

ANNEX XIX

REFERRED TO IN ARTICLE 6.1

INTELLECTUAL PROPERTY RIGHTS

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SECTION I

GENERAL PROVISIONS

Article 1

Definition of Intellectual Property

For the purposes of this Agreement, “intellectual property” comprises in particular copyrights, including the protection of computer programmes and compilations of data, as well as related rights, trademarks for goods and services, geographical indications (including appellations of origin), industrial designs, patents, plant varieties, topographies of integrated circuits, as well as undisclosed information.

Article 2

International Conventions

1. The Parties reaffirm their rights and obligations set out in the following multilateral agreements:

- (a) TRIPS Agreement of 15 April 1994;
- (b) Paris Convention of 20 March 1883 for the Protection of Industrial Property, as revised by the Stockholm Act of 14 July 1967 (hereinafter referred to as the “Paris Convention”);
- (c) Berne Convention of 9 September 1886 for the Protection of Literary and Artistic Works, as revised by the Paris Act of 24 July 1971 (hereinafter referred to as the “Berne Convention”);
- (d) International Convention of 26 October 1961 for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (hereinafter referred to as the “Rome Convention”);
- (e) Patent Cooperation Treaty of 19 June 1970, as revised by the Washington Act of 3 October 2001; and

- (f) Budapest Treaty of 28 April 1977 on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.

2. The Parties shall comply with the substantial provisions of the following agreements:

- (a) Nice Agreement of 15 June 1957 Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, as revised by the Geneva Act of 28 September 1979;
- (b) World Intellectual Property Organisation Copyright Treaty of 20 December 1996 (hereinafter referred to as “WCT”);
- (c) WIPO Performances and Phonogram Treaty of 20 December 1996 (hereinafter referred to as the “WPPT”); and
- (d) International Convention for the Protection of New Varieties of Plants of 19 March 1991, unless the Party concerned is already a member of the International Convention for the Protection of New Varieties of Plants of 23 October 1978, and chose not to accede to the 1991 Act.

3. Each Party shall make all reasonable efforts to ratify or accede to the following agreements:

- (a) Protocol of 27 June 1989 relating to the Madrid Agreement concerning the International Registration of Marks;
- (b) Geneva Act of 2 July 1999 of the Hague Agreement Concerning the International Registration of Industrial Designs; and
- (c) Beijing Treaty of 26 June 2012 on Audiovisual Performances.

4. The Parties agree to promptly hold expert meetings, upon request of any Party, on activities relating to the conventions referred to in this Article or to future international conventions on harmonisation, administration and enforcement of intellectual property rights and on activities in international organisations, such as the WTO and the World Intellectual Property Organisation (hereinafter referred to as “WIPO”), as well as on relations of the Parties with non-parties on matters concerning intellectual property.

5. The provisions of this Annex are without prejudice to the Doha Declaration on the TRIPS Agreement and Public Health as well as the Amendment of the TRIPS Agreement as adopted by the WTO General Council on 6 December 2005.

SECTION II

STANDARDS CONCERNING THE AVAILABILITY, SCOPE AND USE OF INTELLECTUAL PROPERTY RIGHTS

Article 3

Trademarks

1. The Parties shall grant adequate and effective protection to trademark right holders of goods and services. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including combinations of words, personal names, letters, numerals, figurative elements, sounds and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, the Parties may make registrability depend on distinctiveness acquired through use. The Parties may require, as a condition of registration, that signs be visually perceptible. According to its national law, a Party may establish that shape of goods can constitute a trademark.

2. The Parties shall grant the owner of a registered trademark 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 for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Parties making rights available on the basis of use.

3. The protection according to paragraph 2 shall not be limited to identical or similar goods or services where the trademark is well known in the relevant country and where the use of the trademark without due cause would be detrimental to the distinctive character or take unfair advantage or be detrimental to the repute of the trademark.

4. The Parties reaffirm the importance of and shall be guided by the principles contained in the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO in 1999. The Parties also reaffirm the importance of the WIPO Joint Recommendation Concerning Provisions on the Protection of Marks and other Industrial Property Rights in Signs, on the Internet, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO in 2001.

Article 4

Patents

1. The Parties shall at least ensure in their respective legislation that patents are available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application. Subject to paragraph 3, patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced. Patent protected products that are imported or locally-produced shall thus enjoy the same level of protection and not be discriminated.

2. Each Party may exclude from patentability inventions, the prevention within their 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.

3. Each Party may also exclude from patentability:

- (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals;
- (b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, the Parties shall provide for the protection of plant varieties either by patents or by an effective *sui generis* system or by any combination thereof.

4. Each Party shall make best efforts to avoid unreasonable delays in processing patent applications.

5. With respect to any pharmaceutical product that is covered by a patent, each Party shall make available a restoration of the patent term to compensate the patent owner for unreasonable curtailment of the effective patent term resulting from the marketing approval process related to the first commercial marketing of the product in that Party.¹

¹ The Parties that at the date of entry into force of this Agreement foresee in their legislation a restoration of the patent term for pharmaceutical products as defined in this paragraph will maintain in effect this commitment, as is only the case for Costa Rica, Iceland, Liechtenstein, Norway and Switzerland.

Article 5

Data Protection of Certain Regulated Products

The Parties affirm that:

- (a) undisclosed data concerning safety and efficacy that is submitted as a condition of approving the marketing of new pharmaceutical or agricultural chemical products will be protected not through a specific provision of this Agreement, but through the principles of national treatment and most favoured nation treatment enshrined in paragraphs 2 and 3 of Article 6.1 of this Agreement;
- (b) Chapter 12 of this Agreement shall apply to any dispute arising in this regard; and
- (c) by providing protection periods of at least five years for pharmaceutical products and at least 10 years for agricultural chemical products in their respective domestic legislation, the Parties afford a satisfactory level of protection that corresponds to the relevant international obligations they have entered into.²

Article 6

Industrial Designs

1. The Parties shall ensure in their respective domestic legislation adequate and effective protection of industrial designs by providing in particular a period of protection of at least 10 years. Each Party may foresee that the right holder may have the term of protection renewed for one or more periods of five years each, up to the maximum term of protection established in each Party's legislation. If the domestic legislation so foresees, a Party may provide for a shorter period of protection for designs of component parts used for the purpose of the repair of a product.

2. A design protected by a design right, registered in a Party in accordance with this Article, may also be eligible for protection under the law of copyright of that Party as from the date on which the design was created or fixed in any form. The term of protection shall be as a minimum 25 years from the making of the work.

² The Parties that at the date of entry into force of this Agreement foresee in their legislation a protection term of at least 5 years for pharmaceutical products and at least 10 years for agrochemical products will maintain in effect such provision, as is the case of Costa Rica, Iceland, Liechtenstein, Norway and Switzerland. If a Party, as is the case of Panama, foresees at the date of entry into force of this Agreement a protection term in their legislation, of normally 5 years for pharmaceutical products and at least 10 years for agrochemical products, it will maintain in effect such provision.

Article 7

Geographical Indications

1. The Parties shall ensure in their respective legislation adequate and effective means to protect geographical indications with regard to all goods.
2. For the purposes of this Agreement, “geographical indications” are indications, which identify goods 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 such goods is essentially attributable to their geographical origin.
3. Without prejudice to Article 23 of the TRIPS Agreement the Parties shall provide the legal means for interested parties to prevent the use of a geographical indication for goods not originating in the place indicated by the designation in question in a manner which misleads the public as to the geographical origin of those goods or which constitutes an act of unfair competition within the meaning of Article 10 *bis* of the Paris Convention.
4. The Parties shall provide the legal means for interested parties to prevent the use of a geographical indication for agricultural products and foodstuffs of the same type where the goods are not originating in the place indicated by the designation in question.

Article 8

False Indications

1. The Parties shall ensure in their respective legislation adequate and effective means to protect indications of source, names and flags of countries, with regard to all goods and services in accordance to the Paris Convention.
2. The Parties shall provide the legal means for interested parties to prevent the use of an indication of source for goods not originating in the place indicated by the designation in question in a manner which misleads the public as to the geographical origin of those goods or which constitutes an act of unfair competition within the meaning of Article 10 *bis* of the Paris Convention.
3. The Parties shall provide the legal means for interested parties to prevent the use of an indication of source for services where such indication is used as a trademark, or trade name, in a manner which misleads the public as to the geographical origin or constitutes an act of unfair competition within the meaning of Article 10 *bis* of the Paris Convention.
4. The Parties shall prevent any incorrect or misleading use or registration of country names of a Party or of its territory names, as trademarks.

5. The Parties, in accordance with their obligations under Article 6 *ter* of the Paris Convention, shall prevent that armorial bearings, flags and other state or regional emblems of a Party are registered as trademarks or as elements of trademarks without authorisation by the competent authorities. This protection shall also apply to signs that may be confused with armorial bearings, flags and other state or regional emblems of the Parties.

Article 9

Measures Related to the Protection of Biodiversity and Traditional Knowledge

1. The Parties reaffirm their sovereign rights over their natural resources and recognise their rights and obligations under the Convention on Biological Diversity with respect to access to genetic resources and to the fair and equitable sharing of benefits arising out of the utilisation of these genetic resources.

2. The Parties recognise the importance and value of biodiversity and its components. Each Party exercises sovereignty over its biological and genetic resources and consequently determines the conditions of access and benefit-sharing, in accordance with the principles and legal framework contained in relevant domestic legislation, international provisions and instruments.

3. The Parties recognise the importance and value of knowledge, innovations and practices of indigenous and local communities, and their past, present and future contributions to the conservation and sustainable use of biological and genetic resources and in general, the contribution of knowledge, innovations and practices of such communities to the culture and economic and social development of nations.

4. In accordance with its legislation, each Party reiterates its commitment to respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities.

SECTION III

ACQUISITION AND MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS

Article 10

Acquisition and Maintenance

Where the acquisition of an intellectual property right is subject to the right being granted or registered, the Parties shall ensure that the procedures for grant or registration are at least of the same level as that provided in the TRIPS Agreement, in particular in Article 62.

SECTION IV
ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

Article 11

General

The Parties reaffirm their commitments under Part III of the TRIPS Agreement and shall provide in their respective legislation for enforcement provisions of at least the same level as that provided in the TRIPS Agreement.

SUB-SECTION I
BORDER MEASURES

Article 12

Suspension of Release

1. The Parties shall adopt procedures to enable a right holder, who has valid grounds for suspecting that at least importation or exportation of goods infringing trademarks or copyrights may take place, to lodge an application in writing before the competent authorities, administrative or judicial, for the suspension by the customs authorities of the release of such goods.
2. Each Party shall provide that its competent authorities may initiate border measures *ex officio* at least in the cases of import or export.
3. The Parties may authorise their customs authorities to inform the right holder in order to enable the lodging of an application according to paragraph 1.
4. It is understood that there shall be no obligation to apply procedures set forth in paragraphs 1 or 2 to the suspension of the release of goods put on the market by or with the consent of the right holder.
5. Where its competent authorities have made a determination that goods infringe copyrights or trademarks with respect to at least importation into or exportation from the customs territory of a Party, a 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, of the quantity of the goods in question and any other information that the authority may consider relevant.
6. According to its domestic legislation, each Party shall provide that if the competent authorities have made a determination that the suspected goods infringe such

intellectual property rights, procedures are made available to enable the right holder to seek recovery of, and indemnify against, costs and expenses that the right holder may have incurred in connection with the exercise of rights and remedies provided in this Article.

Article 13

Right of Inspection

1. Without prejudice to the protection of confidential information, the competent authorities shall have the authority to give the right holder sufficient opportunity to have any goods detained by the customs authorities inspected in order to substantiate the right holder's claims. The competent authorities shall also have the authority to give the importer an equivalent opportunity to have any such goods inspected.

2. According to the rules in force in the Party concerned, when examining goods, the competent authorities may take samples and hand them over or send them to the right holder, at his or her express request, strictly for the purposes of analysis and of facilitating the subsequent procedure. Where circumstances allow, samples must be returned on completion of the technical analysis and, where applicable, before goods are released or their detention is lifted. Any analysis of these samples shall be carried out under the sole responsibility of the right holder.

3. The declarant, holder or owner of the suspected infringing goods may be present at the inspection with a view to protecting its trade secret.

Article 14

Liability Declaration, Security or Equivalent Assurance

The competent authorities shall have the authority to require an applicant to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse, or in the cases provided in their domestic legislation to declare to accept liability for damages resulting from the suspension of release. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

SUB-SECTION II

OTHER ENFORCEMENT PROVISIONS

Article 15

Injunctions

1. Each Party shall ensure that, where a judicial decision is taken finding either an infringement or an imminent threat of an infringement of an intellectual property right, the judicial authority may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement.
2. Non-compliance with an injunction shall, where appropriate, be subject to civil or criminal sanctions, with a view to ensuring compliance.

Article 16

Civil Remedies

Each Party shall provide that:

- (a) in civil judicial proceedings, its judicial authorities shall have the authority to order the infringer, who knowingly or with reasonable grounds to know engaged in infringing activity of intellectual property rights, to pay the right holder damages adequate to compensate for the actual injury the right holder has suffered as a result of the infringement;
- (b) in determining the amount of damages for intellectual property rights infringement, its judicial authorities shall consider, *inter alia*, the actual damage, or establishing a fair licence fee or other legitimate measure of value that the right holder presents, according to domestic legislation;
- (c) in order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other

than in exceptional cases, to permit release of the goods into the channels of commerce; and

- (d) without prejudice to other rights of action open to the right holder and subject to the right of the defendant to seek review by a judicial authority, competent authorities shall have the authority to order the destruction or disposal of infringing goods in accordance with the principles set out in subparagraph (c). In regard to counterfeit trademark goods, the authorities shall not allow the re-exportation of the infringing goods in an unaltered state or subject them to a different customs procedure, other than in exceptional circumstances.

Article 17

Criminal Remedies

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.

SECTION V

COOPERATION IN THE FIELD OF INTELLECTUAL PROPERTY

Article 18

Cooperation in the Field of Intellectual Property

1. The Parties, recognising the growing importance of intellectual property rights as a factor of social, economic and cultural development, agree to enhance their cooperation in the field of intellectual property rights.
2. In accordance with the possibilities of the Parties, the areas of cooperation may include the following activities:
 - (a) exchange of information on legal frameworks and exchange of experiences regarding legislative processes related to intellectual property rights;
 - (b) exchange of experiences and facilitation of technical assistance regarding intellectual property rights;
 - (c) exchange of information on experiences regarding enforcement of intellectual property rights; and

- (d) exchange of information on and training of personnel in offices related to intellectual property rights.
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