

Chapter 17

Intellectual Property

Article 17.1: Definitions

For the purposes of this Chapter:

- (a) **broadcasting** means the transmission to the public by wireless means, including satellite, of sounds or sounds and images, or representations thereof, including wireless transmission of encrypted signals where the means for decrypting are provided to the public by the broadcasting organisation or with its consent;
- (b) **communication to the public of a performance or a phonogram** has the meaning in Article 2(g) of the *WIPO Performances and Phonograms Treaty*;
- (c) **fixation** in relation to performances and phonograms means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced or communicated through a device;
- (d) **intellectual property** refers to all categories of intellectual property that are the subject of Sections 1 to 7 of Part II of the TRIPS Agreement, namely: copyright and related rights; trade marks; geographical indications; industrial designs; patents; layout designs (topographies) of integrated circuits; and protection of undisclosed information¹⁷⁻¹;
- (e) **performance** refers to a performance fixed in a phonogram unless otherwise specified;
- (f) **performers** means actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, interpret or otherwise perform literary or artistic works or expressions of folklore;
- (g) **phonogram** means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work;
- (h) **producer of a phonogram** means the person who, or the legal entity which, takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other sounds, or the representations of sounds;
- (i) **publication of a performance or a phonogram** means the offering of copies of the performance or the phonogram to the public, with the consent of the right holder, and provided that copies are offered to the public in reasonable quantity;

¹⁷⁻¹ For the purposes of this Chapter, intellectual property also includes rights in plant varieties.

- (j) **WIPO** means the World Intellectual Property Organization; and
- (k) **work** includes a cinematographic work.

Article 17.2: Purpose

The Parties recognise that it is important to provide adequate and effective protection and enforcement of intellectual property rights, promote efficient and transparent intellectual property systems and achieve an appropriate balance between the legitimate interests of intellectual property right holders and of users in subject matter protected by intellectual property rights.

Article 17.3: General Provisions

1. The Parties reaffirm their existing rights and obligations with respect to each other under the TRIPS Agreement and any other multilateral intellectual property agreements to which both are party.
2. Nothing in this Chapter shall prevent a Party from adopting appropriate measures to prevent:
 - (a) the abuse of intellectual property rights by right holders or the resort to practices that unreasonably restrain trade or adversely affect the international transfer of technology; and
 - (b) anticompetitive practices that may result from the abuse of intellectual property rights;provided that such measures are consistent with this Agreement.
3. Each Party shall give effect to the provisions of this Chapter and may, but shall not be obliged to, implement in its domestic law more extensive protection than is required by this Chapter, provided that such protection does not contravene the provisions of this Chapter.

Article 17.4: International Agreements

1. Each Party shall ratify or accede to the following agreements by 1 January 2009 in a manner consistent with its domestic law and subject to the fulfilment of its necessary internal requirements:
 - (a) the *Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite* (1974) (the Brussels Convention);
 - (b) the *Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure* (1980); and

- (c) the *International Convention for the Protection of New Varieties of Plants* (1991).

2. Each Party shall undertake reasonable efforts to ratify or accede to the following agreements, in a manner consistent with its domestic law and subject to the fulfilment of its necessary internal requirements:

- (a) the *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* (1989);
- (b) the *Patent Cooperation Treaty* (1970); and
- (c) the *Patent Law Treaty* (2000).

Article 17.5: National Treatment

1. In respect of all intellectual property rights covered in this Chapter, each Party shall accord to persons of the other Party treatment no less favourable than it accords to its own persons with regard to the protection¹⁷⁻² and enjoyment of such intellectual property rights and any benefits derived from such rights, subject to the exceptions provided in multilateral intellectual property agreements to which either Party is, or becomes, a contracting party.

2. A Party may derogate from paragraph 1 in relation to its judicial and administrative procedures, including requiring a person of the other Party to designate an address for service of process in its territory, or to appoint an agent in its territory, provided that such derogation is:

- (a) necessary to secure compliance with laws and regulations that are not inconsistent with this Chapter; and
- (b) not applied in a manner that would constitute a disguised restriction on trade.

3. Paragraph 1 does not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO in relation to the acquisition or maintenance of intellectual property rights.

Article 17.6: Application of Agreement to Existing Subject Matter

1. Except as it provides otherwise, including Article 17.32, this Chapter gives rise to obligations in respect of all subject matter existing at the date of entry into

¹⁷⁻² For the purposes of this Article, **protection** includes 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 by this Chapter. Further, for the purposes of this Article, **protection** also includes the provisions concerning the prohibition on circumvention of effective technological measures and rights management information specified in Articles 17.28 and 17.29 respectively.

force of this Agreement, that is protected on that date in the territory of the Party where protection is claimed, or that meets or comes subsequently to meet the criteria for protection under this Chapter.

2. Except as otherwise provided in this Chapter, a Party shall not be required to restore protection to subject matter that on the date of entry into force of this Agreement has fallen into the public domain in the territory of the Party where the protection is claimed.

Article 17.7: Application of Agreement to Prior Acts

This Chapter does not give rise to obligations in respect of acts that occurred before the date of entry into force of this Agreement.

Article 17.8: Industrial Property

1. Each Party shall provide a system that permits owners to assert industrial property rights and interested parties to challenge such rights through administrative or judicial means, or both.

2. Each Party shall endeavour to simplify and streamline its administrative procedures and participate in international fora, including the WIPO fora, dealing with reform and development of the industrial property system.

TRADE MARKS

Article 17.9: Trade Marks Protection

Each Party shall provide that trade marks shall include trade marks in respect of goods and services, collective marks and certification marks. A Party is not obligated to treat certification marks as a separate category in its domestic law. Each Party shall provide, in accordance with its domestic law, that a sound may constitute a sign, and a combination of colours may form all or part of a sign. Each Party may provide trade mark protection for scents. The Parties shall not require, as a condition of registration, that trade marks be visually perceptible. A Party may require that trade marks be represented graphically.

Article 17.10: Use of Identical or Similar Signs

Each Party shall provide that the owner of a registered trade mark shall have the exclusive right to prevent third parties not having the owner's consent from using in the course of trade identical or similar signs, including subsequent geographical indications, for goods or services that are related to those goods or services in respect

of which the trade mark is registered, where such use would result in a likelihood of confusion.¹⁷⁻³

Article 17.11: Exceptions to Trade Mark Rights

Each Party may provide limited exceptions to the rights conferred by a trade mark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interest of the owner of the trade mark and of third parties.

Article 17.12: Well Known Trade Marks

1. Article 6bis of the *Paris Convention for the Protection of Industrial Property* shall apply to goods or services that are not identical or similar to those identified by a well known trade mark¹⁷⁻⁴, whether registered or not, provided that use of that trade mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the trade mark, and provided that the interests of the owner of the trade mark are likely to be damaged by such use.

2. Each Party recognises the importance of the *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks* (1999) as adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO, and shall be guided by the principles contained in this Recommendation.

Article 17.13: Trade Mark System of Protection

Each Party shall provide a system of protection for trade marks that provides procedures for examination as to substance and formalities, opposition, and cancellation, which shall include, but not be limited to:

- (a) providing to the applicant a communication in writing, which may be electronic, of the reasons for any refusal to register a trade mark;
- (b) providing the opportunity for the applicant to respond to communications from the authorities responsible for registration of trade marks, to contest an initial refusal, and to appeal judicially any final refusal to register a trade mark;
- (c) providing an opportunity for interested parties to oppose the registration of a trade mark or to seek cancellation of a trade mark; and
- (d) requiring that decisions in opposition or cancellation proceedings be reasoned and in writing.

¹⁷⁻³ It is understood that likelihood of confusion is to be determined under the domestic trade mark law of each Party.

¹⁷⁻⁴ In determining whether a trade mark is well known, the reputation of the trade mark need not extend beyond the sector of the public that normally deals with the relevant goods or services.

Article 17.14: Electronic Trade Marks System

Each Party shall provide, to the maximum extent practical:

- (a) a system for the electronic application, processing, registration and maintenance of trade marks; and
- (b) a publicly available electronic information system of registered trade marks.

Article 17.15: Term of Protection for Trade Marks

Each Party shall provide that initial registration of a trade mark shall be for a term of no less than 10 years.

Article 17.16: Classification of Goods and Services

Each Party shall maintain a trade mark classification system that is consistent with the *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks* of June 15, 1957, as amended.

Article 17.17: Geographical Indications

1. Each Party shall recognise that geographical indications may be protected through a trade mark or *sui generis* system or other legal means.
2. Each Party shall provide the means for persons of the other Party to apply for protection of geographical indications. Each Party shall accept applications without the requirement for intercession by a Party on behalf of its persons, and shall:
 - (a) process applications for geographical indications with a minimum of formalities;
 - (b) make its regulations governing filing of such applications readily available to the public;
 - (c) ensure that applications for geographical indications are published for opposition and provide procedures for:
 - (i) opposing geographical indications before registration; and
 - (ii) cancellation of any registered geographical indications;
 - (d) ensure that measures governing the filing of applications for geographical indications set out clearly the procedures for such actions

and shall include contact information sufficient for applicants to obtain specific procedural guidance regarding the processing of those applications; and

- (e) provide that the grounds for refusing an application for protection of a geographical indication, or for opposing such an application, include the following¹⁷⁻⁵:
 - (i) the geographical indication is confusingly similar to a trade mark that is the subject of a pre-existing good-faith pending application or registration; and
 - (ii) the geographical indication is confusingly similar to a pre-existing trade mark, the rights to which have been acquired through use in good faith in the territory of the Party.

COUNTRY NAMES

Article 17.18: Country Names

Each Party shall provide the legal means for interested parties to prevent commercial use of country names of the other Party in relation to goods in a manner which is likely to mislead consumers as to the origin of such goods.

PATENTS

Article 17.19: Availability of Patents

Each Party shall make patents available for any invention, whether a product or process, in all fields of technology, provided that the invention is new, involves an inventive step, and is capable of industrial application. For the purposes of this Article, a Party may treat the terms “inventive step” and “capable of industrial application” as synonymous with the terms “non-obvious” and “useful”, respectively.

Article 17.20: Exceptions to Patent Rights

A Party may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

¹⁷⁻⁵ Without prejudice, final decisions on the matters covered in Article 17.17.2(e) shall be taken according to each Party's domestic law.

Article 17.21: Patent System of Protection

1. Each Party shall provide an opportunity, either before or after grant, for interested parties to oppose the grant of a patent or to seek its revocation or cancellation¹⁷⁻⁶.
2. Each Party shall provide that a patent may only be revoked or cancelled on grounds that would have justified a refusal to grant the patent.
3. Notwithstanding paragraph 2, a Party may also provide that a patent may be revoked or cancelled on the basis of fraud, or that the patent is used in a manner determined to be anticompetitive in a judicial proceeding¹⁷⁻⁷.

Article 17.22: Grace Period for Patents

Neither Party shall use the information contained in a public disclosure to prevent patentability due to a lack of novelty or inventive step if the public disclosure:

- (a) was made or authorised by, or derived from, the patent applicant; and
- (b) occurs within 12 months prior to the date of filing of the application in the territory of the Party.

Article 17.23: Classification of Patents

Each Party shall maintain a patent classification system that is consistent with the *Strasbourg Agreement Concerning the International Patent Classification* of March 24, 1971, as amended.

DOMAIN NAMES

Article 17.24: Dispute Settlement and Registration Database

1. Each Party shall require that the management of its country-code top-level domain (ccTLD) provide an appropriate procedure for the settlement of disputes, based on the principles established in the Uniform Domain-Name Dispute-Resolution Policy.
2. Each Party shall require that the management of its ccTLD provide online public access to a reliable and accurate database of domain-name registrations in accordance with each Party's law regarding protection of personal data.

¹⁷⁻⁶ For the purposes of this Article, a Party may treat the term "cancellation" as synonymous with "revocation" and the term "cancelled" as synonymous with "revoked".

¹⁷⁻⁷ Where a Party provides that misrepresentation or inequitable conduct are grounds for revocation or cancellation of a patent, it may continue to so provide.

COPYRIGHT

Article 17.25: Right of Reproduction

1. Each Party shall provide that authors¹⁷⁻⁸ of literary and artistic works have the right to authorise or prohibit¹⁷⁻⁹ all reproductions of their works, in any manner or form, permanent or temporary (including temporary storage in material form)¹⁷⁻¹⁰.
2. The Parties reaffirm that it is a matter for each Party's law to prescribe that works shall not be protected by copyright unless they have been fixed in some material form.

RELATED RIGHTS

Article 17.26: Right of Reproduction

1. Each Party shall provide that performers, in respect of their performances, and producers of phonograms, in respect of their phonograms¹⁷⁻¹¹, have the right to authorise or prohibit all reproductions, in any manner or form, permanent or temporary (including temporary storage in material form)¹⁷⁻¹².
2. The Parties reaffirm that it is a matter for each Party's law to prescribe that performances and phonograms shall not be protected by related rights unless they have been fixed in some material form.

¹⁷⁻⁸ References to "authors" in this Chapter refer also to any successors in interest.

¹⁷⁻⁹ For the purposes of paragraph 1 of Article 17.25 and paragraph 1 of Article 17.26, a right to authorise or prohibit means an exclusive right. For avoidance of doubt, in the case of Chile, a right to authorise also means an exclusive right.

¹⁷⁻¹⁰ It is consistent with this Agreement to provide exceptions and limitations for temporary acts of reproduction which are transient or incidental and an integral and essential part of a technological process and whose sole purpose is to enable (a) a lawful transmission in a network between third parties by an intermediary; or (b) a lawful use of a work; and which have no independent economic significance.

¹⁷⁻¹¹ References to "performers" and "producers of phonograms" in this Chapter refer also to any successors in interest.

¹⁷⁻¹² It is consistent with this Agreement to provide exceptions and limitations for temporary acts of reproduction of performances or phonograms which are transient or incidental and an integral and essential part of a technological process and whose sole purpose is to enable (a) a lawful transmission in a network between third parties by an intermediary; or (b) a lawful use of a performance or phonogram; and which have no independent economic significance.

COMMON PROVISIONS TO COPYRIGHT AND RELATED RIGHTS

Article 17.27: Term of Protection for Copyright and Related Rights

Each Party shall provide that where the term of protection of a work (including a photographic work), performance or phonogram is to be calculated:

- (a) on the basis of the life of a natural person, the term shall be not less than the life of the author and 70 years after the author's death; and
- (b) on a basis other than the life of a natural person, the term shall be:
 - (i) not less than 70 years from the end of the calendar year of the first authorised publication of the work, performance or phonogram; or
 - (ii) failing such authorised publication within 50 years from the creation of the work, performance or phonogram, not less than 70 years from the end of the calendar year of the creation of the work, performance or phonogram.

Article 17.28: Effective Technological Measures

Each Party shall provide for civil remedies or administrative measures and, when appropriate, criminal penalties, against the circumvention of effective technological measures that are used by authors, performers and producers of phonograms in connection with the exercise of their copyright and related rights, and that restrict acts in respect of their works, performances or phonograms, which are not authorised by those right holders, or permitted by law.

Article 17.29: Rights Management Information

In order to provide adequate and effective legal remedies to protect rights management information:

- (a) each Party shall provide that any person who without authority, and with respect to civil remedies, having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any copyright or related right:
 - (i) knowingly removes or alters any rights management information;
 - (ii) distributes or imports for distribution rights management information knowing that the rights management information has been altered without authority; or

- (iii) distributes to the public, imports for distribution, broadcasts, communicates or makes available to the public copies of works, performances or phonograms, knowing that rights management information has been removed or altered without authority;

shall be liable, upon the suit of any injured person, and subject to civil remedies.

- (b) Further to paragraph (a), each Party shall provide for the application of criminal procedures and penalties at least in cases where acts prohibited in subparagraph (a) are done knowingly, wilfully and for purposes of commercial advantage. A Party may exempt from criminal liability prohibited acts done in connection with a non-profit library, archive, educational institution or broadcasting entity¹⁷⁻¹³ established without a profit-making purpose¹⁷⁻¹⁴.

Article 17.30: Government Use of Software

Each Party shall maintain appropriate laws, orders, regulations, government issued guidelines or administrative or executive decrees which provide that its central government agencies use only legitimate computer software as authorised.

Article 17.31: Exceptions to Copyright and Related Rights

Each Party shall provide for exceptions or limitations to copyright and related rights included in this Chapter, in accordance with the *Berne Convention for the Protection of Literary and Artistic Works*, the *TRIPS Agreement*, the *WIPO Copyright Treaty* and/or the *WIPO Performances and Phonograms Treaty*.

Article 17.32: Application in Time

Each Party shall apply Article 18 of the *Berne Convention*, *mutatis mutandis*, to the subject matter, rights and obligations in Articles 17.25 to 17.31 inclusive.

ENCRYPTED PROGRAM-CARRYING SATELLITE SIGNALS

Article 17.33: Protection

1. Each Party shall make it:

¹⁷⁻¹³ A Party may provide that such a broadcasting entity means a “public non-commercial broadcasting entity”.

¹⁷⁻¹⁴ Each Party may provide for other exceptions to civil and criminal liability in accordance with its domestic law.

- (a) the basis for a civil action or a criminal offence to manufacture, assemble, modify, import, export, sell, lease or otherwise distribute a tangible or intangible device or system, knowing that the device or system is of assistance in decoding an encrypted program-carrying satellite signal¹⁷⁻¹⁵ without the authorisation of the lawful distributor of such signal; and
- (b) the basis for a civil action or a criminal offence wilfully to receive and make use of, or further distribute, a program-carrying signal that originated as an encrypted program-carrying satellite signal knowing that it has been decoded without the authorisation of the lawful distributor of the signal.

2. Each Party shall provide for the availability of civil proceedings for any person injured by any activity described in paragraph 1, including any person that holds an interest in the encrypted program-carrying signal or its content.

ENFORCEMENT

Article 17.34: General

1. Each Party shall ensure that procedures, remedies and penalties set forth in Articles 17.34 to 17.40 for enforcement of intellectual property rights are established in accordance with its domestic law¹⁷⁻¹⁶. Such administrative and judicial procedures, remedies or penalties, both civil and criminal, shall be made available to the holders of such rights in accordance with the principles of due process that each Party recognises, as well as with the foundations of its own legal system.

2. Articles 17.34 to 17.40 do not create any obligation:

- (a) to put in place a judicial system for the enforcement of intellectual property rights distinct from that already existing for the enforcement of law in general; or
- (b) with respect to the distribution of resources for the enforcement of intellectual property rights and the enforcement of law in general.

The distribution of resources for the enforcement of intellectual property rights shall not excuse a Party from compliance with the provisions of Articles 17.34 to 17.40.

3. Each Party shall provide that final decisions of general application pertaining to the enforcement of intellectual property rights shall be in writing and shall state the

¹⁷⁻¹⁵ The degree to which the device or system assists in decoding an encrypted program-carrying satellite signal shall be a matter of each Party's law.

¹⁷⁻¹⁶ Nothing in this Chapter prevents a Party from establishing or maintaining appropriate judicial or administrative procedural formalities for this purpose that do not impair each Party's rights or obligations under this Agreement.

reasons or the legal basis on which the decisions are based. Each Party shall provide that such decisions shall be published, preferably electronically, or, where such publication is not practicable, otherwise made available to the public in its national language in such a manner as to enable governments and right holders to become acquainted with them.

Article 17.35: Presumptions for Copyright and Related Rights

In civil judicial and criminal proceedings involving copyright or related rights, each Party shall provide:

- (a) for a presumption, in the absence of evidence to the contrary, that the natural person or legal entity whose name is indicated as the author, producer, performer or publisher of the work, performance or phonogram in the usual manner¹⁷⁻¹⁷ shall be presumed to be the designated right holder in such work, performance or phonogram; and
- (b) in accordance with its domestic law, for a presumption, in the absence of evidence to the contrary, that copyright or a related right subsists in such subject matter.

Article 17.36: Civil and Administrative Procedures and Remedies

1. Each Party shall make available to right holders¹⁷⁻¹⁸ civil judicial procedures concerning the enforcement of any intellectual property right.
2. Each Party shall provide that in civil judicial proceedings, its judicial authorities shall:
 - (a) have the authority to order the infringer to pay the right holder:
 - (i) damages adequate to compensate for the injury the right holder has suffered as a result of the infringement; and
 - (ii) at least in the case of copyright or related rights infringement and trade mark counterfeiting, the profits of the infringer that are attributable to the infringement, and that are not taken into account in determining damages under subparagraph (i)¹⁷⁻¹⁹.

¹⁷⁻¹⁷ Each Party may establish the means by which it shall determine what constitutes the “usual manner” for a particular physical support.

¹⁷⁻¹⁸ For the purpose of this Article, the term **right holder** includes licensees as provided for in each Party’s domestic law, as well as federations and associations having the legal standing and authority to assert such rights.

¹⁷⁻¹⁹ Notwithstanding Article 17.36.2(a), a Party may provide any one or more of the following: that only one or the other of the remedies set out in Article 17.36.2(a)(i) and (ii) is available at the election of the right holder; in the case of a finding of non-use of a trade mark that the right holder may not be entitled to either of the remedies set out in Article 17.36.2(a)(i) and (ii); and in the case of innocent copyright and related rights infringement that the right holder may be entitled to an account of profits but not damages.

- (b) in determining any order for damages made under subparagraph (a), consider, *inter alia*, any legitimate measure of the value of the infringing goods or services including the retail price.

3. Each Party shall provide that, except in exceptional circumstances, its judicial authorities shall have the authority to order, at the conclusion of civil judicial proceedings concerning infringement of copyright or related rights or trade mark counterfeiting, that the prevailing party be awarded payment of courts costs or fees and reasonable attorney's fees by the infringing party.

4. In civil judicial proceedings concerning copyright or related rights infringement and trade mark counterfeiting, each Party shall provide that its judicial authorities shall have the authority, at least where necessary to prevent further infringement, to order the seizure of suspected infringing goods, related materials and implements by means of which such goods are produced.

5. Each Party shall provide that in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities shall have the authority to order the infringer to provide any information that the infringer possesses regarding persons involved in the infringement and regarding the distribution channels of the infringing goods. Judicial authorities shall also have the authority to impose fines or imprisonment on infringers who do not comply with such orders, in accordance with each Party's domestic law.

6. If a Party's judicial or other authorities appoint technical or other experts in civil judicial proceedings concerning the enforcement of intellectual property rights, and require that the parties to the proceedings bear the costs of such experts, the Party should seek to ensure that these costs are reasonable and related appropriately to, *inter alia*, the quantity and nature of work to be performed, or, if applicable, based on standardised fees, and do not unreasonably deter recourse to such proceedings.

Article 17.37: Provisional Measures

1. Each Party's authorities shall act on requests for relief *inaudita altera parte* expeditiously in accordance with the Party's judicial rules.

2. With respect to provisional measures, each Party shall provide that its judicial authorities shall have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right holder¹⁷⁻²⁰ and that the applicant's right is being infringed or that such infringement is imminent, and to order the applicant to provide a reasonable security or equivalent assurance set at a level sufficient to protect the respondent and to prevent abuse, and so as not to unreasonably deter recourse to such procedures.

¹⁷⁻²⁰ In accordance with subparagraph (a) of Article 17.35.

Article 17.38: Criminal Procedures and Remedies

Each Party shall provide for criminal procedures and penalties to be applied at least in cases where a person wilfully engages in trade mark counterfeiting or piracy of works, performances or phonograms on a commercial scale¹⁷⁻²¹ including wilful infringement of copyright and related rights for a commercial advantage or financial gain.¹⁷⁻²² Specifically, each Party shall provide:

- (a) penalties that include imprisonment and/or monetary fines that are sufficient to provide a deterrent to infringement consistent with the level of penalties applied for crimes of a corresponding gravity;
- (b) that its judicial authorities shall have the authority to order the seizure of suspected counterfeit or pirated goods, related materials and implements that have been used in the commission of the offence, assets legally traceable to the infringing activity and documentary evidence relevant to the offence¹⁷⁻²³. Each Party shall further provide that its judicial authorities have the authority to order the seizure of items in accordance with its domestic law;
- (c) that its judicial authorities shall have the authority, among other measures, to order the forfeiture of any assets legally traceable to the infringing activity for at least indictable offences, and the forfeiture and destruction of all goods found to be counterfeit or pirated, and, at least with respect to wilful copyright and related rights piracy, to order the forfeiture and destruction of materials and implements that have been used in the making of the infringing goods. Each Party shall further provide that such forfeiture and destruction shall occur without compensation to the defendant; and
- (d) that the appropriate authorities, as determined by each Party, shall have the authority to initiate criminal legal action *ex officio* in cases of copyright and related rights piracy and trade mark counterfeiting without the need for a formal complaint by a person or right holder.

Article 17.39: Border Measures

1. Each Party shall provide, in any right holder initiated procedures for suspension by its Customs Administration of the release into free circulation of suspected counterfeit trade mark goods or pirated copyright goods¹⁷⁻²⁴ imported into

¹⁷⁻²¹ Piracy of works, performances or phonograms on a commercial scale may include where a person wilfully commits significant infringements of copyright that are not committed for the purpose of commercial advantage or financial gain.

¹⁷⁻²² Commercial advantage or financial gain shall be understood to exclude *de minimis* infringements. Nothing in this Agreement prevents prosecutors from exercising any discretion that they may have to decline to pursue cases.

¹⁷⁻²³ Each Party may provide that items that are subject to seizure pursuant to any such judicial order need not be individually identified so long as they fall within general categories specified in the order.

¹⁷⁻²⁴ For the purposes of Article 17.39.1 to 4:

the Party's territory, that the right holder provide to the satisfaction of the competent authorities:

- (a) adequate evidence that there is *prima facie* infringement of the right holders' intellectual property rights under the laws of the territory of importation and a sufficiently detailed description of the goods to make them reasonably recognisable by the Party's Customs Administration; and
- (b) if requested, a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse.

The requirements for a sufficiently detailed description and a security or equivalent assurance shall not unreasonably deter recourse to these procedures.

2. Where its competent authorities have made a determination that goods are counterfeit or pirated, a Party shall provide that its competent authorities have the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee, and of the quantity of the goods in question.

3. Each Party shall provide that its Customs Administration may initiate border measures *ex officio* with respect to imported or exported goods suspected of being counterfeit trade mark or pirated copyright goods, without the need for a specific formal complaint.

4. Each Party shall provide that goods that have been suspended from release by its Customs Administration, and that have been forfeited as pirated or counterfeit, shall be destroyed, except in exceptional cases. In regard to counterfeit trade mark goods, the simple removal of the trade mark unlawfully affixed shall not be sufficient to permit the release of the goods into the channels of commerce. The competent authorities, except in exceptional circumstances, shall not be authorised to permit the exportation of counterfeit or pirated goods that have been seized, nor shall they be authorised to permit such goods to be subject to movement under customs control.

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- (a) **counterfeit trade mark goods** means any goods including packaging, bearing without authorisation a trade mark that is identical to the trade mark validly registered in respect of such goods, or that cannot be distinguished in its essential aspects from such a trade mark, and that thereby infringes the rights of the owner of the trade mark in question under the law of the country of importation; and
 - (b) **pirated copyright goods** means any goods that are copies made without the consent of the right holder or person duly authorised by the right holder in the country of production and that are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or related right under the law of the country of importation.
 - (c)

Article 17.40: Service Provider Liability

1. Each Party shall provide for a legislative scheme to limit remedies that may be available against service providers¹⁷⁻²⁵ for infringement of copyright or related rights¹⁷⁻²⁶ that they do not control, initiate or direct and that take place through their systems or networks.
2. The scheme in paragraph 1 will only apply if a service provider meets conditions, including:
 - (a) removing or disabling access to infringing material upon notification from the rights owner through a procedure established by each Party; and
 - (b) no financial benefit is received by the service provider for the infringing activity in circumstances where it has the right and ability to control such activity.

COOPERATION

Article 17.41: Cooperation

Consistent with Article 17.2 the Parties agree to cooperate through:

- (a) the notification of relevant contact points on the request of a Party; and
- (b) the exchange of publicly available information concerning policy developments in intellectual property of a Party on the request of the other Party and to the extent that the requested Party is able to provide such information.

¹⁷⁻²⁵ Each Party may determine, within its domestic law, what constitutes a service provider.

¹⁷⁻²⁶ Each Party may determine, within its domestic law, what constitutes a related right for the purpose of this Article.