

CHAPTER 16
INTELLECTUAL PROPERTY

Article 16.1
General Provisions

1. Each Party shall grant and ensure adequate, effective and non-discriminatory protection of intellectual property, promote efficiency and transparency in the administration of its intellectual property system and provide for measures for adequate and effective enforcement of intellectual property rights against infringement, including counterfeiting and piracy, in accordance with the provisions of this Chapter.

2. Each Party reaffirms its rights and obligations under the international agreements relating to intellectual property to which both Parties are party.

3. Each Party shall endeavour to participate in international efforts, at various fora, in harmonising intellectual property systems.

Article 16.2
Definitions

For the purposes of this Chapter:

- (a) the term "intellectual property" means:
 - (i) copyright and related rights, trade marks, geographical indications, industrial designs, patents, layout-designs (topographies) of integrated circuits, and protection of undisclosed information as defined or referred to in the TRIPS Agreement; and
 - (ii) new varieties of plants as defined or referred to in the UPOV Convention;
- (b) the term "nationals" shall have the same meaning as in Article 1 of the TRIPS Agreement;

- (c) the term "Paris Convention" means the Paris Convention for the Protection of Industrial Property done at Paris on 20 March 1883, as amended; and
- (d) the term "UPOV Convention" means the International Convention for the Protection of New Varieties of Plants done at Paris on 2 December 1961, as amended.

Article 16.3 National Treatment

1. Each Party shall accord to nationals of the other Party treatment no less favourable than the treatment it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions provided in the TRIPS Agreement.

2. The Parties may avail themselves of the exceptions permitted under paragraph 1 in relation to judicial and administrative procedures, including the designation of an address for service or the appointment of an agent within the jurisdiction of a Party, only where such exceptions are necessary to secure compliance with laws and regulations which are not inconsistent with the provisions of this Chapter and where such practices are not applied in a manner which would constitute a disguised restriction on trade.

Note: For the purposes of this Article, the term "protection" shall include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically covered in this Chapter. Further, for the purposes of this Article, the term "protection" includes the prohibition of circumvention of effective technological measures specified in paragraph 1 of Article 16.12.

Article 16.4
Streamlining of Procedural Matters

For the purposes of providing efficient administration of its intellectual property system, each Party shall take appropriate measures to streamline its administrative procedures concerning intellectual property.

Article 16.5
Acquisition and Maintenance of Intellectual Property Rights

1. In relation to the substantive examination of applications for patents, applications for registrations of new plant varieties and trade marks, and applications for registrations, or registrations, of industrial designs, neither Party shall refuse an application or a registration without notifying the applicant in writing of the reasons for such refusal and giving the applicant at least one opportunity, prior to the decision of refusal, to make amendments to the application or the registration and submit their written opinions. Each Party shall ensure that, where the examined application or registration is refused, the applicant has an opportunity to appeal against the decision of refusal.

2. Each Party shall, in accordance with its laws and regulations, maintain judicial or administrative tribunals or procedures for the purpose of the examination, review, correction, opposition, invalidation, revocation or cancellation, as appropriate, of a grant of a patent, or the registration of a new plant variety, trade mark or industrial design.

Article 16.6
Transparency

For the purposes of further promoting transparency in the administration of its intellectual property system, each Party shall, in accordance with its laws and regulations, take appropriate measures to:

- (a) publish, on the Internet or otherwise, information on:
 - (i) applications for patents;

- (ii) grants of patents;
 - (iii) registrations of industrial designs;
 - (iv) applications for registration of trade marks;
 - (v) registrations of trade marks;
 - (vi) applications for registration of new varieties of plants; and
 - (vii) registrations of new varieties of plants,
- and make available to the public information contained in dossiers for the above applications, grants and registrations;
- (b) make available to the public information on applications for the suspension by its competent authorities of the release of goods suspected of infringing intellectual property rights as a border measure;
 - (c) make available to the public information on its efforts to ensure effective enforcement of intellectual property rights; and
 - (d) make available to the public, on the Internet or otherwise, other information with regard to its intellectual property system, including laws, regulations and guidelines.

Article 16.7

Promotion of Public Awareness of Protection of Intellectual Property

The Parties shall take necessary measures to promote public awareness of protection of intellectual property including educational and dissemination projects on the use of intellectual property as well as on the enforcement of intellectual property rights.

Article 16.8
Patents

The Parties shall cooperate to enhance mutual utilisation of search and examination results so as to allow applicants to obtain patents in an efficient and expeditious manner.

Article 16.9
Trade Marks

Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trade mark. Such signs, in particular words including personal names, letters, numerals, figurative elements, three-dimensional shapes and combinations of colours as well as any combination of such signs, shall be eligible for registration as a trade mark. Where signs are not inherently capable of distinguishing the relevant goods or services, each Party may make eligibility for registration depend on distinctiveness acquired through use.

Article 16.10
Geographical Indications

1. Each Party shall recognise that geographical indications are eligible for protection through a trade mark system or other legal means.
2. The relationship between the protection of trade mark rights and that of geographical indications shall be in accordance with the TRIPS Agreement.
3. Each Party shall ensure that protection measures for geographical indications are transparent, readily available and understandable to the public.
4. The Parties may exchange views on issues related to this Article including protection of geographical indications. The Sub-Committee on Intellectual Property referred to in Article 16.21 shall provide a forum for this purpose.

5. The Parties shall review this Article, with a view to considering further provisions, five years after the date of entry into force of this Agreement, unless the Parties otherwise agree. The Sub-Committee on Intellectual Property referred to in Article 16.21 shall provide a forum for this purpose.

Article 16.11
New Varieties of Plants

Each Party shall, in accordance with its rights and obligations under the UPOV Convention, provide for protection of plant varieties by granting and protecting rights in a plant variety where the variety is new, distinct, uniform and stable.

Article 16.12
Copyright and Related Rights

1. With respect to copyright and related rights, each Party shall provide:

- (a) adequate legal protection; and
- (b) effective criminal penalties or civil remedies or any combination thereof, against the circumvention of effective technological measures that are used by authors, performers, or producers of phonograms in connection with the exercise of their rights under the laws and regulations of the Party and that restrict acts, in respect of their works, performances or phonograms, which are neither authorised by the authors, performers or producers of phonograms concerned nor permitted in certain special cases by the laws and regulations of the Party.

2. Each Party shall ensure that its collective management organisations are encouraged to:

- (a) operate to collect and distribute revenues to their members in a manner that is fair, efficient, transparent and accountable; and

- (b) adopt open and transparent record keeping of the collection and distribution of revenues.

3. In civil judicial proceedings involving copyright, each Party shall provide for a presumption that, in the absence of evidence to the contrary, the person whose name is indicated on a work in the usual manner as the name of the author of the work is the author of the work. This paragraph shall be applicable even if such name is a pseudonym, where the pseudonym adopted by the author leaves no doubt as to his or her identity.

4. Each Party shall confine limitations or exceptions to exclusive rights of copyright and related rights to certain special cases which do not conflict with a normal exploitation of a work, performance or phonogram and do not unreasonably prejudice the legitimate interests of the right holder.

Note: With respect to works, performances and phonograms, paragraph 4 does not reduce the capacity of each Party to provide for limitations or exceptions in accordance with multilateral agreements related to intellectual property to which that Party is, or becomes, a party.

Article 16.13 Protection of Undisclosed Information

Each Party shall protect undisclosed information in accordance with Article 39 of the TRIPS Agreement.

Article 16.14 Utility Models

The Parties reaffirm their rights and obligations for the protection of utility models in accordance with the Paris Convention.

Article 16.15
Unfair Competition

Each Party shall provide for effective protection against acts of unfair competition in accordance with the Paris Convention.

Article 16.16
Internet Service Providers

Each Party shall take appropriate measures to limit the liability of, or remedies available against, Internet service providers for copyright infringement by the users of their online services or facilities, where the Internet service providers take action to prevent access to the materials infringing copyright in accordance with the laws and regulations of the Party.

Article 16.17
Enforcement - General

Each Party shall maintain mechanisms for the effective enforcement of intellectual property rights including border measures, civil remedies and criminal procedures and penalties in accordance with Articles 16.18 through 16.20. These mechanisms may also include:

- (a) public or private advisory groups; and
- (b) internal coordination among, and joint actions by, national government agencies concerned with enforcement of intellectual property rights.

Article 16.18
Enforcement - Border Measures

1. Each Party shall provide for procedures concerning the suspension at the border by its customs administration, *ex officio*, of the release of goods suspected of infringing rights to trade marks, or copyright or related rights, which are destined for importation into and exportation from the Party.

2. Each Party shall provide for procedures concerning the suspension at the border by its customs administration, on request of a right holder, of the release of goods suspected of infringing rights to trade marks, or copyright or related rights, which are destined for importation into the Party.

3. Each Party may provide for procedures concerning the suspension at the border by its customs administration of the release of goods suspected of infringing rights to trade marks, or copyrights or related rights which:

- (a) are destined for exportation from the Party, on request of a right holder; and
- (b) are destined for transshipment through the Party, *ex officio* or on request of a right holder.

4. Each Party may provide for procedures concerning the suspension at the border by its customs administration of the release of goods suspected of infringing rights to patents, industrial designs or new varieties of plants, which are destined for importation into, exportation from or transshipment through the Party.

5. In the case of suspension with respect to importation or exportation, in accordance with the procedures referred to in this Article, the competent authorities of the importing Party upon importation, or of the exporting Party upon exportation, shall, where authorised in accordance with its laws and regulations or by its judicial authorities, notify the right holder of the names and addresses of the importer and the consignor, or the exporter and the consignee, of the goods in question, as the case may be.

6. Once a positive determination regarding infringement has been made, each Party shall ensure that the goods, the release of which has been suspended in accordance with the procedures referred to in this Article, will not be released into the channels of commerce without the consent of the right holder, and that the goods will be destroyed or disposed of in accordance with its laws and regulations, except with the consent of the right holder, or otherwise, in exceptional circumstances.

7. Each Party shall provide for simplified procedures, to be used when the importer does not object, for the competent authorities to seize, destroy or dispose of the goods the release of which has been suspended in accordance with the procedures referred to in paragraph 2.

Note: For the purposes of this Article, the term "transshipment" means transshipment, as defined in the International Convention on the Simplification and Harmonization of Customs Procedures, done at Kyoto on 18 May 1973, as amended.

Article 16.19 Enforcement - Civil Remedies

1. Each Party shall provide that in civil judicial proceedings by a right holder of intellectual property rights against a person who knowingly, or with reasonable grounds to know, infringed the right holder's intellectual property rights, its judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of the infringement of the right holder's intellectual property rights.

2. Each Party shall ensure, subject to its laws and regulations, that its judicial authorities have the authority to determine the amount of damages based on the totality of the evidence presented to them. In determining the amount of damages for infringement of intellectual property rights, a Party's judicial authorities shall have the authority to consider, *inter alia*, any legitimate measure of value the right holder submits, which may include lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price.

Article 16.20 Enforcement - Criminal Procedures and Penalties

1. Each Party shall provide for criminal procedures and penalties to be applied at least in cases of trade mark counterfeiting, copyright or related rights piracy or infringement of rights relating to new varieties of plants, committed wilfully and on a commercial scale.

2. Each Party shall treat wilful importation or exportation of goods covered by paragraph 1 as unlawful activities subject to criminal penalties. A Party may comply with its obligation relating to importation and exportation of goods covered by paragraph 1 by providing for distribution, sale or offer for sale of such goods on a commercial scale as unlawful activities subject to criminal penalties.

3. Penalties applicable to the cases referred to in paragraphs 1 and 2 shall include imprisonment and/or monetary fines sufficient to provide a deterrent, that are consistent with the level of penalties applied for crimes of a corresponding gravity.

4. Each Party shall ensure, at least in cases of trade mark counterfeiting or infringement of rights relating to new varieties of plants, committed wilfully and on a commercial scale, that its competent authorities may institute prosecution *ex officio*, without the need for a formal complaint by the right holder whose right has been infringed.

5. Each Party shall ensure that in cases of trade mark counterfeiting or copyright or related rights piracy committed wilfully and on a commercial scale, its judicial authorities may order the confiscation of crime proceeds and properties derived from such crime proceeds, in accordance with its laws and regulations.

Note: For the purposes of this paragraph, for Australia, its judicial authorities shall only be required to order the confiscation of crime proceeds and properties derived from such crime proceeds, in respect of offences defined as "indictable offences" under its law.

6. Each Party shall provide for criminal procedures and penalties to be applied in cases of wilful importation and domestic use, in the course of trade and on a commercial scale, of labels or packaging:

- (a) to which a mark has been applied without authorisation which is identical to, or cannot be distinguished from, a trade mark registered in its Area; and

- (b) which are intended to be used in the course of trade on goods or in relation to services which are identical to goods or services for which such trade mark is registered.

Note 1: A Party may comply with its obligation under this paragraph relating to importation of labels or packaging through its measures concerning distribution.

Note 2: A Party may comply with its obligations under this paragraph by providing for criminal procedures and penalties to be applied to attempts to commit a trade mark offence.

Article 16.21 Sub-Committee on Intellectual Property

1. For the purposes of the effective implementation and operation of this Chapter, the Parties hereby establish a Sub-Committee on Intellectual Property (hereinafter referred to in this Article as "the Sub-Committee").

2. The functions of the Sub-Committee shall be:

- (a) reviewing and monitoring the implementation and operation of this Chapter;
- (b) discussing any issues related to intellectual property, including geographical indications, covered by this Chapter;
- (c) overseeing ongoing cooperation between the Parties in relation to the protection of intellectual property, enforcement of intellectual property rights and administration of their intellectual property systems;
- (d) reporting the findings and the outcomes of discussions of the Sub-Committee to the Joint Committee; and
- (e) carrying out other functions as may be delegated by the Joint Committee.

3. The Sub-Committee:

- (a) shall be composed of and co-chaired by representatives of the Governments of the Parties; and
- (b) may invite, by consensus, representatives of relevant entities other than the Governments of the Parties, with necessary expertise relevant to the issues to be discussed, to attend meetings of the Sub-Committee to provide advice on specific issues.

4. The Sub-Committee shall meet at such venues and times and by such means as may be agreed by the Parties.