

Also in the area of securities, non-residents are generally restricted by the Securities and Exchange Commission (SEC) to providing investment advice and other securities services to U.S. residents through a registered broker-dealer located in the United States. This limits the scope for cross-border provisions of securities services.

Affiliation between banks and insurance companies is prohibited in the United States, but is permitted in Canada with the passage of federal financial institutions legislation.

A variety of state restrictions are also imposed on foreign insurance companies. For example, some states impose different deposit requirements on insurance firms depending on their place of incorporation. Special deposit and asset pledge requirements are imposed on non-resident insurers by certain states.

X. INTELLECTUAL PROPERTY

Section 337 and the Tariff Act

Under Section 337 of the U.S. Tariff Act of 1930, imported products that allegedly violate United States intellectual property rights can be barred from entry into the United States. Section 337 gives U.S. intellectual property owners a major advantage over foreign competitors. The legislation has been ruled by a GATT panel to be in contravention of existing GATT rules. Section 337 also is not in conformity with the NAFTA and the Uruguay Round agreement on Trade Related Intellectual Property Rights.

Foreign firms, under this measure, face expensive litigation and the threat of harassment. Section 337 provisions for border measures contain more direct remedies against alleged violators than do U.S. domestic courts. Foreign firms also face more onerous administrative procedures in the International Trade Commission than in U.S. domestic courts.

The United States has not yet implemented legislation to bring Section 337 into conformity with its current international obligations.