidance to facilitate brands' compliance, and the significant administrative burden (and costs) associated with compliance. Some respondents expressed dismay over requirements to disclose sensitive business information, particularly in light of reportedly insufficient data protection safeguards. Rights-holders in the core copyright sectors have also objected to the mandatory recordation requirements as conflicting with the Berne Convention (to which Kenya is a signatory). And still others pointed to a need for the adoption of more stringent controls to verify the authenticity of documents submitted in connection with recordation, arguing that, as currently implemented, the process opens the door to fraud by bad actors.

Rights-holders urged the Kenyan government to reconsider the policy of mandatory recordation prior to its adoption, or to – at minimum – postpone its implementation until stakeholders had the opportunity to review and provide feedback on the plans. Unfortunately, many of the preliminary concerns that were shared prior to moving forward appear to have been borne out in practice.

Aside from the frustrations voiced in connection with the recordation policy, respondents continue to face a number of challenges in the market, including insufficient coordination between the ACA, Customs, and the Kenya Industrial Property Institute; significant administrative delays and backlogs at the KIPI; a need for greater resourcing of enforcement bodies; and increased collaboration with stakeholders. We welcome USTR's engagement on these matters.

UKRAINE

Current Year Assessment:

In light of the ongoing war between Ukraine and Russia, the suspension of USTR's Special 301 review of Ukraine should be extended.