

**CHAPTER 12**  
**INTELLECTUAL PROPERTY RIGHTS (IPR)**

**SECTION A: GENERAL PROVISIONS**

**Article 12.1: Definitions**

For the purposes of this Chapter:

**Intellectual property** embodies:

- (a) copyright and related rights;
- (b) patents and utility models;
- (c) trademarks;
- (d) industrial designs;
- (e) layout-designs (topographies) of integrated circuits;
- (f) geographical indications;
- (g) plant varieties; and
- (h) protection of undisclosed information.

**National** means, in respect of the relevant right, a person of a Party that would meet the criteria for eligibility for protection provided for in the agreements listed in Article 12.5 (International Agreements) or the TRIPS Agreement.

**Article 12.2: Objectives**

The protection and enforcement of intellectual property rights should contribute to the promotion of trade, investment, technological innovation and cultural industry, and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

### **Article 12.3: Principles**

Nothing in this Chapter shall prevent a Party from adopting appropriate measures to prevent the abuse of intellectual property rights by right holders or the resort to practices that unreasonably restrain trade or adversely affect the international transfer of technology provided that such measures are consistent with this Chapter.

### **Article 12.4: Nature and Scope of Obligations**

Each Party shall give effect to the provisions of this Chapter. A Party may, but shall not be obliged to, provide more extensive protection for, or enforcement of, intellectual property rights under its law<sup>1</sup> than is required by this Chapter, provided that such protection or enforcement does not contravene the provisions of this Chapter. Each Party shall be free to determine the appropriate method of implementing the provisions of this Chapter within its own legal system and practices.

### **Article 12.5: International Agreements**

1. The Parties reaffirm their obligations set out in the following multilateral agreements:
  - (a) *Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement)*;
  - (b) *Patent Cooperation Treaty of 19 June 1970*, as revised by the Washington Act of 2001;
  - (c) *Paris Convention of 20 March 1883 for the Protection of Industrial Property*, as revised by the Stockholm Act of 1967 (Paris Convention);
  - (d) *Berne Convention of 9 September 1886 for the Protection of Literary and Artistic Works*, as revised by the Paris Act of 1971 (Berne Convention);
  - (e) *Madrid Protocol of 27 June 1989 relating to the Madrid Agreement concerning the International Registration of Marks*;
  - (f) *WIPO Performances and Phonograms Treaty of 20 December 1996 (WPPT)*;
  - (g) *Rome Convention of 26 October 1961 for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention)*;
  - (h) *WIPO Copyright Treaty of 20 December 1996 (WCT)*;

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<sup>1</sup> For greater certainty, for the purposes of this Article, 'law' encompasses the legal system including regulations, decrees and practices in a broad sense.

- (i) *Budapest Treaty of 28 April 1977 on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure*; and
  - (j) *Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled* (Marrakesh Treaty).
2. A Party shall ratify or accede to the *International Convention for the Protection of New Varieties of Plants* (UPOV) 1991, if it is not already party to that Convention.

#### **Article 12.6: Intellectual Property and Public Health**

1. A Party may, in formulating or amending its laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Chapter.
2. The Parties recognise the principles established in the Declaration on the TRIPS Agreement and Public Health adopted on 14 November 2001 (Doha Declaration) by the Ministerial Conference of the WTO and confirm that the provisions of this Chapter are without prejudice to the Doha Declaration.

#### **Article 12.7: National Treatment**

1. In respect of all categories of intellectual property covered in this Chapter, each Party shall accord to nationals of the other Party treatment no less favourable than it accords to its own nationals with regard to the protection of intellectual property rights in accordance with Article 3(1) of the TRIPS Agreement.
2. A Party may derogate from paragraph 1 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 or regulations that are not inconsistent with this Chapter; and
  - (b) not applied in a manner that would constitute a disguised restriction on trade.
3. Paragraph 1 does not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

### **Article 12.8: Transparency**

1. Each Party shall, if applicable, subject to its legal system and practices, make information concerning application and registration of trademarks, geographical indications, industrial designs, patents and plant variety rights accessible to the general public.
2. Each Party shall endeavour to make available such information in the English language.

### **Article 12.9: Exhaustion of Intellectual Property Rights**

Without prejudice to any provisions addressing the exhaustion of intellectual property rights in the international agreements to which a Party is a member, nothing in this Chapter shall prevent a Party from determining whether or under what conditions the exhaustion of intellectual property rights applies under its legal system.

## **SECTION B: COOPERATION**

### **Article 12.10: Cooperation Activities and Initiatives**

1. The Parties shall endeavour to cooperate on the subject matters covered by this Chapter, such as through appropriate coordination, training and exchange of information between the respective intellectual property offices of the Parties, or other institutions, as determined by each Party. Cooperation activities and initiatives undertaken under this Chapter shall be subject to the availability of resources, and on request, and on terms and conditions mutually agreed upon between the Parties. Cooperation activities may cover areas such as:
  - (a) developments in domestic and international intellectual property policy;
  - (b) patent examination quality and efficiency;
  - (c) intellectual property administration and registration systems;
  - (d) education and awareness relating to intellectual property;
  - (e) intellectual property issues relevant to:
    - (i) micro, small and medium-sized enterprises;
    - (ii) science, technology and innovation activities;
    - (iii) the generation, transfer and dissemination of technology;

- (iv) promoting the cultural industry; and
  - (v) empowering women and youth;
  - (f) policies involving the use of intellectual property for research, innovation and economic growth;
  - (g) implementation of multilateral intellectual property agreements, such as those concluded or administered under the auspices of WIPO;
  - (h) capacity-building;
  - (i) enforcement of intellectual property rights; and
  - (j) other activities and initiatives as may be mutually determined by the Parties.
2. The Joint Committee established under Article 15.1 (Joint Committee) of Chapter 15 (Administration of the Agreement) may establish an Intellectual Property Subcommittee in appropriate cases of mutual concerns.

## **SECTION C: TRADEMARKS**

### **Article 12.11: Types of Signs Registrable as Trademarks**

Neither Party shall require, as a condition of registration, that a sign be visually perceptible, nor shall a Party deny registration of a trademark only on the ground that the sign of which it is composed is a sound. Additionally, each Party shall make best efforts to register scent marks. A Party may require a concise and accurate description, or graphical representation, or both, as applicable, of the trademark.

### **Article 12.12: Collective and Certification Marks**

Each Party shall provide that trademarks include collective marks and certification marks. A Party is not obligated to treat certification marks as a separate category in its law, provided that those marks are protected. Each Party shall also provide that signs that may serve as geographical indications are capable of protection under its trademark system.<sup>2</sup>

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<sup>2</sup> Consistent with the definition of a geographical indication in Article 12.24 (Protection of Geographical Indications), any sign or combination of signs shall be eligible for protection under one or more of the legal means for protecting geographical indications, or a combination of such means.

### **Article 12.13: Use of Identical or Similar Signs**

Each Party shall provide that the owner of a registered trademark has the exclusive right to prevent third parties that do not have the owner's consent from using in the course of trade identical or similar signs, including subsequent geographical indications,<sup>3,4</sup> for goods or services that are related 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.

### **Article 12.14: Exceptions**

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

### **Article 12.15: Well-Known Trademarks**

1. Neither Party shall require as a condition for determining that a trademark is well-known that the trademark has been registered in the Party or in another jurisdiction, included on a list of well-known trademarks, or given prior recognition as a well-known trademark.
2. Article 6*bis* of the Paris Convention shall apply, *mutatis mutandis*, to goods or services that are not identical or similar to those identified by a well-known trademark,<sup>5</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.
3. Each Party recognises the importance of the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks as adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO September 20 to 29, 1999.
4. Each Party shall provide for appropriate measures to refuse the application or cancel the registration and prohibit the use of a trademark that is identical or similar to a well-

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<sup>3</sup> For greater certainty, the exclusive right in this Article applies to cases of unauthorised use of geographical indications with goods for which the trademark is registered, in cases in which the use of that geographical indication in the course of trade would result in a likelihood of confusion as to the source of the goods.

<sup>4</sup> For greater certainty, the Parties understand that this Article should not be interpreted to affect their rights and obligations under Articles 22 and 23 of the TRIPS Agreement.

<sup>5</sup> In determining whether a trademark is well-known in a Party, that Party need not require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

known trademark<sup>6</sup>, for identical or similar goods or services, if the use of that trademark is likely to cause confusion with the prior well-known trademark. A Party may also provide such measures including in cases in which the subsequent trademark is likely to deceive.

#### **Article 12.16: Procedural Aspects of Examination, Opposition and Cancellation or Termination<sup>7</sup>**

Each Party shall provide a system for the examination and registration of trademarks which includes, *inter alia*:

- (a) communicating to the applicant in writing, which may be by electronic means, the reasons for any refusal to register a trademark;
- (b) providing the applicant with an opportunity to respond to communications from the competent authorities, to contest any initial refusal, and to make a judicial appeal of any final refusal to register a trademark;
- (c) providing an opportunity to oppose the registration of a trademark or to seek cancellation or termination of a trademark; and
- (d) requiring administrative decisions in opposition and cancellation proceedings to be reasoned and in writing, which may be provided by electronic means.

#### **Article 12.17: Electronic Trademarks System**

Each Party shall provide:

- (a) a system for the electronic application for, and maintenance of, trademarks; and
- (b) a publicly available electronic information system, including an online database, of trademark applications and of registered trademarks.

#### **Article 12.18: Classification of Goods and Services**

Each Party shall adopt or maintain a trademark classification system that is consistent with the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, done at Nice, June 15, 1957, as revised and amended (Nice Classification). Each Party shall provide that:

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<sup>6</sup> The Parties understand that a well-known trademark is one that was already well-known before, as determined by a Party, the application for, registration of or use of the first-mentioned trademark.

<sup>7</sup> In this Chapter, the term 'Termination' is equivalent to 'invalidation', which has retroactive effect.

- (a) registrations and the publications of applications indicate the goods and services by their names, grouped according to the classes established by the Nice Classification;<sup>8</sup> and
- (b) goods or services may not be considered as being similar to each other on the ground that, in any registration or publication, they are classified in the same class of the Nice Classification. Conversely, each Party shall provide that goods or services may not be considered as being dissimilar from each other on the ground that, in any registration or publication, they are classified in different classes of the Nice Classification.

#### **Article 12.19: Terms of Protection for Trademarks**

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.

#### **Article 12.20: Non-Recordal of a License**

Neither Party shall require recordal of trademark licenses:

- (a) to establish the validity of the license; nor
- (b) as a condition for use of a trademark by a licensee to be deemed to constitute use by the holder in a proceeding that relates to the acquisition, maintenance or enforcement of trademarks.

#### **Article 12.21: Domain Names**

In connection with each Party's system for the management of its country-code top-level domain (ccTLD) domain names, the following shall be available:

- (a) an appropriate procedure for the settlement of disputes, based on, or modelled along the same lines as, the principles established in the Uniform Domain-Name Dispute-Resolution Policy, as approved by the Internet Corporation for Assigned Names and Numbers (ICANN) or that:
  - (i) is designed to resolve disputes expeditiously and at low cost;
  - (ii) is fair and equitable;
  - (iii) is not overly burdensome; and
  - (iv) does not preclude resort to judicial proceedings;

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<sup>8</sup> A Party that relies on translations of the Nice Classification shall follow updated versions of the Nice Classification to the extent that official translations have been issued and published.



- (b) online public access to a reliable and accurate database of contact information concerning domain name registrants,

in accordance with each Party's law and, if applicable, relevant administrator policies regarding the protection of privacy and personal data.

## **SECTION D: COUNTRY NAMES**

### **Article 12.22: Country Names**

Each Party shall provide the legal means for interested persons to prevent commercial use of the country name of a Party in relation to a good in a manner that misleads consumers as to the origin of that good.

## **SECTION E: GEOGRAPHICAL INDICATIONS**

### **Article 12.23: Protection<sup>9</sup> of Geographical Indications**

1. Geographical indication means an indication that identifies 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.
2. The Parties reaffirm that geographical indications may be protected through a trademark or *sui generis* system or other legal means.

### **Article 12.24: System of Registration and Protection of Geographical Indications**

1. Each Party shall maintain a system for the registration and protection of geographical indications which shall contain at least the following elements:
  - (a) a register listing geographical indications protected in the territory of that Party;
  - (b) an administrative process verifying that geographical indications to be entered, or maintained on the register referred to in subparagraph (a) identify a good as originating in a territory, region or locality of a Party,

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<sup>9</sup> For greater certainty, protection of Geographical Indications collectively means protection by registration or recognition.

where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;

- (c) an opposition procedure that allows the legitimate interests of any natural or legal person to be taken into account; and
- (d) procedures for rectification and removal or termination of the effects of the entries on the register referred to in subparagraph (a) that take into account the legitimate interests of third parties and the right holders of the registered geographical indications in question<sup>10</sup>.

2. Each Party may provide in its domestic legislation more extensive protection than is required by this Section, provided that such protection does not contravene the protection provided under this Chapter.

#### **Article 12.25: Data of Protection of a Geographical Indication**

If a Party grants protection to a geographical indication, the protection shall commence no earlier than the filing date<sup>11</sup> or the registration date in either of Parties according to the national laws and regulations of each Party.

### **SECTION F: PATENT AND INDUSTRIAL DESIGN**

#### **Article 12.26: Grace Period for Patent**

Each Party shall disregard information contained in public disclosure of an invention related to an application to register a patent<sup>12</sup> if the public disclosure:

- (a) was made by the inventor, applicant or a person that obtained the information from the inventor or applicant inside or outside the territory of each Party; and
- (b) occurred within at least 12 months prior to the date of filing of the application or priority date as applicable.

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<sup>10</sup> Without prejudice to its domestic legislation on the system of registration and protection of geographical indications, each Party shall provide for legal means for the invalidation of the registration of geographical indications.

<sup>11</sup> For greater certainty, the filing date referred to in this Article includes, as applicable, the priority filing date under the Paris Convention.

<sup>12</sup> For greater certainty, patent may include utility model in accordance with national laws and regulations.

### **Article 12.27: Procedural Aspects of Examination, Opposition, Cancellation and Termination of Certain Registered Patent and Industrial Design**

Each Party shall provide a system for the examination and registration of patents or industrial designs which includes, *inter alia*:

- (a) communicating to the applicant in writing, which may be by electronic means, the reasons for any refusal to register patent or industrial design;
- (b) providing the applicant with an opportunity to respond to communications from the competent authorities, to contest any initial refusal, and to make a judicial appeal of any final refusal to register patent or industrial design;
- (c) providing an opportunity for interested parties to seek cancellation or termination of a registered patent or industrial design, and in addition may provide an opportunity for interested parties to oppose the registration of patent or industrial design; and
- (d) making decisions in opposition, cancellation, or termination proceedings to be reasoned and in writing, which may be delivered by electronic means.

### **Article 12.28: Amendments, Corrections, and Observations**

1. Each Party shall provide an applicant for patent or industrial design with at least one opportunity to make amendments, corrections or observations from a third party in connection with its application.
2. Each Party shall provide a right holder of patent or industrial design with opportunities to make amendments or corrections after registration provided that such amendments or corrections do not change or expand the scope of the patent or industrial design right as a whole.<sup>13</sup>

### **Article 12.29: Industrial Design Protection**

The duration of protection available for registered industrial designs shall amount to at least 15 years according to the domestic law and regulations from the date of filing.

### **Article 12.30: Exceptions**

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

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<sup>13</sup> It is understood that the amendments or corrections which do not change or expand the scope of the right means that the scope of the patent or industrial design right stays same as before or reduced.

## **SECTION H: COPYRIGHT AND RELATED RIGHTS**

### **Article 12.31: General Provision**

1. Without prejudice to the obligations set out in the international agreements to which both Parties are party, each Party shall, in accordance with its laws and regulations<sup>14</sup>, grant and ensure adequate and effective protection to the authors of works and to performers, producers of phonograms and broadcasting organisations for their works, performances, phonograms, and broadcasts, respectively.
2. Each Party shall ensure that a broadcasting organisation has at least the exclusive right of authorizing the following acts: broadcast or re-broadcast their broadcasts; directly or indirectly reproduce the entire or part of the fixation of their broadcasts using any means or form only for broadcast purpose; distribution of the fixation.

### **Article 12.32: Term of Protection for Copyright and Related Rights**

Each Party shall provide that in cases in which the term of protection of a 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 50 years after the author's death;
- (b) the term of protection to be granted to performers under this Chapter shall last, at least, until the end of a period of 50 years computed from the end of the year in which the performance was fixed; and
- (c) the term of protection to be granted to producers of phonograms under this Chapter shall last, at least, until the end of a period of 50 years computed from the end of the year in which the phonogram was published, or failing such publication within 50 years from fixation of the phonogram, 50 years from the end of the year in which the fixation was made.

### **Article 12.33: Limitations and Exceptions**

1. With respect to this Section, 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 or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder.

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<sup>14</sup> For greater certainty, for the purposes of this subparagraph, 'laws and regulations' is understood to encompass national laws, regulations, decrees, ministerial decisions (circular), and practices in a broad sense.

2. This Article does not reduce or extend the scope of applicability of the limitations and exceptions permitted by the TRIPS Agreement, the Berne Convention, the WCT or the WPPT or the Marrakesh Treaty.
3. Each Party may, in its national legislation, provide for the same kinds of limitations or exceptions with regard to the protection of performers for performance and phonograms, to the protection of producers of phonograms and of broadcasting organisations as it provides for, in its national legislation, in connection with the protection of copyright in literary and artistic works.
4. Each Party shall endeavour to achieve an appropriate balance in its copyright and related rights system, among other things by means of limitations or exceptions that are consistent with paragraph 1, 2 and 3, including those for the digital environment, giving due consideration to legitimate purposes such as, but not limited to: criticism; comment; news reporting; teaching, scholarship, research; and facilitating access to published works for persons who are blind, visually impaired or otherwise print disabled.<sup>15, 16</sup>

#### **Article 12.34: Contractual Transfers**

Each Party shall provide that for copyright and related rights, any person acquiring or holding any economic right<sup>17</sup> in a work, performance or phonogram:

- (a) may freely and separately transfer that right by contract; and
- (b) by virtue of contract<sup>18</sup>, including contracts of employment underlying the creation of works, performances or phonograms, shall be able to exercise that right in that person's own name<sup>19</sup> and enjoy fully the benefits derived from that right.<sup>20</sup>

#### **Article 12.35: Obligations concerning Rights Management Information**

1. Each Party shall provide adequate and effective legal remedies against any person who knowingly, without authorisation removes or alters any electronic rights management information and/or distributes, imports for distribution, broadcasts or communicates to

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<sup>15</sup> As recognised by the Marrakesh Treaty.

<sup>16</sup> For greater certainty, a use that has commercial aspects may in appropriate circumstances be considered to have a legitimate purpose under Article 12.33 (Limitations and Exceptions).

<sup>17</sup> For greater certainty, this provision does not affect the exercise of moral rights.

<sup>18</sup> For greater certainty, 'contract' encompasses contracts of employment underlying the creation or works, performances, or phonograms.

<sup>19</sup> For greater certainty, 'person's own name' means 'right holder's name'.

<sup>20</sup> Nothing in this Article affects a Party's ability to establish: (i) which specific contracts underlying the creation of works, performances or phonograms shall, in the absence of a written agreement, result in a transfer of economic rights by operation of law; and (ii) reasonable limits to protect the interests of the original right holders, taking into account the legitimate interests of the transferees.

the public, without authority, works or copies of works knowing that electronic rights management information has been removed or altered without authority.

2. For the purposes of this Article, the expression “rights-management information” means any information provided by a right holder that identifies the work<sup>21</sup> or other subject matter that is the object of protection under this Chapter, the author or any other right holder, or information about the conditions of use of the work or other subject matter, and any numbers or codes that represent such information. Paragraph 1 shall apply 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 work or other subject matter that is the object of protection under this Chapter.

### **Article 12.36: Collective Management**

The Parties recognise the important role of collective management societies for copyright and related rights in collecting and distributing royalties based on practices that are fair, efficient, transparent and accountable, which may include appropriate record keeping and reporting mechanisms.

## **SECTION I: ENFORCEMENT**

### **Article 12.37: General Obligations in Enforcement**

Each Party shall ensure that enforcement procedures as specified in this Section are available under its law so as to permit effective action against any act of infringement of intellectual property rights covered by this Chapter, including expeditious remedies to prevent infringements and remedies that constitute a deterrent to future infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

### **Article 12.38: Border Measures**

1. Each Party shall, in conformity with its domestic laws and regulations and the provisions of Part III, Section 4 of the TRIPS Agreement adopt or maintain procedures to enable a right holder, who has valid grounds for suspecting that the importations of counterfeit trademark or pirated copyright goods may take place, to lodge an application in writing with the competent authorities, in the Party in which the border measure procedures are applied, for the suspension by that Party's customs authorities of the release into free circulation of such goods.
2. A Party may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the requirements of

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<sup>21</sup> For the greater certainty, ‘work’ is interpreted as defined in the Bern Convention Art. 2.1.

Part III, Section 4 of the TRIPS Agreement are met. A Party may also provide for corresponding procedures concerning the suspension by the customs authorities of the release of infringing goods destined for exportation from their territory in accordance with its domestic laws and regulations.