

## Intellectual Property Regimes

Disentangling existing pressures to harmonize policies from those that are likely to result from a comprehensive trade agreement is particularly difficult with respect to intellectual property regimes. The United States can be expected to seek harmonization at the bargaining table of the subtle but important differences in the intellectual property systems of the two countries. One outstanding issue exists in the pharmaceutical industry, where the Canadian government might respond to pressures from multinational drug companies to repeal compulsory licensing -- an action that would be independent of a trade agreement. U.S. negotiators almost certainly will raise the general issue of compulsory licensing of patents as a political quid pro quo for an agreement if this issue is not resolved before negotiations begin.

## Investment and Competition Policies

Another contentious issue that will arise in trade negotiations is that of national policies towards the selling and investment policies of firms. In Canada, competition policies have not been vigorously pursued. The federal government, however, sometimes has used its regulatory powers to induce foreign firms to meet Canadian criteria for economic performance in such areas as job creation, research and development, investment, and foreign trade. A GATT panel finding on the practices of the Foreign Investment Review Agency -- now Investment Canada -- established that Canada could not require foreign-owned firms to reduce their imports of goods. However, neither services nor export performance requirements fall within the GATT's purview,