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US ADDED INDIA TO PRIORITY WATCH LIST

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "US ADDED INDIA TO PRIORITY WATCH LIST". THIS TOPIC IS RELEVANT IN THE "POLITY AND GOVERNANCE" SECTION OF THE UPSC CSE EXAM.

WHY IN THE NEWS?

The latest iteration of the USTR Special 301 Report has once more designated India as part of the 'Priority Watch List' (PWL) alongside China, Russia, Venezuela, and three additional nations. This classification stems from apprehensions regarding the safeguarding and implementation of Intellectual Property (IP) rights.

HIGHLIGHTS OF THE REPORT

- The criticises India's intellectual property (IP) practices, placing it alongside several other countries on a watch list for needing improvement.
- While some progress has been made on specific issues like trademark investigations, the report highlights ongoing concerns. These include widespread online piracy, a large backlog of trademark disputes, and a lack of strong legal protections for trade secrets.
- The report also urges India to comply with international IP agreements and update its copyright laws. This has been a recurring issue, with India being placed on this watch list for several years due to concerns about IP protection, enforcement, and market access for U.S. companies.
- Several other countries are also on this priority watch list, including Indonesia, Chile, and Argentina. Meanwhile, a separate watch list includes 20 additional trading partners where the U.S. sees areas for improvement, though these are considered less severe cases than those on the priority list.
- The report acknowledges the special circumstances in Ukraine and has suspended its review of that country's IP practices due to the ongoing war.

ABOUT USTR'S SPECIAL 301 REPORT

- The USTR's Special 301 Report is an annual evaluation mandated **by Section 182 of the US Trade Act of 1974**. It aims to **review and assess the effectiveness of IP protection and enforcement practices** among US trading partners.
- Designation criteria for countries into the Priority Watch List (PWL) or Watch List are **determined by factors such as the severity of IP concerns, economic impact on US rights holders, and progress in addressing identified issues.**
- Countries listed on the PWL face significant allegations of inadequate IP protection and enforcement. The USTR may take further actions, including formal trade investigations or sanctions, if substantial improvements are not demonstrated. Those on the Watch List exhibit some **troubling IP practices, though not as severe as PWL countries**. The USTR monitors them closely to encourage enhancements in their IP regimes.
- The US government implements various initiatives to bolster IP protection globally. These efforts include bilateral negotiations, participation in the World Trade Organisation (WTO), and engagement with stakeholders.
- Additionally, **technical assistance is provided to developing countries to strengthen their IP systems** through training programs for legal and administrative personnel. Moreover, the USTR collaborates with partner nations and organisations to combat counterfeiting and piracy through joint actions, information exchange, and capacity building.

REPORT ON INDIA

- The report raises several ongoing issues regarding India's intellectual property (IP) protection and enforcement:
- **Insufficient and ineffective protection of IP, particularly concerning patents, copyrights, and trade secrets.** The report highlights challenges faced by innovative industries, such as issues with patentability criteria, **Section 3(d) of the Indian Patents Act,** and the absence of an efficient system to prevent the unfair commercial utilisation of undisclosed tests or other data used for obtaining marketing approval for pharmaceutical and agrochemical products.
- Concerns regarding copyright protection and enforcement, including **problems related to online piracy, camcording, and inadequate enforcement of copyright laws.** The report indicates that India has not taken satisfactory measures to address these longstanding issues.
- **Lack of transparency and predictability in India's IP-related policies and practices**, particularly concerning patent oppositions, compulsory licensing, and the application of patentability criteria.

STEPS TAKEN BY INDIA TO SAFEGUARD IPR

- **Legal Framework:** India has established a comprehensive legal framework to protect various forms of intellectual property, including patents, trademarks, copyrights, and industrial designs. The country has enacted laws such as the Patents Act, the Trade Marks Act, the Copyright Act, and the Designs Act to provide statutory protection to creators and innovators.
- The **National Intellectual Property Rights (IPR) Policy of 2016** consolidates all aspects of intellectual property rights into a unified vision document. It establishes an institutional framework for the effective implementation, monitoring, and periodic review of IP laws. This policy aims to foster innovation and creativity by offering stronger protection and incentives to inventors, artists, and creators.
- The **Cell for IPR Promotion and Management (CIPAM)** is established to oversee the execution of the National IPR Policy, ensuring coordination among relevant stakeholders.
- Furthermore, the **National Intellectual Property Awareness Mission (NIPAM)** serves as a flagship program aimed at enhancing awareness about intellectual property rights and providing foundational training in educational institutions.
- **International Agreements:** India is a signatory to various international agreements and treaties related to intellectual property, including the

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under the World Trade Organization (WTO). By adhering to these agreements, India commits to providing adequate protection and enforcement of intellectual property rights, thereby fostering international cooperation in this domain.

PRELIMS PRACTISE QUESTION

Q1. Consider the following statements:

1. The report notes advancements in trademark infringement investigations and pre-grant opposition proceedings within the U.S.-India Trade Policy Forum.
2. Both the Korean Republic and Uzbekistan have been removed from the Watch List as they have made substantial strides in addressing issues related to IP enforcement.
3. The evaluation of Ukraine in the Special 301 review continues despite the invasion by Russia in February 2022.

How many of the statements given above are correct?

(a) Only one

(b) Only two

(c) All three

(d) None

Answer: B

MAINS PRACTISE QUESTION

Q1. Do you think a temporary waiver of patent fees for essential medicines and medical equipment would have long-term implications for innovation and investment in the healthcare sector?

Himanshu Mishra

CRITICAL MINERALS

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "CRITICAL MINERALS". THIS TOPIC IS RELEVANT IN THE "ENVIRONMENT" SECTION OF THE UPSC CSE EXAM.

WHY IN THE NEWS?

- The Ministry of Mines, in collaboration with the Shakti Sustainable Energy Foundation (Shakti), Council on Energy, Environment and Water (CEEW), and Indian Institute of Sustainable Development (IISD), is organizing the "Critical Minerals Summit: Enhancing Beneficiation and Processing Capabilities" at the India Habitat Centre in Lodhi Estate, New Delhi. The summit is focused on 'Enhancing Beneficiation and Processing Capabilities.' Rao urged participants to brainstorm and make suggestions for the policy document.
- The summit brings together various Indian and international stakeholders, including industry leaders, startups, government officials, scientists, academics, and policy experts. Participants engage in active dialogue and interactive workshops on critical issues such as mineral auction progress, policy incentives for CRM ecosystem development, and advancing commercially viable and environmentally sustainable solutions.

- The summit will equip government and industry stakeholders with the knowledge, connections, and tools necessary to accelerate the domestic production of critical raw materials (CRMs), supporting India's economic growth and sustainability objectives. Key features of the summit include technical sessions on eight key minerals: glauconite (Potash), Lithium Earth Elements (Laterite), Chromium, Platinum Group, Graphite, Tungsten associated with Graphite, Rare Earth (RE), and Vanadium associated with Graphite.

WHAT IS CRITICAL MINERALS?

- Critical minerals are natural resources considered essential for a nation's economic and national security, but their supply may be at risk due to geopolitical, economic, or environmental factors. These minerals are pivotal not just for the manufacturing sector but also for high-tech industries, renewable energy technologies, defence, and other critical infrastructure.

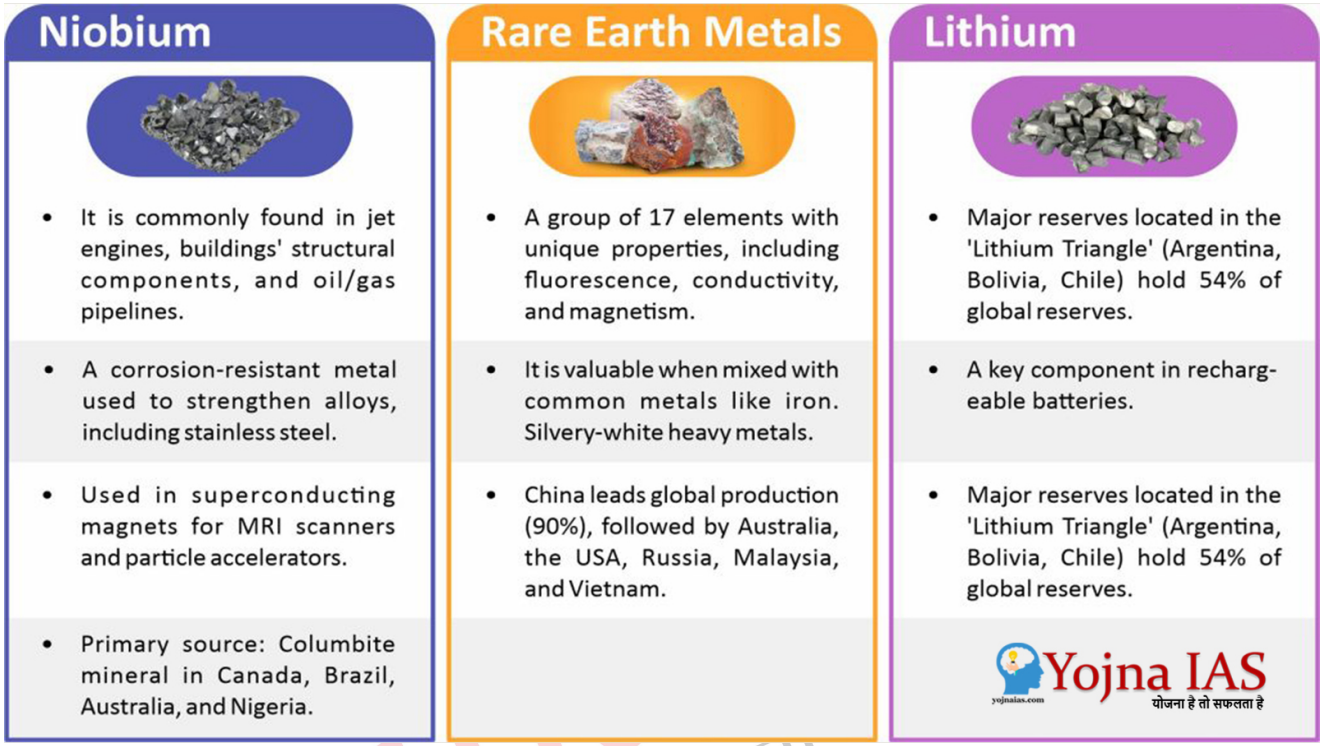
- Critical minerals often include rare earth elements (REEs), lithium, cobalt, graphite, and indium. These minerals are used in various applications, from batteries for electric vehicles and renewable energy storage to advanced electronics, magnets, and catalysts.

The designation of a mineral as "critical" typically depends on several factors, including:

1. **Economic Importance:** The mineral plays a significant role, particularly in key industries such as manufacturing, aerospace, or energy.
2. **Supply Risk**: There may be concerns about the stability or security of the mineral's supply chain. This could be due to geopolitical tensions, limited global reserves, or supply concentration in a few countries.
3. **Strategic Importance**: Minerals, such as defence technologies or critical infrastructure, are essential for national security.

Every country has its own list of critical minerals based on specific circumstances, including availability and priorities. **The United States has declared 50 minerals critical** for their importance in national security or economic development. Japan has identified 31 minerals as critical for its economy, while the United Kingdom considers 18 minerals critical. The European Union has listed 34 minerals as critical, and Canada also recognizes 31 minerals as crucial. **In India, there are 30 critical minerals as well.**

IMPORTANCE OF THE CRITICAL MINERALS IN INDIA:



Critical minerals are essential to modern industries, from electronics and renewable energy to defence technologies. These minerals are vital in various sectors of India's economy, including manufacturing, infrastructure development, and national security. **These are:**

- **Industrial Development:** Critical minerals such as rare earth elements (REEs), lithium, cobalt, and platinum group metals (PGMs) are crucial for producing advanced electronics, batteries, and catalysts. These materials are essential for manufacturing smartphones, electric vehicles (EVs), renewable energy systems, and high-tech devices.
- **Renewable Energy:** India is investing heavily in renewable energy sources like solar and wind power to meet its energy needs and reduce dependency on fossil fuels. Minerals like lithium, cobalt, and rare earth elements are key components in batteries and magnets used in solar panels, wind turbines, and energy storage systems, making them indispensable for the country's transition to a sustainable energy future.
- **Defence and Aerospace:** Critical minerals are essential for producing advanced materials used in defence and aerospace applications. These materials are used in manufacturing aircraft, missiles, satellites, and electronic warfare systems, ensuring national security and strategic autonomy.

- **Healthcare Sector**: Critical minerals play a crucial role in the healthcare industry, particularly in producing medical devices, diagnostic equipment, and pharmaceuticals. Minerals like platinum, palladium, and rare earth elements are used in medical imaging, cancer treatment, and drug manufacturing, contributing to healthcare advancements and patient care.
- **Electronics Manufacturing:** With a rapidly growing consumer electronics market, India relies heavily on imports for critical minerals required to produce electronic devices. Access to these minerals is crucial for the country's electronics manufacturing industry, significantly contributing to its economy and employment.

WAY FORWARD:

- **Strategic Resource Planning:** Develop a comprehensive national strategy for critical minerals, including inventorying available resources, assessing demand projections, and identifying priority minerals for conservation efforts.
- **Promotion of Recycling:** Encourage the establishment of recycling facilities for electronic waste, batteries, and other products containing critical minerals. Provide incentives for industries to adopt recycling technologies and practices.
- **Research and Development:** Invest in research and development to explore alternative materials, substitutes, and innovative technologies that reduce the reliance on critical minerals in key industries such as electronics, renewable energy, and automotive.
- **Supply Chain Transparency and Traceability:** Implement mechanisms to track and trace critical minerals throughout the supply chain to ensure responsible sourcing practices and minimize the risk of illegal or unethical extraction.
- **Regulatory Framework:** Strengthen regulatory frameworks for mining, environmental protection, and land use planning to ensure responsible extraction of critical minerals while mitigating environmental impacts and safeguarding local communities.
- **Stockpiling:** Maintain strategic stockpiles of critical minerals to buffer against short-term supply disruptions and market fluctuations. Governments and industries can collaborate to establish reserve programs to ensure supply security during emergencies.

MAINS PRACTICE QUESTION:

Q. What role do critical minerals play in the transition to renewable energy, and what are the potential challenges in ensuring their sustainable and ethical supply?

Q. “What steps can the government of India take to improve the conservation of critical minerals used in technology and renewable energy industries?
amit pradhan

Amit pradhan