

## **ANNEX XVII**

**REFERRED TO IN ARTICLE 10**

**PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**



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### PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

#### **SECTION I**

#### **GENERAL PROVISIONS**

##### ARTICLE 1

##### *Scope*

For the purposes of the Agreement, “intellectual property” refers to all categories of intellectual property that are the subject of sections 1 through 7 of Part II of the TRIPS Agreement and as provided for in this Annex.

##### ARTICLE 2

##### *International Conventions*

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

- (a) TRIPS Agreement;
- (b) Paris Convention of 20 March 1883 for the Protection of Industrial Property, as revised by the Stockholm Act of 1967 (Paris Convention);
- (c) Berne Convention of 9 September 1886 for the Protection of Literary and Artistic Works, as revised by the Paris Act of 1971 (Berne Convention); and
- (d) International Convention of 26 October 1961 for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (Rome Convention).

2. The State Parties are encouraged to make best efforts to ratify or accede to the following agreements, provided they are not yet a party, or comply with their substantive provisions:

- (a) Patent Cooperation Treaty of 19 June 1970, as modified in 2001;
- (b) Protocol of 27 June 1989 relating to the Madrid Agreement concerning the International Registration of Marks;
- (c) Geneva Act of 1999 of the Hague Agreement Concerning the International Registration of Industrial Designs;

- (d) 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 1977;
- (e) Budapest Treaty of 28 April 1977 on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure;
- (f) 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV), unless the State Party concerned is already a member of the 1978 UPOV Act;
- (g) World Intellectual Property Organisation (WIPO) Copyright Treaty of 20 December 1996;
- (h) WIPO Performances and Phonogram Treaty of 20 December 1996 (WPPT);
- (i) Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled; and
- (j) Beijing Treaty on Audio-Visual Performances of 24 June 2012.

3. The State Parties agree to promptly hold expert meetings, upon request of a State Party, on activities relating to the conventions referred to in paragraphs 1 and 2 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 WIPO, as well as on relations of the State Parties with non-Parties on matters concerning intellectual property.

### ARTICLE 3

#### ***Technology Transfer***

Subject to their resources and domestic policies, the State Parties shall provide incentives for promoting technological innovation and technology transfer.

### ARTICLE 4

#### ***Access to Health***

The State Parties recognise the principles established in the Doha Declaration on the TRIPS Agreement and Public Health, and confirm that Chapter 10 (Intellectual Property) of the Agreement and this Annex are without prejudice to that Declaration and the Amendment to the TRIPS Agreement, as adopted by the WTO General Council on 6 December 2005.

## SECTION II

### STANDARDS CONCERNING INTELLECTUAL PROPERTY RIGHTS

#### ARTICLE 5

##### *Copyright and Related Rights*

1. The State Parties shall, without prejudice to the obligations set out in the international agreements to which they are parties and in accordance with their domestic laws and regulations, 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. The State Parties may, in their domestic laws and regulations, provide for the same kinds of limitations or exceptions with regard to the protection of performers for their performances, to the protection of producers of phonograms, and to broadcasting organisations as they provide for, in their domestic laws and regulations, in connection with the protection of copyright in literary and artistic works.
3. The State Parties shall ensure that a broadcasting organisation has at least the exclusive right of authorising the following acts: the rebroadcasting of their broadcasts, the fixation of their broadcasts, the reproduction and distribution of fixations, and the communication to the public, by wire or wireless means, including the retransmission and the making available to the public of their fixed broadcasts in such a way that members of the public may access these broadcasts from a place and at a time individually chosen by them.<sup>1</sup>
4. The term of protection to be granted to broadcasting organisations under the Agreement shall last at least until the end of a period of 20 years computed from the end of the year in which the broadcast took place.
5. The State Parties shall confine exceptions and limitations to exclusive rights to certain special cases which do not conflict with a normal exploitation of the subject matter and do not unreasonably prejudice the legitimate interests of the right holders.

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<sup>1</sup> This paragraph shall not apply to Brazil.

## ARTICLE 6

### *Trademarks*

1. The State 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, shapes of goods, sounds<sup>2</sup> 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 State Parties may make registrability depend on distinctiveness acquired through use. The State Parties may require, as a condition of registration, that trademarks are capable of being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

2. The State 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 the State Parties making rights available on the basis of use.

3. Protection according to paragraph 2 shall not be limited to identical or similar goods or services where the trademark is well known<sup>3</sup> 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 its repute.

4. No State Party may require, as a condition for determining that a trademark is well-known, that the trademark has been registered in that State Party or in another jurisdiction, included on a list of well-known trademarks, or given prior recognition as a well-known trademark.

5. The State Parties shall take into due consideration the principles of 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, and 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.

6. Where a trademark is reproduced in a dictionary, other reference work or in a similar work without mention of the fact that it is registered, the owner of the trademark may require

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<sup>2</sup> The obligation to protect sounds as trademarks shall not apply to Brazil.

<sup>3</sup> Under Brazil's domestic laws and regulations, well-known trademarks include "marcas notoriamente conhecidas" ("well-known trademarks", protected regardless of registration) and "marcas de alto renome" ("famous trademarks", protected across all sectors). For the latter, registration may be required.

from the publisher or distributor of the work that a corresponding note be included, at the latest in a reprint.

## ARTICLE 7

### *Patents*

1. The State Parties shall ensure in their domestic laws and regulations 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 paragraphs 2 and 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.
2. The State Parties 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 their domestic laws and regulations.
3. The State Parties may also exclude from patentability:
  - (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; and
  - (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.
4. The State Parties shall allow patent applicant to make amendments, corrections and respond to observations in connection with its application. Amendments and corrections shall not extend beyond the subject matter of the application as filed.
5. Recognising the benefits of transparency in the patent system, the State Parties shall endeavour to publish unpublished pending patent applications promptly after the expiration of 18 months from the filing date or, if priority is claimed, and if the domestic laws and regulations permit, from the priority date.
6. If a pending patent application is not published promptly in accordance with paragraph 5, the State Parties shall publish such application or the corresponding patent as soon as practicable.
7. The State Parties shall provide that a patent applicant may request the early publication of an application prior to the expiration of the period mentioned in paragraph 5.
8. The State Parties shall make best efforts to process patent applications expeditiously with a view to avoiding unreasonable delays.
9. Each State Party shall adopt or maintain an exception to the rights conferred by a patent related to acts necessary for obtaining marketing authorisation for a pharmaceutical product (regulatory review exception). The exception shall not unreasonably conflict with a normal

exploitation of the patent and shall not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interest of third parties.

## ARTICLE 8

### *Industrial Designs*

1. The State Parties shall ensure in their domestic laws and regulations adequate and effective protection of industrial designs.
2. The applicable term of protection, including renewals, shall amount to at least 15 years from the date of filing the application in Argentina, Paraguay and Uruguay and at least 25 years in the EFTA States and Brazil.
3. The State Parties may provide in their domestic laws and regulations for a shorter term of protection for designs of component parts used for the purpose of the repair of a product.

## ARTICLE 9

### *Geographical Indications*

1. The State Parties shall ensure in their domestic laws and regulations adequate and effective means to protect geographical indications with regard to goods in accordance with their international obligations.
2. For the purposes of this Annex, “geographical indications” means indications which identify a product as originating in the territory of a State Party, or a region or locality in that territory, where a given quality, reputation or other characteristic of the product is essentially attributable to its geographical origin.
3. Without prejudice to Article 23 of the TRIPS Agreement, the State Parties shall provide 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 10bis of the Paris Convention.
4. The State Parties shall provide legal means for interested parties to oppose the registration or to request the invalidation of a trademark which contains or consists of a prior protected geographical indication of a State Party with respect to goods not originating in the territory indicated, if said trademark misleads the public as to the true place of origin of the goods.
5. The State Parties shall provide legal means for interested parties to prevent the use of a geographical indication for agricultural products and foodstuffs for identical or comparable goods not originating in the place indicated by the designation in question.
6. Without prejudice to this Article, the Appendix (Geographical Indications) applies to the mutual recognition and protection of geographical indications of Liechtenstein and Switzerland, on the one side, and the MERCOSUR States on the other side, under the conditions set out in the Appendix.



## ARTICLE 10

### *False or Misleading Indications*

1. Indications of the source shall be understood in accordance with the Paris Convention.
2. The State Parties shall provide appropriate legal means for interested parties to prevent the use or registration of false indications of the source for goods or services, such as, where it is used or registered as a trademark or a trade name, in a manner which misleads the public as to the true place of origin of those goods or services or which constitutes an act of unfair competition within the meaning of Article 10*bis* of the Paris Convention.
3. Paragraph 2 applies even if the names are translated or used in a modified form if such use misleads the public as to the true place of origin of the goods.
4. The State Parties, in accordance with their obligations under Article 6*ter* of the Paris Convention, shall refuse or invalidate the registration and prohibit by appropriate measures the use, without authorisation by the competent authorities, of armorial bearings, flags and other State or regional emblems of a State Party either as trademarks or elements of trademarks or other protected titles, such as trade names.

### **SECTION III**

#### **ACQUISITION AND MAINTENANCE OF INTELLECTUAL PROPERTY RIGHTS**

##### **ARTICLE 11**

###### ***Acquisition and Maintenance***

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

## **SECTION IV**

### **ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS**

#### **ARTICLE 12**

##### ***General***

1. The State Parties shall provide in their domestic laws and regulations for enforcement provisions for rights covered by Article 1 (Scope) that shall at least be the same level as provided for in the TRIPS Agreement, in particular Articles 41 to 61.
2. The procedures adopted, maintained or applied to implement this Annex shall be effective, fair and equitable, and not be unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays, and shall act as a deterrent to further infringements. Each State Party shall take into account the need for proportionality between the infringement, the rights of all parties involved, the interests of third parties, and the applicable measures, remedies and penalties.
3. The procedures concerning the enforcement of intellectual property rights 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.
4. This Section does not create any obligation for the State Parties to put in place a judicial system for the enforcement of intellectual property rights distinct from that for law enforcement in general, nor does it affect the capacity of the State Parties to enforce their law in general. Chapter 10 (Intellectual Property) of the Agreement and this Annex do not create any obligations with respect to the distribution of resources as between enforcement of intellectual property rights and law enforcement in general.

#### **ARTICLE 13**

##### ***Suspension of Release***

1. The State Parties shall adopt procedures to enable a right holder, who has valid grounds for suspecting that goods, which are or will be subject to customs procedures, infringe, at least, trademarks, copyright or geographical indications, to lodge an application with the competent authorities, administrative or judicial, for the suspension of the release of such goods by the customs authorities.
2. The State Parties shall enable a right holder to record rights, as referred to in paragraph 1, with the customs authorities. The customs authorities shall carry out appropriate controls in order to identify goods suspected of infringing these rights.
3. The customs authorities shall, in accordance with the applicable domestic laws, regulations and procedures, suspend the release of the goods suspected of infringing such rights for which an application was filed as per the procedure under paragraph 1 or which were recorded as per the procedure under paragraph 2.

4. The State Parties shall enable their competent authorities to act upon their own initiative and suspend the release of goods referred to in paragraph 1, when they have valid grounds for suspecting that importation or exportation of those goods would infringe such rights.
5. The customs authorities shall be active in targeting and identifying shipments containing goods referred to in paragraph 1 suspected of infringing such rights.
6. The State Parties shall authorise their customs authorities to inform the right holder in order to enable the lodging of an application according to paragraph 1 and the recording according to paragraph 2.
7. It is understood that there shall be no obligation to apply procedures set forth in paragraphs 1 and 2 to the suspension of the release of goods put on the market by or with the consent of the right holder.
8. In case of suspension pursuant to paragraphs 1 and 2, the competent authorities of the State Party suspending the release of the goods shall notify the right holder of the suspension including necessary information to enforce his or her rights. Such information may contain the name and addresses of the consignor or consignee, and the importer or exporter, as applicable, as well as the quantity of the goods in question.
9. Each State Party shall ensure that the competent administrative or judicial authorities, upon request by the right holder, have the authority to decide that the goods, the release of which has been suspended pursuant to paragraphs 1 or 2, shall be held seized until a final decision is reached in the infringement dispute.
10. Each State Party shall provide that if the competent authorities have made a determination that the suspected goods infringe an intellectual property right, procedures are made available, in accordance with its domestic laws and regulations, 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.
11. Each State Party may exclude small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments from the application of this Article. This Article applies to small consignments if they amount to import or export on a commercial scale.

## ARTICLE 14

### ***Right of Inspection***

1. The competent authorities shall provide the applicant for the suspension of goods and other persons involved in the suspension with the opportunity to inspect goods whose release has been suspended.
2. When examining goods, the competent authorities may take samples and, in accordance with the domestic laws and regulations of the State Party concerned, hand them over or send them to the right holder, at his or her express request, strictly for the purposes of analysis and facilitating the subsequent procedure, without prejudice to any other analysis ordered by the competent authority. 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. Whenever samples are handed over or sent to the right holder, 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 secrets.

## ARTICLE 15

### ***Provisional and Precautionary Measures***

1. Each State Party shall ensure that its judicial authorities have the authority to order prompt and effective provisional measures:

- (a) to prevent infringements of intellectual property rights from occurring, and in particular to prevent the entry of goods into channels of commerce in their jurisdiction, including imported goods immediately after customs clearance; and
- (b) to preserve relevant evidence with regard to the alleged infringement.

2. The State Parties' judicial authorities shall have the authority to adopt provisional measures *inaudita altera parte* where appropriate, in particular where delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed. Upon request for provisional measures, the State Parties' judicial authorities shall act expeditiously and take a decision without undue delay.

3. Each State Party shall ensure that, in civil judicial proceedings with regard to the enforcement of intellectual property rights, its judicial authorities have the authority to order a party to the proceedings to desist from an infringement, inter alia, to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods.

## ARTICLE 16

### ***Removal from Commerce***

The State Parties shall ensure that the competent judicial authorities in an infringement dispute may order, upon request of the right holder, that appropriate measures be taken with regard to goods that they have found to be infringing an intellectual property right and, in appropriate cases, with regard to materials and implements predominantly used in the creation or manufacture of those goods. Such measures may include definitive removal from the channels of commerce or destruction. In considering a request for corrective measures, 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.

## ARTICLE 17

### ***Civil Remedies***

1. Each State Party shall make available to right holders civil judicial procedures concerning the enforcement of any intellectual property right covered by Article 1 (Definition of Intellectual Property).
2. Each State Party shall ensure that:
  - (a) in civil judicial proceedings, its judicial authorities 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; and
  - (b) in determining the amount of damages for intellectual property rights infringement, its judicial authorities shall consider, *inter alia*, the actual damage, lost profits, any profits made by the infringer or establishing a fair licence fee.

## ARTICLE 18

### ***Criminal Remedies***

The State Parties shall provide for criminal procedures and penalties for wilful infringements of intellectual property rights on a commercial scale.<sup>4</sup>

## ARTICLE 19

### ***Liability Declaration, Security or Equivalent Assurance***

The State Parties shall ensure that their competent authorities have the authority to require an applicant to declare to accept liability towards the persons involved or, in justified cases, to provide a security or equivalent assurance, sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

## ARTICLE 20

### ***Final Judicial and Administrative Decisions***

The State Parties shall ensure that final judicial or administrative decisions relating to intellectual property rights are:

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<sup>4</sup> For the time being, Paraguay does not provide for criminal sanctions against patent infringement and neither Argentina nor Uruguay provide for criminal sanctions against geographical indications and topographies of integrated circuits infringements.

- (a) in writing and contain the findings of fact and the reasoning or the legal basis on which the decisions are based; and
- (b) published or otherwise made publicly available in a national language in such a manner as to enable interested parties to become acquainted with them, subject to protection of confidential information.

## SECTION V

### COOPERATION

#### ARTICLE 21

##### *Cooperation in the Field of Intellectual Property*

1. The State Parties, recognising the growing importance of intellectual property rights as a factor of social, economic and cultural development, agree to enhance cooperation in the field of intellectual property.
2. In accordance with the possibilities of the State Parties, the areas of cooperation may include the following activities:
  - (a) exchange of information on legal frameworks and 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;
  - (d) exchange of information on and training of personnel in offices related to intellectual property rights;
  - (e) encouraging joint research and exchange on innovation and technological development activities regarding dissemination of knowledge and intellectual property public policies;
  - (f) developing collaboration and exchange on intellectual property rights in relation to global challenges, such as climate change, artificial intelligence and other new technologies; and
  - (g) exchange of information and experiences on regulations regarding transparency requirements and a fair remuneration of authors as well as performers for the use of their works and performances in the digital environment, including by artificial intelligence systems.