

## CHAPTER 13 INTELLECTUAL PROPERTY RIGHTS

### ARTICLE 13.1: GENERAL PROVISIONS

#### *Nature and Scope of Obligation*

1. Each Party recognises the importance of adequate and effective protection of intellectual property rights, while ensuring that measures to enforce those rights do not themselves become barriers to legitimate trade.
2. Each Party shall be free to determine the appropriate method of implementing the provisions of this Chapter within their own legal system and practice.

#### *Observance of International Obligations*

3. Each Party affirms its rights and obligations under the TRIPS Agreement, the agreements administered by the WIPO and any other multilateral agreement related to intellectual property to which the Parties are party.
4. Each Party shall undertake reasonable efforts to ratify or accede to the *Patent Law Treaty*, done at Geneva on 1 June 2000 and the *Singapore Treaty on the Law of Trademarks*, done at Singapore on 27 March 2006, in a manner consistent with its law and subject to the fulfilment of its necessary internal requirements.

#### *More Extensive Protection and Enforcement*

5. A Party may provide more extensive protection for, and enforcement of, intellectual property rights under its law than this Chapter requires, provided that the more extensive protection does not contravene this Chapter.

#### *National Treatment*

6. In respect of all categories of intellectual property covered in this Chapter, each Party shall accord to nationals<sup>58</sup> of the other Party treatment no less favourable than it accords to its own nationals with regard to the protection<sup>59</sup> and enjoyment of such intellectual property

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<sup>58</sup> For the purposes of paragraphs 6 and 7, and Article 13.7.1, a “national” of a Party shall include, in respect of the relevant right, any person (as defined in Article 1.4 (Definitions)) of that Party that would meet the criteria for eligibility for protection of that right provided for in the agreements mentioned in paragraph 3.

<sup>59</sup> For the purposes of paragraph 6, “protection” includes:

- (a) 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; and
- (b) the prohibition on circumvention of effective technological measures set out in Article 13.5.9 and the rights and obligations concerning rights management information set out in Article 13.5.10.

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.

7. A Party may derogate from paragraph 6 in relation to its judicial and administrative procedures, including requiring a national 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.

8. Paragraph 6 shall not apply to procedures provided in multilateral agreements to which either Party is a party concluded under the auspices of the WIPO in relation to the acquisition or maintenance of intellectual property rights.

#### *Application of Agreement to Existing Subject Matter and Prior Acts*

9. Unless otherwise provided in this Chapter, including in Article 13.5.7, this Chapter shall give 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 territory of the Party where protection is claimed, or that meets or comes subsequently to meet the criteria for protection under this Chapter.

10. Unless otherwise provided in this Chapter, including in Article 13.5.7, 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.

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

#### *Transparency*

12. Further to Article 19.1 (Publication), and with the object of making the protection and enforcement of intellectual property rights transparent, each Party shall ensure that all laws, regulations, and procedures concerning the protection or enforcement of intellectual property rights are in writing and are published, or where publication is not practicable, made publicly available in its national language and in such a manner as to enable governments and right holders to become acquainted with them.

## ARTICLE 13.2: TRADEMARKS

### *Trademark Protection*

1. Neither Party shall require, as a condition of registration, that trademarks be visually perceptible, nor deny registration of a trademark solely on the grounds that the sign of which it is composed is a sound or a scent<sup>60</sup>.

2. Each Party shall provide that trademarks shall include collective marks and certification marks. Each Party shall also provide that geographical indications are eligible for protection as trademarks.

3. 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 identical or similar to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign, for identical goods or services, a likelihood of confusion shall be presumed.

#### *Exceptions to Trademark Rights*

4. 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.

#### *Well-Known Trademarks*

5. Neither Party shall require, as a condition for determining that a trademark is a well-known mark, that the trademark has been registered in the territory of that Party or in another jurisdiction.

6. Article 6bis of the *Paris Convention for the Protection of Industrial Property*, done at Paris on 20 March 1883, shall apply, *mutatis mutandis*, to goods or services that are not identical or similar to those identified by a well-known trademark<sup>61</sup>, 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.

7. Each Party shall provide for appropriate measures to refuse or cancel the registration and prohibit the use of a trademark that is identical or similar to a well-known trademark, for related goods or services, if the use of that trademark is likely to cause confusion or is likely to deceive.

#### *Trademark Applications and Registrations*

8. Each Party shall provide:

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<sup>60</sup> A party may require an adequate description, which can be represented graphically, of the trademark.

<sup>61</sup> For the purposes of determining whether a trademark is well-known, neither Party shall require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

- (a) a system for the registration of trademarks, in which the reasons for a refusal to register a trademark shall be communicated in writing and may be provided electronically to the applicant, who will have the opportunity to contest such refusal and to appeal a final refusal judicially. Each Party shall provide a publicly available electronic database of trademark applications and registrations;
- (b) an opportunity for interested parties to oppose trademark applications; and
- (c) a system that permits owners of registered trademarks to assert their rights in trademarks, and interested parties to challenge rights in trademarks, through administrative or judicial means, or both.

9. Each Party shall provide that initial registration and each renewal of registration of a trademark shall be for a term of no less than 10 years.

#### *Recordation of Trademark Licences*

10. Neither Party shall require recordation of trademark licences to establish the validity of the licence, to assert any rights in a trademark, or for any other purpose.

#### ARTICLE 13.3: COOPERATION

1. The Parties shall cooperate and collaborate with a view to ensuring protection of intellectual property rights and that such protection is consistent with promoting trade in goods and services between the Parties, subject to their respective laws, regulations and policies. Such cooperation may include:

- (a) exchange of information concerning infringement of intellectual property rights between relevant agencies responsible for the enforcement of intellectual property rights;
- (b) promotion of contacts and cooperation among their respective agencies, including enforcement agencies, educational institutions and other organisations with an interest in the field of intellectual property rights; and
- (c) sharing information and experiences on relations of the Parties with non-Parties on matters concerning intellectual property rights.

2. A Party shall, on request of the other Party, give proper consideration to any specific cooperation proposal made by the other Party relating to the protection and enforcement of intellectual property rights.

#### ARTICLE 13.4: DOMAIN NAMES ON THE INTERNET

1. Each Party shall require that the management of its country-code top-level domain (hereinafter referred to as "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 its law regarding protection of personal data.

#### ARTICLE 13.5: COPYRIGHT AND RELATED RIGHTS

1. Each Party shall provide that authors, performers, producers of phonograms and broadcasting organisation<sup>62</sup> have the right to authorise or prohibit<sup>63</sup> all reproductions of their works, performances<sup>64</sup>, phonograms and broadcasts in any manner or form, permanent or temporary (including temporary storage in electronic form)<sup>65</sup> .

2. Each Party shall provide authors, performers and producers of phonograms with the right to authorise or prohibit the making available to the public of the original and copies<sup>66</sup> of their works, performances and phonograms through sale or other transfer of ownership<sup>67</sup>.

3. Neither Party shall subject the enjoyment and exercise of the rights of authors, performers, producers of phonograms and broadcasting organisations provided in this Chapter to any formality.

#### *Hierarchy of Rights*

4. In order to ensure that no hierarchy is established between rights of authors, on the one hand, and rights of performers, producers of phonograms and broadcasting organisations, on the other hand, each Party shall provide that in cases where authorisation is needed from both the author of a work embodied in a phonogram or a broadcast and a performer, producer or broadcasting organisation owning rights in the phonogram or broadcast, the need for the

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<sup>62</sup> For the purposes of this Chapter “authors,” “performers,” “producers of phonograms” and “broadcasting organisations” include any successors in title.

<sup>63</sup> For the purposes of this Chapter, with respect to copyrights and related rights, the “right to authorise or prohibit” refers to exclusive rights.

<sup>64</sup> For the purposes of this Chapter, with respect to copyright and related rights, a “performance” means a performance fixed in a phonogram unless otherwise specified.

<sup>65</sup> Each Party shall confine limitations or exceptions to the rights described in paragraph 1 to certain special cases that do not conflict with a normal exploitation of the work, performance, phonogram or broadcast and do not unreasonably prejudice the legitimate interests of the right holder. For greater certainty, each Party may adopt or maintain limitations or exceptions to the rights described in paragraph 1 for fair use, as long as any such limitation or exception is confined as stated in the previous sentence.

<sup>66</sup> The expression “copies” and “original and copies”, being subject to the right of distribution in this paragraph, refer exclusively to fixed copies that can be put into circulation as tangible objects.

<sup>67</sup> Nothing in this Agreement shall affect a Party’s right to determine the conditions, if any, under which the exhaustion of this right applies after the first sale or other transfer of ownership of the original or a copy of their works, performances or phonograms with the authorisation of the right holder.

authorisation of the author shall not cease to exist because the authorisation of the performer, producer or broadcasting organisation is also required. Likewise, each Party shall provide that in cases where authorisation is needed from both the author of a work embodied in a phonogram or broadcast and a performer, producer or broadcasting organisation owning rights in the phonogram or broadcast, the need for the authorisation of the performer, producer or broadcasting organisation shall not cease to exist because the authorisation of the author is also required.

#### *Term of Protection*

5. 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.

6. Each Party shall provide that the term of protection of a broadcast shall not be less than 50 years after the first broadcast took place.

7. Article 18 of the *Berne Convention for the Protection of Literary and Artistic Works*, done at Berne on 9 September 1886 (hereinafter referred to as the "Berne Convention"), and Article 14.6 of the TRIPS Agreement, shall apply, *mutatis mutandis*, to the subject matter, rights, and obligations in this Article and Articles 13.6 and 13.7.

8. Each Party shall provide that for copyright and related rights, any person acquiring or holding any economic right in a work, performance, phonogram or broadcast:

- (a) may freely and separately transfer that right by contract; and
- (b) by virtue of a contract, including contracts of employment underlying the creation of works, performances, phonograms and broadcasts, shall be able to exercise that right in that person's own name and enjoy fully the benefits derived from that right.

#### *Protection of Effective Technological Measures*

9. Each Party shall provide for adequate legal protection and effective legal remedies against:

- (a) the circumvention of any effective technological measures that control access to a protected work, performance, phonogram, broadcast or other subject matter, which the person concerned carries out in the knowledge, or with reasonable grounds to know, that such person is pursuing that objective;
- (b) the manufacture, import, distribution, offering to the public, provision, or otherwise trafficking of devices, products, or components, or the offering to the public, or provision of services, that:
  - (i) are promoted, advertised, or marketed for the purpose of circumvention of any effective technological measure;
  - (ii) have only a limited commercially significant purpose or use other than to circumvent any effective technological measure; or
  - (iii) are primarily designed, produced, or performed for the purposes of enabling or facilitating the circumvention of any effective technological measure.

#### *Protection of Rights Management Information*

10. Each Party shall provide for adequate legal protection and effective legal remedies against any person knowingly performing any of the following acts:

- (a) the removal or alteration of any electronic rights management information without authority; or
- (b) the distribution, importation for distribution, broadcasting, communication or making available to the public, without authority, of works or copies of the works or other subject matter protected under this Chapter knowing that electronic rights management information has been removed or altered without authority,

if such person knows, or has reasonable grounds to know, that by doing so it is inducing, enabling, facilitating or concealing an infringement of any copyright or related rights as provided by the law of the Party.

#### *Application of Criminal Procedures and Penalties*

11. Each Party shall also provide for criminal procedures and penalties to be applied when any person, other than a non-profit library, archive, educational institution, or public non-commercial broadcasting entity, is found to have engaged wilfully and for the purposes of commercial advantage or financial gain in any of the activities prescribed in paragraphs 9 and 10.

#### *Exceptions and Limitations*

12. Each Party may provide for exceptions and limitations to measures implementing paragraphs 9 and 10 in accordance with its law and the relevant international agreements

referred to in Article 13.1.3, provided that they do not significantly impair the adequacy of legal protection of those measures and the effectiveness of legal remedies against the acts prescribed in paragraphs 9 and 10.

### *Exceptions to Copyright and Related Rights*

13. With respect to this Article and Articles 13.6 and 13.7, each Party shall confine limitations or exceptions to exclusive rights to certain special cases that do not conflict with a normal exploitation of the work, performance, phonogram or broadcast, and do not unreasonably prejudice the legitimate interests of the right holder<sup>68</sup>.

14. Notwithstanding paragraph 13, neither Party shall permit the retransmission of television signals (whether terrestrial, cable or satellite) on the Internet without the authorisation of the right holder or right holders of the content of the signal and, if any, of the signal<sup>69</sup>.

#### ARTICLE 13.6: COPYRIGHT

Without prejudice to Articles 11(1)(ii), 11*bis*(1)(i) and 11*bis*(1)(ii), 11*ter*(1)(ii), 14(1)(ii), and 14*bis* of the Berne Convention, each Party shall provide authors with the exclusive right to authorise or prohibit the communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

#### ARTICLE 13.7: RELATED RIGHTS

1. With respect to the rights accorded under this Chapter:
  - (a) to performers and producers of phonograms, each Party shall accord those rights to the performers and producers of phonograms who are nationals of the other Party, and accord those rights with respect to performances and phonograms that are first published or first fixed<sup>70</sup> in the territory of the other Party<sup>71</sup>; and

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<sup>68</sup> For greater certainty, this paragraph does not reduce the capacity of the Parties to provide for exceptions or limitations to exclusive rights in accordance with multilateral agreements related to intellectual property to which either Party is, or becomes, a party.

<sup>69</sup> For the purposes of paragraph 14 and for greater certainty, retransmission within a Party's territory over a closed, defined, subscriber network that is not accessible from outside the Party's territory shall not constitute retransmission on the Internet.

<sup>70</sup> For the purposes of Article 13.7, "fixation" includes the finalisation of the master tape or its equivalent.

<sup>71</sup> With respect to the protection of phonograms, a Party may apply the criterion of fixation instead of the criterion of publication.

- (b) to broadcasting organisations, each Party shall accord those rights to the broadcasting organisations if the headquarters of the broadcasting organisations are situated in the other Party or the broadcast was transmitted from a transmitter situated in the other Party<sup>72</sup>.

#### *Rights of Performers*

- 2. Each Party shall provide performers with the right to authorise or prohibit:
  - (a) the broadcasting and 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.

#### *Rights of Performers and Producers of Phonograms*

- 3. Each Party shall provide performers and producers of phonograms with the right to authorise or prohibit:
  - (a) with respect to performers, the commercial rental to the public of the original and copies of their performances fixed in phonograms, even after distribution of them by, or pursuant to, authorisation by the performer, and with respect to producers of phonograms, the commercial rental to the public of the original and copies of their phonograms, even after distribution of them by, or pursuant to, authorisation by the producer of phonogram; and
  - (b) the making available to the public of their performances fixed in phonograms, with respect to performers, or their phonograms, with respect to producers of phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.
- 4. Each Party shall provide performers and producers of phonograms with the right to a single equitable remuneration for the direct or indirect use of phonograms published for commercial purposes in accordance with its law.

#### *Rights of Broadcasting Organisations*

- 5. Each Party shall provide that broadcasting organisations shall have the exclusive right to authorise or prohibit:
  - (a) their broadcasting of their broadcasts;
  - (b) the fixation of their broadcasts; and

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<sup>72</sup> With respect to the protection of broadcasts, a Party may protect broadcasts only if the headquarters of the broadcasting organisation is situated in the other Party's territory and the broadcast was transmitted from a transmitter situated in the other Party's territory.

- (c) the reproduction of fixations.

#### ARTICLE 13.8: PATENTS

1. 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. In addition, each Party confirms that patents shall be available for any new uses or methods of using a known product<sup>73</sup>.

##### *Exclusion from Patentability*

2. Each Party may only exclude from patentability:
- (a) inventions, the prevention within its territory of the commercial exploitation of which is necessary to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by its law; and
  - (b) diagnostic, therapeutic and surgical methods for the treatment of humans or animals.

##### *Limited Exceptions to Patent Rights*

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.

##### *Revocation of Patent*

4. Each Party shall provide that a patent may be revoked on grounds that would have justified a refusal to grant the patent. A Party may also provide that fraud, misrepresentation or inequitable conduct may be the basis for revoking a patent or holding a patent unenforceable<sup>74</sup>.

##### *Grace Period for Patents*

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<sup>73</sup> For the purposes of this Article, a Party may treat the term “inventive step” as synonymous with “non-obvious” and the term “capable of industrial application” as synonymous with “useful.”

<sup>74</sup> For Australia, a patent may be revoked or cancelled on the basis that the patent is used in a manner determined to be anticompetitive by that Party’s judicial authorities. For Korea, a patent may be revoked or cancelled by the Commissioner of the Korean Intellectual Property Office, *ex officio*, or on request of any interested party, if a patented invention has not been continuously worked in Korea for a period of two years or more from the date of the award under Article 107(1)(i) of the *Patent Act*.

5. Each Party shall disregard information contained in public disclosures used to determine if an invention is novel or has an inventive step if the public disclosure:

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

6. Each Party shall provide patent applicants with at least one opportunity to make amendments, corrections and observations in connection with their applications.

#### *Disclosure of Claimed Invention*

7. Each Party shall provide that a disclosure of a claimed invention shall be considered to be sufficiently clear and complete if it provides information that allows the invention to be made and used by a person skilled in the art, without undue experimentation, as of the filing date.

8. Each Party shall provide that a claimed invention:

- (a) is sufficiently supported by its disclosure if the disclosure reasonably conveys to a person skilled in the art that the applicant was in possession of the claimed invention, as of the filing date; and
- (b) is capable of industrial application if it has a specific, substantial and credible utility.

9. The Parties shall endeavour to establish a framework for cooperation between their respective patent offices as a basis for progress towards the mutual exploitation of search and examination work.

### ARTICLE 13.9: ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

#### *General Obligations*

1. For greater certainty, the obligations specified in this Article are limited to the enforcement of intellectual property rights, or, if mentioned, a particular intellectual property right.

2. Each Party shall provide that final judicial decisions or administrative rulings of general application for the enforcement of intellectual property rights be in writing and state any relevant findings of fact and the reasoning or the legal basis on which the decisions or rulings are based. Each Party shall also provide that those decisions or rulings be published<sup>75</sup> or, where 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.

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<sup>75</sup> A Party may satisfy the publication requirement in this paragraph by making the decision or ruling available to the public on the Internet.

3. Each Party shall publicise information on its efforts to provide effective enforcement of intellectual property rights in its civil, administrative and criminal systems, including any statistical information that the Party may collect for such purposes<sup>76</sup>.

4. In civil, criminal, and if applicable, administrative procedures involving copyright or related rights, each Party shall provide for a presumption that the person whose name is indicated as the author, producer, performer, broadcasting organisation or publisher of the work, performance, phonogram or broadcast in the usual manner is the designated right holder in such work, performance, phonogram or broadcast. 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 in accordance with its law. In civil, administrative and criminal proceedings involving trademarks, each Party shall provide for a rebuttable presumption that a registered trademark is valid. In civil and administrative proceedings involving patents, each Party shall provide for a rebuttable presumption that a patent is valid, and shall provide that each claim of a patent is presumed valid independently of the validity of the other claims.

#### *Civil and Administrative Procedures and Remedies*

5. Each Party shall make available to right holders<sup>77</sup> civil judicial procedures concerning the enforcement of any intellectual property right.

6. Each Party shall provide that:

- (a) in civil judicial proceedings, its judicial authorities shall 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; or
  - (ii) at least in the case of copyright or related rights infringement and trademark counterfeiting, the profits of the infringer that are attributable to the infringement, which may be presumed to be the amount of damages referred to in subparagraph (a)(i); and
- (b) in determining damages for infringement of intellectual property rights, its judicial authorities may consider, inter alia, the value of the infringed good or service, measured by the market price, the suggested retail price, or other legitimate measure of value submitted by the right holder.

7. Each Party shall provide that its judicial authorities, except in exceptional circumstances, shall have the authority to order, at the conclusion of civil judicial

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<sup>76</sup> For greater certainty, nothing in this paragraph is intended to prescribe the type, format, and method of publication of the information a Party must publicise.

<sup>77</sup> For the purposes of this Article, “right holder” includes a federation or an association having the legal standing and authority to assert such rights, and also includes a person that exclusively has any one or more of the intellectual property rights encompassed in a given intellectual property.

proceedings concerning copyright or related rights infringement, patent infringement, or trademark infringement, that the prevailing party shall be awarded payment by the losing party of court costs or fees and, at least in proceedings concerning copyright or related rights infringement or wilful trademark counterfeiting, reasonable attorney's fees. Further, each Party shall provide that its judicial authorities, at least in exceptional circumstances, shall have the authority to order, at the conclusion of civil judicial proceedings concerning patent infringement, that the prevailing party shall be awarded payment by the losing party of reasonable attorney's fees.

8. 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 allegedly infringing goods, materials and implements relevant to the act of infringement, and, at least for trademark counterfeiting, documentary evidence relevant to the infringement.

9. 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 circumstances<sup>78</sup>;
- (b) its judicial authorities shall have the authority to order that materials and implements that have been used in the manufacture or creation of such pirated or counterfeit goods be, without compensation of any sort, promptly destroyed or, in exceptional circumstances, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimise 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.

10. 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, for the purposes of collecting evidence, any information that the infringer possesses or controls regarding any person or persons involved in any aspect of the infringement and regarding the means of production or distribution channel of the infringing goods or services and to provide this information to the right holder or the judicial authorities in the proceedings<sup>79</sup>.

11. Each Party shall provide that its judicial authorities have the authority to:

- (a) impose sanctions, in appropriate cases, on a party to a civil judicial proceeding who fails to abide by valid orders issued by such authorities; and

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<sup>78</sup> A Party may give effect to this subparagraph through, *inter alia*, the exercise of judicial discretion.

<sup>79</sup> For greater certainty, this paragraph shall not apply to the extent that it would conflict with common law or statutory privileges, such as legal professional privilege or the right against self-incrimination.

- (b) impose sanctions on parties to a civil judicial proceeding, their counsel, experts, or other persons subject to the court's jurisdiction, for violation of judicial orders regarding the protection of confidential information produced or exchanged in a proceeding.

12. In civil judicial proceedings concerning the acts described in Articles 13.5.9 and 13.5.10, each Party shall provide that its judicial authorities shall have the authority to order or award at least:

- (a) provisional measures, including seizure of devices and products suspected of being involved in the proscribed activity;
- (b) payment to the prevailing right holder at the conclusion of civil judicial proceedings of court costs and fees, and reasonable attorney's fees, by the party engaged in the proscribed conduct; and
- (c) the destruction of devices and products found to be involved in the proscribed activity.

13. In civil judicial proceedings concerning the enforcement of intellectual property rights, each Party shall provide that its judicial authorities shall have the authority to order a party to desist from an infringement, for the purposes of, *inter alia*, preventing infringing imports from entering the channels of commerce and preventing their exportation. Each Party may also provide that its judicial authorities shall have the authority to order a party to a civil judicial proceeding to desist from the exportation of goods that are alleged to infringe an intellectual property right.

14. In the event that a Party's judicial or other competent authorities appoint technical or other experts in civil judicial proceedings concerning the enforcement of intellectual property rights and require that the parties to the litigation bear the costs of such experts, the Party should seek to ensure that such costs are closely related, *inter alia*, to the quantity and nature of work to be performed and do not unreasonably deter recourse to such proceedings.

#### *Alternative Dispute Resolution*

15. Each Party may permit use of alternative dispute resolution procedures to resolve civil disputes concerning intellectual property rights.

#### *Provisional Measures*

16. Each Party's judicial authorities shall act on requests for provisional measures *inaudita altera parte* expeditiously.

17. Each Party shall provide that its judicial authorities have the authority to require the applicant, with respect to provisional measures, to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty 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 defendant and to prevent abuse, and so as not to unreasonably deter recourse to such procedures.

#### *Special Requirements Related to Border Measures*

18. Each Party shall provide that any right holder initiating procedures for its customs authorities to suspend release of suspected counterfeit or confusingly similar trademark goods, or pirated copyright goods<sup>80</sup> into free circulation is required to provide adequate evidence to satisfy the competent authorities that, under the law of the importing Party, 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 recognisable by its customs authorities. The requirement to provide sufficient information shall not unreasonably deter recourse to these procedures. Each Party shall provide that the application to suspend the release of goods shall apply to all points of entry to its territory and remain applicable for a period of not less than one year from the date of application, or the period that the good is protected by copyright or that the relevant trademark registration is valid, whichever is shorter.

19. Each Party shall provide that its competent authorities shall have the authority to require a right holder initiating procedures to suspend the release of suspected counterfeit or confusingly similar trademark goods, or pirated copyright goods, 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 equivalent assurance shall not unreasonably deter recourse to these procedures. Each Party may provide that the security may be in the form of a bond conditioned to hold the importer or owner of the imported merchandise harmless from any loss or damage resulting from any suspension of the release of goods in the event the competent authorities determine that the article is not an infringing good.

20. Where its competent authorities have seized goods that have been determined to be counterfeit or pirated, in accordance with its laws pertaining to the protection of personal information a Party shall provide that its competent authorities have the authority to inform the right holder of the names and addresses of the exporter, consignor, importer or consignee, and provide to the right holder a description of the merchandise, the quantity of the merchandise and, if known, the country of origin of the merchandise.

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<sup>80</sup> For the purposes of paragraphs 18 through 24:

- (a) "counterfeit trademark goods" means any goods, including packaging, bearing without authorisation a trademark that is identical to the trademark validly registered in respect of such goods, or that cannot be distinguished in its essential aspects from such a trademark, and that 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" 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 a related right under the law of the country of importation.

21. Each Party shall provide that its customs authorities may initiate border measures *ex officio*<sup>81</sup> with respect to imported merchandise that is suspected of being counterfeit or confusingly similar trademark goods, or pirated copyright goods.

22. Each Party shall provide that goods that have been suspended from release by its customs authorities, and that have been forfeited as pirated or counterfeit, shall be destroyed, except in exceptional circumstances. 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 authorised, except in exceptional circumstances, to permit the exportation of counterfeit or pirated goods or to permit such goods to be subject to other customs procedures.

23. Where an application fee or merchandise storage fee is assessed in connection with border measures to enforce a trademark or copyright, each Party shall provide that the fee shall not be set at an amount that unreasonably deters recourse to these measures.

24. Each Party shall provide the other Party, on mutually agreed terms, with technical advice on the enforcement of border measures concerning intellectual property rights, and the Parties shall promote bilateral and regional cooperation on these matters.

#### *Criminal Procedures and Remedies*

25. Each Party shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright or related rights piracy on a commercial scale. Each Party shall treat wilful importation or exportation of counterfeit or pirated goods as unlawful activities subject to criminal penalties<sup>82</sup>.

26. Further to paragraph 25, each Party shall provide:

- (a) penalties that include sentences of imprisonment as well as monetary fines sufficient to provide a deterrent to future infringements, consistent with a policy of removing the infringer's monetary incentive. Each Party shall further encourage judicial authorities to impose those penalties at levels sufficient to provide a deterrent to future infringements;
- (b) that its judicial authorities shall have the authority to order the seizure of suspected counterfeit or pirated goods, any related materials and implements used in the commission of the offense, any documentary evidence relevant to the offense, and any assets traceable to the infringing activity. Each Party shall provide that such orders need not individually identify the items that are subject to seizure, so long as they fall within general categories specified in the order;

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<sup>81</sup> For greater certainty, the Parties understand that *ex officio* action does not require a formal complaint from a private party or right holder.

<sup>82</sup> A Party may comply with the obligation in paragraph 25 in relation to exportation of counterfeit or pirated goods through its measures concerning distribution.

- (c) that its judicial authorities shall have the authority to order, among other measures, the forfeiture of any assets traceable to the infringing activity<sup>83</sup>; and
- (d) that its judicial authorities shall have the authority to order:
  - (i) the forfeiture and destruction of all counterfeit or pirated goods; and
  - (ii) at least with respect to wilful copyright and related rights piracy and counterfeiting on a commercial scale, the forfeiture and/or destruction of materials and implements that have been predominantly used in the creation of pirated or counterfeit goods.

Each Party shall further provide that forfeiture and destruction under subparagraphs (c) and (d) shall occur without compensation of any kind to the defendant.

27. Each Party shall provide for criminal procedures and penalties to be applied against any person who, without authorisation of the holder of copyright or related rights in a cinematographic work, knowingly makes a copy of or transmits to the public the cinematographic work, from a performance of the cinematographic work, in an exhibition facility open to the public<sup>84</sup>.

#### *Special Measures against Repetitive Copyright Infringers on the Internet*

28. Each Party shall provide measures to curtail repeated copyright and related right infringement on the Internet.

#### *Limitations on Liability for Online Service Providers*

29. In accordance with Article 41 of the TRIPS Agreement, for the purpose of providing enforcement procedures that permit effective action against any act of copyright infringement covered by this Chapter, each Party shall provide:

- (a) legal incentives for online service providers to cooperate with copyright<sup>85</sup> owners in deterring the unauthorised storage and transmission of copyrighted materials; and
- (b) limitations in its law regarding the scope of remedies available against online 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.

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<sup>83</sup> For the purposes of Australia's obligations under this paragraph, its judicial authorities shall only be required to order the forfeiture of any assets traceable to an infringing activity in respect of at least offences defined as indictable offences under its law.

<sup>84</sup> A Party may satisfy the obligation in this paragraph by providing for criminal procedures and penalties where the infringing conduct occurs on a commercial scale.

<sup>85</sup> For the purposes of this paragraph, copyright includes related rights.

#### ARTICLE 13.10: UNDERSTANDINGS REGARDING CERTAIN PUBLIC HEALTH MEASURES

1. The Parties recognise the importance of the *Declaration on the TRIPS Agreement and Public Health*, adopted on 14 November 2001 (hereinafter referred to as the “Doha Declaration”) by the Ministerial Conference of the WTO. In interpreting and implementing the rights and obligations under Article 13.8, the Parties are entitled to rely upon the Doha Declaration.
2. Each Party shall contribute to the implementation of and shall respect the *Decision of the WTO General Council of 30 August 2003* on paragraph 6 of the Doha Declaration, as well as the *Protocol amending the TRIPS Agreement*, done at Geneva on 6 December 2005.

#### ARTICLE 13.11: TRANSITIONAL PROVISIONS

1. Each Party shall give effect to this Chapter on the date of entry into force of this Agreement.
2. Notwithstanding paragraph 1, Korea shall fully implement the obligations of Article 13.5.5 within two years of the date of entry into force of this Agreement.

#### ARTICLE 13.12: COMMITTEE ON INTELLECTUAL PROPERTY

1. The Committee on Intellectual Property established in accordance with Article 21.4 (Committees and Working Groups) shall comprise officials of each Party.
2. The Committee shall:
  - (a) review, monitor and assess the implementation of this Chapter;
  - (b) discuss and make recommendations in relation to cooperative activities under this Chapter;
  - (c) exchange information on legal and policy developments on intellectual property rights, including geographical indications and common names;
  - (d) discuss and seek resolution of any matter arising under this Chapter; and
  - (e) carry out any other functions as may be agreed by the Parties in order to ensure the implementation of this Chapter.
3. The Committee shall meet every year, in principle, or as otherwise agreed. The date, location and agenda of each meeting will be jointly decided through consultations between the contact points.
4. For the purposes of this Article, the contact point shall be, unless otherwise notified:
  - (a) for Korea, the Ministry of Trade, Industry and Energy, or its successor; and

(b) for Australia, the Department of Foreign Affairs and Trade, or its successor.

#### ARTICLE 13.13: DEFINITIONS

For the purposes of Articles 13.5 and 13.7, the following definitions shall apply with respect to performers, producers of phonograms and broadcasting organisations:

**Broadcasting** means the transmission to the public by wire or wireless means of sounds or sounds and images, or representations thereof, including wire or wireless transmission of encrypted signals where the means for decrypting are provided to the public by the broadcasting organisation or with its consent, but does not include transmissions over computer networks or any transmissions where the time and place of reception may be individually chosen by members of the public;

**communication to the public of a performance or a phonogram** means the transmission to the public by any medium, other than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram;

**effective technological measure** means any technology, device or component that, in the normal course of its operation, controls access to a protected work or other subject matter, or protects any copyright or related rights covered by this Chapter;

**fixation** means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced, or communicated through a device;

**geographical indications** means indications that identify a good 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 is essentially attributable to its geographical origin;

**performers** means actors, singers, musicians, dancers, and other natural persons who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore;

**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;

**producer of a phonogram** means the person who 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;

**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;

**rights management information** means any information provided by right holders which identifies the protected work or other subject matter covered by this Chapter, the author or any other right holder, or information about the terms and conditions of use of the protected work or other subject matter covered by this Chapter, and any numbers or codes that represent such information. It applies when any of these items of information is associated with a copy of, or appears in connection with the communication to the public of a protected work or other subject matter covered by this Chapter; and

**WIPO** means World Intellectual Property Organization.