

CHAPTER 16 : INTELLECTUAL PROPERTY RIGHTS

ARTICLE 16.1 : GENERAL PROVISIONS

1. Each Party shall, at a minimum, give effect to this Chapter.
2. (a) Each Party shall ratify or accede to the following agreements:
 - (i) the Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (1974);
 - (ii) the International Convention for the Protection of New Varieties of Plants (1991) (AUPOV Convention¹⁶⁻¹);
 - (iii) the WIPO Copyright Treaty (1996);
 - (iv) the WIPO Performances and Phonograms Treaty (1996); and
 - (v) the Patent Cooperation Treaty (1984).
- (b) Each Party shall give effect to:
 - (i) Articles 1 through 6 of the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999), adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (AWIPO¹⁶⁻¹); and
 - (ii) the Trademark Law Treaty.¹⁶⁻¹
- (c) Each Party shall make best efforts to ratify or accede to:
 - (i) the Hague Agreement Concerning the International Registration of Industrial Designs (1999); and
 - (ii) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (1989).
3. In respect of all categories of intellectual property covered in this Chapter, each Party shall accord to nationals¹⁶⁻² of the other Party treatment no less favorable than it accords to its

¹⁶⁻¹ Singapore is not obligated to give effect to Articles 6 and 7 of the Trademark Law Treaty.

¹⁶⁻² For purposes of Articles 16.1.3 and 16.5.1, a national of a Party shall also mean, in respect of the relevant right, entities located in such Party that would meet the criteria for eligibility for protection provided for in the agreements listed in Article 16.1.2 and the TRIPS Agreement.

own nationals with regard to the protection¹⁶⁻³ and enjoyment of such intellectual property rights and any benefits derived from such rights.¹⁶⁻⁴

4. Each Party may derogate from paragraph 3 in relation to its 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 derogations are necessary to secure compliance with laws and regulations that are not inconsistent with this Chapter and where such practices are not applied in a manner that would constitute a disguised restriction on trade.

5. Paragraphs 3 and 4 do not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

6. Except as otherwise provided in this Chapter:

- (a) this Chapter gives rise to obligations in respect of all subject matter existing at the date of entry into force of this Agreement that is protected on that date in the Party where the protection is claimed and/or that meets or comes subsequently to meet the criteria for protection under the terms of this Chapter;
- (b) 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 Party where the protection is claimed.

7. 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 16.2 : TRADEMARKS, INCLUDING GEOGRAPHICAL INDICATIONS

1. Each Party shall provide that trademarks shall include service marks, collective marks, and certification marks,¹⁶⁻⁵ and may include geographical indications.¹⁶⁻⁶ Neither Party shall

¹⁶⁻³ For the purposes of paragraphs 3 and 4, “protection” shall include matters affecting the availability, acquisition, scope, maintenance, and enforcement of intellectual property rights as well as matters affecting the use of intellectual property rights specifically covered by this Chapter. For the purposes of paragraphs 3 and 4, “protection” shall also include the prohibition on circumvention of effective technological measures pursuant to paragraph 7 of Article 16.4 and the provision concerning rights management information pursuant to paragraph 8 of Article 16.4.

¹⁶⁻⁴ “Benefits derived therefrom” refers to benefits such as levies on blank tapes.

¹⁶⁻⁵ Neither Party is obligated to treat certification marks as a separate category in domestic law, provided that such marks are protected.

¹⁶⁻⁶ A geographical indication shall be capable of constituting a trademark to the extent that the geographical indication consists of any sign, or any combination of signs, capable of identifying

require, as a condition of registration, that signs be visually perceptible, but each Party shall make best efforts to register scent marks. Each Party shall afford an opportunity for the registration of a trademark to be opposed.

2. Each Party shall provide that the owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs, including geographical indications, for goods or services that are related to those in respect of which the trademark is registered, where such use would result in a likelihood of confusion.

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

4. Article 6bis of the Paris Convention for the Protection of Industrial Property (1967) ("Paris Convention") shall apply, *mutatis mutandis*, to goods or services that are not similar to those identified by a well-known trademark, whether registered or not, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the trademark and provided that the interests of the owner of the trademark are likely to be damaged by such use.

5. Neither Party shall require recordation of trademark licenses to establish the validity of the license or to assert any rights in a trademark.

6. Pursuant to Article 20 of the TRIPS Agreement, each Party shall ensure that its provisions mandating the use of a term customary in common language as the common name for a product including, *inter alia*, requirements concerning the relative size, placement, or style of use of the trademark in relation to the common name, do not impair the use or effectiveness of a trademark used in relation to such products.¹⁶⁻⁷

ARTICLE 16.3 : DOMAIN NAMES ON THE INTERNET

1. Each Party shall participate in the Governmental Advisory Committee of the Internet Corporation for Assigned Names and Numbers (ICANN), which serves to consider and provide advice on the activities of the ICANN as they relate to government concerns, including matters related to intellectual property and the domain name system, as well as to promote responsible country code Top Level Domain (ccTLD) administration, management, and operational practices.

a good or service as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good or service is essentially attributable to its geographical origin.

¹⁶⁻⁷ This provision is not intended to affect the use of common names of pharmaceutical products in prescribing medicine.

2. Each Party shall require that registrants of domain names in its ccTLD are subject to a dispute resolution procedure, modeled along the same lines as the principles set forth in ICANN Uniform Domain Name Dispute Resolution Policy (ICANN UDRP), to address and resolve disputes related to the bad-faith registration of domain names in violation of trademarks. Each Party shall also ensure that its corresponding ccTLDs provide public access to a reliable and accurate AWHOIS® database of domain name registrant contact information.

ARTICLE 16.4 : OBLIGATIONS COMMON TO COPYRIGHT AND RELATED RIGHTS

1. Each Party shall provide that authors, performers, and producers of phonograms and their successors in interest have the right to authorize or prohibit all reproductions, in any manner or form, permanent or temporary (including temporary storage in electronic form).

2. (a) Without prejudice to Articles 11(1)(ii), 11*bis*(1)(i) and (ii), 11*ter*(1)(ii), 14(1)(ii), and 14*bis*(1) of the Berne Convention for the Protection of Literary and Artistic Works (1971) (“Berne Convention”), each Party shall provide to authors, performers, producers of phonograms and their successors in interest the exclusive right to authorize or prohibit the communication to the public of their works, performances, or phonograms, by wire or wireless means, including the making available to the public of their works, performances, and phonograms in such a way that members of the public may access them from a place and at a time individually chosen by them. Notwithstanding paragraph 10, a Party may provide limitations or exceptions to this right in the case of performers and producers of phonograms for analog or digital free over-the-air terrestrial broadcasting and, further, a Party may provide limitations with respect to other non-interactive transmissions, in certain special cases provided that such limitations do not conflict with a normal exploitation of performances or phonograms and do not unreasonably prejudice the interests of such right holders.

(b) Neither Party shall permit the retransmission of television signals (whether terrestrial, cable, or satellite) on the Internet without the authorization of the right holder in the subject matter of the signal.

3. Each Party shall provide to authors, performers, producers of phonograms, and their successors in interest the exclusive right of authorizing the making available to the public of the original and copies of their works and phonograms through sale or other transfer of ownership.

4. 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 not less than 70 years from the end of the calendar year of the first authorized publication of the

work, performance, or phonogram or, failing such authorized 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.

5. Each Party shall apply the provisions of Article 18 of the Berne Convention, *mutatis mutandis*, to the subject matter, rights and obligations in Articles 16.4 and 16.5.

6. Each Party shall provide that for copyright and related rights, any person acquiring or holding any economic right:

- (a) may freely and separately transfer such right by contract; and
- (b) by virtue of a contract, including contracts of employment underlying the creation of works and phonograms, shall be able to exercise those rights in its own name and enjoy fully the benefits derived from those rights.

7. (a) In order to provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that authors, performers, producers of phonograms, and their successors in interest use in connection with the exercise of their rights and that restrict unauthorized acts in respect of their works, performances, and phonograms, each Party shall provide that any person who:

- (i) knowingly, or having reasonable grounds to know, circumvents without authority any effective technological measure that controls access to a protected work, performance, phonogram, or other subject matter; or
- (ii) manufactures, imports, distributes, offers to the public, provides, or otherwise traffics in devices, products, or components or offers to the public or provides services, which:
 - (A) are promoted, advertised, or marketed for the purpose of circumvention of any effective technological measure, or
 - (B) have only a limited commercially significant purpose or use other than to circumvent any effective technological measure, or
 - (C) are primarily designed, produced, or performed for the purpose of enabling or facilitating the circumvention of any effective technological measure;

shall be liable and subject to the remedies provided for in Article 16.9.5. Each Party shall provide that any person, other than a nonprofit library, archive, educational institution, or public noncommercial broadcasting entity, that is found

to have engaged willfully and for purposes of commercial advantage or private financial gain in such activities shall be guilty of a criminal offense.

- (b) For purposes of this paragraph, **effective technological measure** means any technology, device, or component that, in the normal course of its operation, controls access to a protected work, performance, phonogram, or other subject matter, or protects any copyright or any rights related to copyright.
- (c) Paragraph 7(a) obligates each Party to prohibit circumvention of effective technological measures and does not obligate a Party to require that the design of, or the design and selection of parts and components for, a consumer electronics, telecommunications, or computing product provide for a response to any particular technological measure. The absence of a requirement to respond affirmatively shall not constitute a defense to a claim of violation of that Party's measures implementing paragraph 7(a).
- (d) Each Party shall provide that a violation of the law implementing this paragraph is independent of any infringement that might occur under the Party's law on copyright and related rights.
- (e) Each Party shall confine exceptions to the prohibition referred to in paragraph 7(a)(ii) on technology, products, services, or devices that circumvent effective technological measures that control access to, and, in the case of clause (i) below, that protect any of the exclusive rights of copyright or related rights in a protected work, to the following activities, provided that they do not impair the adequacy of legal protection or the effectiveness of legal remedies that the Party provides against the circumvention of effective technological measures:
 - (i) noninfringing reverse engineering activities with regard to a lawfully obtained copy of a computer program, carried out in good faith with respect to particular elements of that computer program that have not been readily available to the person engaged in such activity, for the sole purpose of achieving interoperability of an independently created computer program with other programs;
 - (ii) noninfringing good faith activities, carried out by an appropriately qualified researcher who has lawfully obtained a copy, performance, or display of a work, and who has made a good faith effort to obtain authorization for such activities, to the extent necessary for the sole purpose of identifying and analyzing flaws and vulnerabilities of technologies for scrambling and descrambling of information;
 - (iii) the inclusion of a component or part for the sole purpose of preventing the access of minors to inappropriate online content in a technology, product, service, or device provided that such technology, product, service or

device itself is not prohibited under the measures implementing paragraph 7(a)(ii); and

- (iv) noninfringing good faith activities that are authorized by the owner of a computer, computer system, or computer network for the sole purpose of testing, investigating, or correcting the security of that computer, computer system, or computer network.
- (f) Each Party shall confine exceptions to the prohibited conduct referred to in paragraph 7(a)(i) to the activities listed in paragraph 7(e) and the following activities, provided that such exceptions do not impair the adequacy of legal protection or the effectiveness of legal remedies the Party provides against the circumvention of effective technological measures:
 - (i) access by a nonprofit library, archive, or educational institution to a work not otherwise available to it, for the sole purpose of making acquisition decisions;
 - (ii) noninfringing activities for the sole purpose of identifying and disabling a capability to carry out undisclosed collection or dissemination of personally identifying information reflecting the online activities of a natural person in a way that has no other effect on the ability of any person to gain access to any work; and
 - (iii) noninfringing uses of a particular class of works when an actual or likely adverse impact on such noninfringing uses with respect to such particular class of works is credibly demonstrated in a legislative or administrative proceeding, provided that any exception adopted in reliance on this clause shall have effect for a period of not more than four years from the date of conclusion of such proceeding.
- (g) Each Party may also provide exceptions to the prohibited conduct referred to in paragraph 7(a) for lawfully authorized activities carried out by government employees, agents, or contractors for the purpose of law enforcement, intelligence, national defense, essential security, or similar government activities.

8. 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 knowingly, or, 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, imports for distribution, broadcasts, communicates, or makes available to the public copies of works or phonograms, knowing that rights management information has been removed or altered without authority,

shall be liable and subject to the remedies in Article 16.9.5. Each Party shall provide that any person, other than a nonprofit library, archive, educational institution, or public noncommercial broadcasting entity, who is found to have engaged willfully and for purposes of commercial advantage or private financial gain in such activities shall be guilty of a criminal offense.

- (b) For purposes of this paragraph, **rights management information** means information which identifies a work, performance, or phonogram; the author of the work, the performer of the performance, or the producer of the phonogram; or the owner of any right in the work, performance, or phonogram; information about the terms and conditions of the use of the work, performance, or phonogram; and any numbers or codes that represent such information, when any of these items is attached to a copy of the work, performance, or phonogram or appears in conjunction with the communication or making available of a work, performance, or phonogram to the public. Nothing in this paragraph obligates a Party to require the owner of any right in the work, performance, or phonogram to attach rights management information to copies of it or to cause rights management information to appear in connection with a communication of the work, performance, or phonogram to the public.

9. Each Party shall issue appropriate laws, orders, regulations, administrative, or executive decrees mandating that all government agencies use computer software only as authorized by the right holder. Such measures shall actively regulate the acquisition and management of software for such government use, which may take the form of procedures, such as preparing and maintaining inventories of software present on agency computers, and inventories of existing software licenses.

10. Each Party shall confine limitations or exceptions to exclusive rights in Articles 16.4 and 16.5 to certain special cases which do not conflict with a normal exploitation of the work, performance, or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder.

ARTICLE 16.5 : OBLIGATIONS PERTAINING TO RELATED RIGHTS

1. Each Party shall accord the rights provided for in this Chapter to performers and producers of phonograms who are nationals of the other Party and to performances or phonograms first published or fixed in the territory of the other Party. A performance or

phonogram shall be considered first published in any Party in which it is published within 30 days of its original publication.¹⁶⁻⁸

2. Each Party shall provide to performers the exclusive right to authorize or prohibit:
 - (a) the communication to the public of their unfixed performances, except where the performance is already a broadcast performance, and
 - (b) the fixation of their unfixed performances.
3. With respect to all rights of performers and producers of phonograms, the enjoyment and exercise of the rights provided for in this Chapter shall not be subject to any formality.
4. For the purposes of this Chapter, the following definitions apply with respect to performers and producers of phonograms:
 - (a) **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;
 - (b) **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;¹⁶⁻⁹
 - (c) **fixation** means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced, or communicated through a device;
 - (d) **producer of a phonogram** means the person, or the legal entity, who or 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;
 - (e) **publication** of a fixed performance or a phonogram means the offering of copies of the fixed 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; and
 - (f) **broadcasting** means the transmission by wireless means for public reception of sounds or of images and sounds or of the representations thereof; such

¹⁶⁻⁸ For the application of paragraph 1 of Article 16.5, fixed means the finalization of the master tape or its equivalent.

¹⁶⁻⁹ The definition of phonogram provided herein does not suggest that rights in the phonogram are in any way affected through their incorporation into a cinematographic or other audiovisual work.

transmission by satellite is also broadcasting; transmission of encrypted signals is broadcasting where the means for decrypting are provided to the public by the broadcasting organization or with its consent.

ARTICLE 16.6 : PROTECTION OF ENCRYPTED PROGRAM-CARRYING SATELLITE SIGNALS

1. Each Party shall make it:

- (a) a criminal offense to manufacture, assemble, modify, import, export, sell, lease, or otherwise distribute a tangible or intangible device or system, knowing or having reason to know that the device or system is primarily of assistance in decoding an encrypted program-carrying satellite signal without the authorization of the lawful distributor of such signal;
- (b) a criminal offense willfully to receive or further distribute an encrypted program-carrying satellite signal that has been decoded without the authorization of the lawful distributor of the signal; and
- (c) a civil offense to engage in any activity prohibited under subparagraph (a) or (b).

2. Each Party shall provide that any civil offense established under subparagraph (c) shall be actionable by any person that holds an interest in the encrypted program-carrying satellite signal or the content thereof.

ARTICLE 16.7 : PATENTS

1. Each Party shall make patents available for any invention, whether a product or a process, in all fields of technology, provided that the invention is new, involves an inventive step, and is capable of industrial application. For purposes of this Article, a Party may treat the terms "inventive step" and "capable of industrial application" as being synonymous with the terms "non-obvious" and "useful", respectively. Each Party may exclude inventions from patentability only as defined in Articles 27.2 and 27.3(a) of the TRIPS Agreement.

2. Each Party shall provide that patent owners shall also have the right to assign, or transfer by succession, a patent and to conclude licensing contracts. Each Party shall provide a cause of action to prevent or redress the procurement of a patented pharmaceutical product, without the authorization of the patent owner, by a party who knows or has reason to know that such product is or has been distributed in breach of a contract between the right holder and a licensee, regardless of whether such breach occurs in or outside its territory.¹⁶⁻¹⁰ Each Party shall provide that in such a cause of action, notice shall constitute constructive knowledge.

¹⁶⁻¹⁰ A Party may limit such cause of action to cases where the product has been sold or distributed only outside the Party's territory before its procurement inside the Party's territory.

3. Each 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.

4. Each Party shall provide that a patent may only be revoked on grounds that would have justified a refusal to grant the patent, or that pertain to the insufficiency of or unauthorized amendments to the patent specification, non-disclosure or misrepresentation of prescribed, material particulars, fraud, and misrepresentation. Where such proceedings include opposition proceedings, a Party may not make such proceedings available prior to the grant of the patent.

5. If a Party permits the use by a third party of the subject matter of a subsisting patent to support an application for marketing approval of a pharmaceutical product, that Party shall provide that any product produced under such authority shall not be made, used, or sold in the territory of that Party other than for purposes related to meeting requirements for marketing approval, and if the Party permits exportation, the product shall only be exported outside the territory of that Party for purposes of meeting marketing approval requirements of that Party.

6. Neither Party shall permit the use¹⁶⁻¹¹ of the subject matter of a patent without the authorization of the right holder except in the following circumstances:

- (a) to remedy a practice determined after judicial or administrative process to be anti-competitive under the competition laws of the Party;¹⁶⁻¹²
- (b) in the case of public non-commercial use or in the case of a national emergency or other circumstances of extreme urgency, provided that:
 - (i) such use is limited to use by the government or third parties authorized by the government;
 - (ii) the patent owner is provided with reasonable and entire compensation for such use and manufacture; and
 - (iii) the Party shall not require the patent owner to transfer undisclosed information or technical "know how" related to a patented invention that has been authorized for use without the consent of the patent owner pursuant to this paragraph.

Where a Party's law allows for such use pursuant to subparagraphs (a) and (b), the Party shall respect the provisions of Article 31 of the TRIPS Agreement.

¹⁶⁻¹¹ "Use" in this provision refers to use other than that allowed in paragraph 3.

¹⁶⁻¹² The Parties recognize that an intellectual property right does not necessarily confer market power upon its owner.

7. Each Party, at the request of the patent owner, shall extend the term of a patent to compensate for unreasonable delays that occur in granting the patent. For the purposes of this paragraph, an unreasonable delay shall at least include a delay in the issuance of the patent of more than four years from the date of filing of the application with the Party, or two years after a request for examination of the application has been made, whichever is later, provided that periods attributable to actions of the patent applicant need not be included in the determination of such delays.¹⁶⁻¹³

8. Where a Party provides for the grant of a patent on the basis of an examination of the invention conducted in another country, that Party, at the request of the patent owner, may extend the term of a patent for up to five years to compensate for the unreasonable delay that may occur in the issuance of the patent granted by such other country where that country has extended the term of the patent based on such delay.

ARTICLE 16.8 : CERTAIN REGULATED PRODUCTS

1. If a Party requires the submission of information concerning the safety and efficacy of a pharmaceutical or agricultural chemical product prior to permitting the marketing of such product, the Party shall not permit third parties not having the consent of the party providing the information to market the same or a similar product on the basis of the approval granted to the party submitting such information for a period of at least five years from the date of approval for a pharmaceutical product and ten years from the date of approval for an agricultural chemical product.¹⁶⁻¹⁴

2. If a Party provides a means of granting approval to market a product specified in paragraph 1 on the basis of the grant of an approval for marketing of the same or similar product in another country, the Party shall defer the date of any such approval to third parties not having the consent of the party providing the information in the other country for at least five years from the date of approval for a pharmaceutical product and ten years from the date of approval for an agricultural chemical product in the territory of the Party or in the other country, whichever is later.

3. Where a product is subject to a system of marketing approval pursuant to paragraph 1 or 2 and is also subject to a patent in the territory of that Party, the Party shall not alter the term of

¹⁶⁻¹³ Periods attributable to actions of the patent applicant shall include such periods of time taken to file prescribed documents relating to the examination as provided in the laws of the Party.

¹⁶⁻¹⁴ Where a Party, on the date of its implementation of the TRIPS Agreement, had in place a system for protecting pharmaceutical or agricultural chemical products not involving new chemical entities from unfair commercial use that conferred a different form or period of protection shorter than that specified in paragraph 1 of Article 16.8, that Party may retain such system notwithstanding the obligations of that paragraph.

protection that it provides pursuant to paragraph 1 or 2 in the event that the patent protection terminates on a date earlier than the end of the term of such protection.

4. With respect to any pharmaceutical product that is subject to a patent:
 - (a) each Party shall make available an extension of the patent term to compensate the patent owner for unreasonable curtailment of the patent term as a result of the marketing approval process;
 - (b) the Party shall provide that the patent owner shall be notified of the identity of any third party requesting marketing approval effective during the term of the patent; and
 - (c) the Party shall not grant marketing approval to any third party prior to the expiration of the patent term, unless by consent or with the acquiescence of the patent owner.

ARTICLE 16.9 : ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

General Obligations

1. Each Party shall ensure that in judicial and administrative proceedings for the enforcement of intellectual property rights, decisions on the merits of a case, that under the law or practice of the Party are of general application, shall preferably be in writing and shall state the reasons on which the decisions are based.
2. Each Party shall ensure that its laws and regulations, procedures, final judicial decisions, and administrative rulings of general application pertaining to the enforcement of intellectual property rights shall be published, or where such publication is not practicable, made publicly available, in a national language, in such a manner as to enable the other Party and right holders to become acquainted with them. Nothing in this paragraph shall require a Party to disclose confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.
3. Each Party shall inform the public of its efforts to provide effective enforcement of intellectual property rights in its civil, administrative, and criminal system, including any statistical information that the Party may collect for such purposes.
4. The Parties understand that a decision that a Party makes on the distribution of enforcement resources shall not excuse that Party from complying with this Chapter.

5. Each Party shall provide for civil remedies against the actions described in paragraphs 7 and 8 of Article 16.4. These shall include at least:

- (a) provisional measures, including seizure of devices and products suspected of being involved in the prohibited activity;
- (b) the opportunity for the right holder to elect between actual damages it suffered (plus any profits attributable to the prohibited activity not taken into account in computing the actual damages) or pre-established damages;
- (c) payment to a prevailing right holder of court costs and fees and reasonable attorney's fees by the party engaged in the prohibited conduct at the conclusion of the civil judicial proceeding; and
- (d) destruction of devices and products found to be involved in the prohibited conduct.

6. In civil, administrative, and criminal proceedings involving copyright or related rights, each Party shall provide for a presumption that, in the absence of proof to the contrary, 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 manner, is the designated right holder in such work, performance, or phonogram. Each Party shall also provide for a presumption that, in the absence of proof to the contrary, the copyright or related right subsists in such subject matter.

Civil and Administrative Procedures and Remedies for the Enforcement of Intellectual Property Rights

7. Each Party shall make available to right holders¹⁶⁻¹⁵ civil judicial procedures concerning the enforcement of any intellectual property right.

8. Each Party shall provide that in civil judicial proceedings, its judicial authorities shall have the authority, at least with respect to works, phonograms, and performances protected by copyright or related rights, and in cases of trademark infringement, to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer engaged in infringing activity, as well as the profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In addition, in determining injury to the right holder, the judicial authorities shall, *inter alia*, consider the value of the

¹⁶⁻¹⁵ For the purpose of Article 16.9 concerning the enforcement of intellectual property rights, the term "right holder" shall include exclusive licensees as well as federations and associations having the legal standing to assert such rights; and the term "exclusive licensee" shall include the exclusive licensee of any one or more of the exclusive rights encompassed in a given intellectual property.

infringed-upon good or service, according to the suggested retail price of the legitimate good or service.

9. In civil judicial proceedings, each Party shall, at least with respect to works, phonograms and performances protected by copyright or related rights, and in cases of trademark counterfeiting, establish or maintain pre-established damages that shall be available on the election of the right holder. Each Party shall provide that pre-established damages shall be in an amount sufficiently high to constitute a deterrent to future infringements and with the intent to compensate the right holder for the harm caused by the infringement.

10. Each Party shall provide that its judicial authorities, except in exceptional circumstances, shall have the authority to order, at the conclusion of the civil judicial proceedings concerning copyright or related rights and trademark counterfeiting, that a prevailing right holder shall be paid court costs or fees and reasonable attorney's fees by the infringing party.

11. In civil judicial proceedings concerning copyright or related rights infringement and trademark counterfeiting, each Party shall provide that its judicial authorities shall have the authority to order the seizure of suspected infringing goods and any related materials and implements used to accomplish the prohibited activity.

12. Each Party shall provide that:

- (a) in civil judicial proceedings, at the right holder's request, goods that have been found to be pirated or counterfeit shall be destroyed, except in exceptional cases;
- (b) its judicial authorities have the authority to order that materials and implements which have been used in the creation of the infringing goods be, without compensation of any sort, promptly destroyed or, in exceptional cases, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements; and
- (c) in regard to counterfeit trademarked goods, the simple removal of the trademark unlawfully affixed shall not be sufficient to permit the release of goods into the channels of commerce.

13. Each Party shall provide that in civil judicial proceedings, its judicial authorities shall have the authority to order the infringer to identify third parties that are involved in the production and distribution of the infringing goods or services and their channels of distribution and to provide this information to the right holder. Each Party shall provide that its judicial authorities shall have the authority to fine or imprison, in appropriate cases, persons who fail to abide by valid orders issued by such authorities.

Provisional Measures Concerning the Enforcement of Intellectual Property Rights

14. Each Party shall provide that requests for relief *inaudita altera parte* shall be dealt with expeditiously in accordance with the Party's judicial rules.

15. Each Party shall provide that:

- (a) its judicial authorities have the authority to require the plaintiff to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the plaintiff's right is being infringed or that such infringement is imminent, and to order the plaintiff to provide a reasonable security or equivalent assurance set at a level sufficient to protect the defendant and to prevent abuse, and so as not to unreasonably deter recourse to such procedures.
- (b) in the event that its judicial or other authorities appoint experts, technical or otherwise, that must be paid by the plaintiff, such costs should be closely related, *inter alia*, to the quantity of work to be performed and should not unreasonably deter recourse to such relief.

Special Requirements Related to Border Measures Concerning the Enforcement of Intellectual Property Rights

16. Each Party shall provide that any right holder initiating procedures for suspension by the Party's customs authorities of the release of suspected counterfeit trademark or pirated copyright goods¹⁶ into free circulation shall be required to provide adequate evidence to satisfy the competent authorities that, under the law of the importing country, there is *prima facie* an infringement of the right holder's intellectual property right and to supply sufficient information that may reasonably be expected to be within the right holder's knowledge to make the suspected goods reasonably recognizable to the customs authorities.

17. Each Party shall provide that its competent authorities shall have the authority to require an applicant to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Each Party shall provide that the security or assurance shall not unreasonably deter recourse to these procedures.

¹⁶ For the purposes of this Chapter:

(a) **counterfeit trademark goods** shall mean any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation; and

(b) **pirated copyright goods** shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.

18. Where its competent authorities have made a determination that goods are counterfeit or pirated, the Party shall grant its competent authorities 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.

19. Each Party shall provide that its competent authorities may initiate border measures *ex officio*, without the need for a formal complaint from a private party or right holder. Such measures shall apply to shipments of pirated and counterfeit goods imported into or exported out of a Party's territory, including shipments consigned to a local party. For transshipped goods that are not consigned to a local party, each Party shall, upon request, endeavor to examine such goods. For products transshipped through the territory of a Party destined for the territory of the other Party, the former shall cooperate to provide all available information to the latter Party to enable effective enforcement against shipments of counterfeit or pirated goods. Each Party shall ensure that it has the authority to undertake such cooperation in response to a request by the other Party on counterfeit or pirated goods en route to that other Party.

20. Each Party shall provide that goods that its competent authorities have determined to be pirated or counterfeit shall be destroyed, except in exceptional cases. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient to permit the release of the goods into the channels of commerce. In no event shall the competent authorities be authorized to permit the export of counterfeit or pirated goods.

Criminal Procedures and Remedies for the Enforcement of Intellectual Property Rights

21. Each Party shall provide criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright or related rights piracy on a commercial scale. Willful copyright or related rights piracy on a commercial scale includes (i) significant willful infringements of copyright or related rights that have no direct or indirect motivation of financial gain, as well as (ii) willful infringements for purposes of commercial advantage or financial gain.

(a) Specifically, each Party shall provide:

- (i) remedies that include imprisonment as well as monetary fines sufficiently high to deter future acts of infringement consistent with a policy of removing the monetary incentive of the infringer. Also, each Party shall encourage its judicial authorities to impose such fines at levels sufficient to provide a deterrent to future infringements;
- (ii) that its judicial authorities have the authority to order the seizure of suspected counterfeit or pirated goods, any related materials and implements that have been used in the commission of the offense, any assets traceable to the infringing activity, and documentary evidence relevant to the offense that fall within the scope of such order. Items that are subject to seizure pursuant to such order need not be individually

identified so long as they fall within general categories specified in the order;

- (iii) that its judicial authorities shall, except in exceptional cases, order the forfeiture and destruction of all counterfeit or pirated goods, and, at least with respect to willful copyright or related rights piracy, materials and implements that have been used in the creation of the infringing goods. Each Party shall further provide that such forfeiture and destruction shall occur without compensation of any kind to the defendant; and
- (iv) that its authorities may initiate legal action *ex officio*, without the need for a formal complaint by a private party or right holder.
- (b) Each Party may provide procedures for right holders to initiate private criminal actions. However, these procedures shall not be unduly burdensome or costly for right holders. Each Party shall ensure that non-private criminal actions are the primary means by which it ensures the effective enforcement of its criminal law against willful copyright or related rights piracy. In addition, each Party shall ensure that its competent authorities bring criminal actions, as necessary, to act as a deterrent to further infringements.

Limitations on Liability for Service Providers

22. Each Party shall provide, consistent with the framework set forth in Article 16.9:

- (a) legal incentives for service providers to cooperate with copyright¹⁶⁻¹⁷ owners in deterring the unauthorized storage and transmission of copyrighted materials; and
- (b) limitations in its law regarding the scope of remedies available against service providers for copyright infringements that they do not control, initiate, or direct, and that take place through systems or networks controlled or operated by them or on their behalf, as set forth in this subparagraph.¹⁶⁻¹⁸
 - (i) These limitations shall preclude monetary relief and provide reasonable restrictions on court-ordered relief to compel or restrain certain actions for the following functions and shall be confined to those functions:¹⁶⁻¹⁹

¹⁶⁻¹⁷ For purposes of Article 16.9.22, “copyright” shall also include related rights.

¹⁶⁻¹⁸ It is understood that this subparagraph is without prejudice to the availability of defenses to copyright infringement that are of general applicability.

¹⁶⁻¹⁹ Either Party may request consultations with the other Party to consider how to address future functions of a similar nature under this paragraph.

- (A) transmitting, routing or providing connections for material without modification of its content, or the intermediate and transient storage of such material in the course thereof;
 - (B) caching carried out through an automatic process;
 - (C) storage at the direction of a user of material residing on a system or network controlled or operated by or for the service provider; and
 - (D) referring or linking users to an online location by using information location tools, including hyperlinks and directories.
- (ii) These limitations shall apply only where the service provider does not initiate the chain of transmission of the material, and does not select the material or its recipients (except to the extent that a function described in clause (i)(D) in itself entails some form of selection).
 - (iii) Qualification by a service provider for the limitations as to each function in clauses (i)(A) through (i)(D) shall be considered separately from qualification for the limitations as to each other function, in accordance with the conditions for qualification set forth in subparagraphs (iv) – (vii).
 - (iv) With respect to functions referred to in clause (i)(B), the limitations shall be conditioned on the service provider:
 - (A) permitting access to cached material in significant part only to users of its system or network who have met conditions on user access to that material;
 - (B) complying with rules concerning the refreshing, reloading, or other updating of the cached material when specified by the person making the material available online in accordance with a generally accepted industry standard data communications protocol for the system or network through which that person makes the material available;
 - (C) not interfering with technology consistent with industry standards accepted in the territory of each Party used at the originating site to obtain information about the use of the material, and not modifying its content in transmission to subsequent users; and
 - (D) expeditiously removing or disabling access, on receipt of an effective notification of claimed infringement, to cached material that has been removed or access to which has been disabled at the originating site.

- (v) With respect to functions referred to in clauses (i)(C) and (i)(D), the limitations shall be conditioned on the service provider:
 - (A) not receiving a financial benefit directly attributable to the infringing activity, in circumstances where it has the right and ability to control such activity;
 - (B) expeditiously removing or disabling access to the material residing on its system or network on obtaining actual knowledge of the infringement or becoming aware of facts or circumstances from which the infringement was apparent, such as through effective notifications of claimed infringement in accordance with subparagraph (ix) and
 - (C) publicly designating a representative to receive such notifications.
- (vi) Eligibility for the limitations in this subparagraph shall be conditioned on the service provider:
 - (A) adopting and reasonably implementing a policy that provides for termination in appropriate circumstances of the accounts of repeat infringers; and
 - (B) accommodating and not interfering with standard technical measures accepted in the territory of each Party that protect and identify copyrighted material, that are developed through an open, voluntary process by a broad consensus of copyright owners and service providers, that are available on reasonable and nondiscriminatory terms, and that do not impose substantial costs on service providers or substantial burdens on their systems or networks.
- (vii) Eligibility for the limitations in this subparagraph may not be conditioned on the service provider monitoring its service, or affirmatively seeking facts indicating infringing activity, except to the extent consistent with such technical measures.
- (viii) If the service provider qualifies for the limitations with respect to the functions referred to in clause (i)(A), court-ordered relief to compel or restrain certain actions shall be limited to terminating specified accounts, or to taking reasonable steps to block access to a specific, non-domestic online location. If the service provider qualifies for the limitations with respect to any other function in clause (i), court-ordered relief to compel or restrain certain actions shall be limited to removing or disabling access to the infringing material, terminating specified accounts, and other remedies that a court may find necessary provided that such other

remedies are the least burdensome to the service provider among comparably effective forms of relief. Each Party shall provide that any such relief shall be issued with due regard for the relative burden to the service provider and harm to the copyright owner, the technical feasibility and effectiveness of the remedy, and whether less burdensome, comparably effective enforcement methods are available. Except for orders ensuring the preservation of evidence, or other orders having no material adverse effect on the operation of the service provider's communications network, each Party shall provide that such relief shall be available only where the service provider has received notice of the court order proceedings referred to in this subparagraph and an opportunity to appear before the judicial authority.

- (ix) For purposes of the notice and take down process for the functions referred to in clauses (i)(C) and (D), each Party shall establish appropriate procedures for effective notifications of claimed infringement, and effective counter-notifications by those whose material is removed or disabled through mistake or misidentification. Each Party shall also provide for monetary remedies against any person who makes a knowing material misrepresentation in a notification or counter-notification that causes injury to any interested party as a result of a service provider relying on the misrepresentation.
- (x) If the service provider removes or disables access to material in good faith based on claimed or apparent infringement, each Party shall provide that the service provider shall be exempted from liability for any resulting claims, provided that, in the case of material residing on its system or network, it takes reasonable steps promptly to notify the person making the material available on its system or network that it has done so and, if such person makes an effective counter-notification and is subject to jurisdiction in an infringement suit, to restore the material online unless the person giving the original effective notification seeks judicial relief within a reasonable time.
- (xi) Each Party shall establish an administrative or judicial procedure enabling copyright owners who have given effective notification of claimed infringement to obtain expeditiously from a service provider information in its possession identifying the alleged infringer.
- (xii) For purposes of the functions referred to in clause (i)(A), **service provider** means a provider of transmission, routing or connections for digital online communications without modification of their content between or among points specified by the user of material of the user's choosing, and for purposes of the functions referred to in clauses (i)(B) through (i)(D)

service provider means a provider or operator of facilities for online services or network access.

ARTICLE 16.10 : TRANSITIONAL PROVISIONS

1. Each Party shall implement the obligations of this Chapter within the following periods:
 - (a) Each Party shall ratify or accede to the UPOV Convention and give effect to the obligations in paragraph 4 of Article 16.4 within six months of the date of entry into force of this Agreement or December 31, 2004, whichever date is earlier;
 - (b) each Party shall ratify or accede to the agreements listed in paragraph 2(a) of Article 16.1(except for the UPOV Convention) and give effect to Articles 16.4 and 16.5 (except for paragraph 4 of Article 16.4) within one year of the date of entry into force of this Agreement; and
 - (c) each Party shall implement each of the other obligations of this Chapter within six months of the date of entry into force of this Agreement.
2. Except as otherwise provided in this Chapter, the date of entry into force in paragraph 6(b) of Article 16.1 means the date of the expiry of the six-month period commencing on the date this Agreement enters into force.