

This document contains an EU proposal for an Intellectual property chapter in the Trade Part of a possible modernised EU-Chile Association Agreement. It has been tabled for discussion with Chile. The actual text in the final agreement will be a result of negotiations between the EU and Chile. The EU reserves the right to make subsequent modifications to this proposal.

EU-Chile Free Trade Agreement

EU TEXTUAL PROPOSAL

INTELLECTUAL PROPERTY

Section 1 – General Provisions

Article X.1 **Objectives**

The objectives of this chapter are to:

- (a) facilitate the production and commercialization of innovative and creative products between the Parties contributing to a more sustainable and inclusive economy for the Parties;
- (b) facilitate and govern trade between the Parties as well as reduce distortions and impediments to such trade and
- (c) achieve an adequate and effective level of protection and enforcement of intellectual property rights.

Article X.2 **Nature and Scope of Obligations**

1. The Parties shall ensure an adequate and effective implementation of the international treaties dealing with intellectual property rights to which they are parties, including the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (hereinafter referred to as TRIPS Agreement) contained in Annex 1C to the WTO Agreement. The provisions of this Chapter shall complement and further specify the rights and obligations of each Party under the TRIPS Agreement and other international treaties in the field of intellectual property.
2. For the purpose of this Agreement, intellectual property refers at least to all categories of intellectual property rights that are the subject of Sub-Section 1 (Copyright and Related Rights) to Sub-Section 7 (Plant Varieties) of Section B (Standards Concerning Intellectual Property Rights). The protection of intellectual property rights includes protection against unfair competition as referred to in Article 10bis of the Paris Convention for the Protection of Industrial Property of 20 March 1883, as last revised at Stockholm on 14 July 1967 (hereinafter referred to as “Paris Convention”).
3. This Chapter does not preclude the Parties from applying provisions of domestic law introducing higher standards for the protection and enforcement of intellectual property rights, provided that they are compatible with the provisions of this Chapter.

Article X.3 **Exhaustion**

Each Party shall provide for a regime of national or regional exhaustion of intellectual property rights.

In the area of copyright and related rights, exhaustion of rights applies only to the distribution to the public by sale or otherwise of the original of the works or of tangible copies thereof.

Article X.4
National treatment

1. In respect of all categories of intellectual property rights covered in this Chapter, each Party shall accord to the nationals of the other Party treatment no less favourable than it accords to its own nationals with regard to the protection^[1] of intellectual property rights, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement.
2. A Party may avail itself of the exceptions permitted under 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 and 2 do not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

Section 2- Standards Concerning Intellectual Property Rights

Sub-Section 1 **Copyright and Related Rights**

Article X.5
International agreements

1. Each Party reaffirms their commitment to and shall comply with:
 - a) The Berne Convention for the Protection of Literary and Artistic Works;
 - b) The International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations;
 - c) The WIPO (World Intellectual Property Organisation) Copyright Treaty ;
 - d) The WIPO Performances and Phonograms Treaty ;
2. Each Party complies with and shall make all reasonable efforts to ratify or accede to the following agreements:

^[1] For the purposes of this paragraph, “protection” shall include matters affecting the availability, acquisition, scope, maintenance, and enforcement of intellectual property rights as well as matters affecting the use of intellectual property rights specifically addressed in this Chapter. Further, for the purposes of this paragraph, “protection” also includes measures to prevent the circumvention of effective technological measures and measures concerning rights management information.

- a) The Beijing Treaty on Audiovisual Performances and,
- b) The Marrakesh Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities.

Article X.6

Authors

Each Party shall provide for authors the exclusive right to authorise or prohibit:

1. direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part of their works;
2. any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof;
3. any 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 them from a place and at a time individually chosen by them;
4. the commercial rental to the public of originals or copies of their works.

Article X.7

Performers

Each Party shall provide for performers the exclusive right to authorise or prohibit:

1. the fixation¹ of their performances;
2. the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part of fixations of their performances;
3. the distribution to the public, by sale or otherwise, of the fixations of their performances;
4. the making available to the public of fixations of their performances, 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;
5. the broadcasting by wireless means and the communication to the public of their performances, except where the performance is itself already a broadcast performance or is made from a fixation;
6. the commercial rental to the public of the fixation of their performances.

Article X.8

Producers of phonograms

Each Party shall provide for phonogram producers the exclusive right to authorise or prohibit:

1. the direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part of their phonograms;

¹ Fixation means the embodiment of sounds, or of the representations thereof, or audiovisual fixation, i.e. the embodiment of moving images, whether or not accompanied by sounds or by the representations thereof, from which they can be perceived, reproduced or communicated through a device.

2. the distribution to the public, by sale or otherwise, of their phonograms, including copies thereof;
3. the making available to the public of their 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. the commercial rental of their phonograms to the public.

Article X.9

Broadcasting organisations

Each Party shall provide broadcasting organisations with the exclusive right to authorise or prohibit:

1. the fixation of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite;
2. the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of fixations of their broadcasts, whether those broadcasts are transmitted by wire or over the air, including by cable or satellite;
3. the making available to the public, by wire or wireless means, of fixations of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite, in such a way that members of the public may access them from a place and at a time individually chosen by them;
4. the distribution to the public, by sale or otherwise, of fixations, including copies thereof, of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite;
5. the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

Article X.10

Broadcasting and communication to the public of phonograms published for commercial purposes²

1. Each Party shall provide a right in order to ensure that a single equitable remuneration is paid by the user to the performers and producers of phonograms, if a phonogram published for commercial purposes, or a reproduction of such phonogram, is used for broadcasting or communication to the public.³
2. Each Party shall ensure that the single equitable remuneration is shared between the relevant performers and phonogram producers. Each Party may enact legislation that, in the

² Each Party may grant more extensive rights, as regards the broadcasting and communication to the public of phonograms published for commercial purposes, to performers and producers of phonograms.

³ For the purposes of this Article, ‘communication to the public’ does not include the making available to the public of a phonogram, 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.

absence of an agreement between performers and producers of phonograms, sets the terms according to which performers and producers of phonograms shall share the single equitable remuneration.

Article X.11

Term of protection

1. The rights of an author of a work shall run for the life of the author and for 70 years after his death, irrespective of the date when the work is lawfully made available to the public.

2. The term of protection of a musical composition with words shall expire 70 years after the death of the last of the following persons to survive, whether or not those persons are designated as co-authors: the author of the lyrics and the composer of the musical composition, provided that both contributions were specifically created for the respective musical composition with words.

3. In the case of a work of joint authorship, the term referred to in paragraph 1 shall be calculated from the death of the last surviving author.

4. In the case of anonymous or pseudonymous works, the term of protection shall run for 70 years after the work is lawfully made available to the public. However, when the pseudonym adopted by the author leaves no doubt as to his identity, or if the author discloses his identity during the period referred to in the first sentence, the term of protection applicable shall be that laid down in paragraph 1.

5. The term of protection of cinematographic or audiovisual works shall expire 70 years after the death of the last of the following persons to survive, whether or not these persons are designated as co-authors: the principal director, the author of the screenplay, the author of the dialogue and the composer of music specifically created for use in the cinematographic or audiovisual work.

6. The rights of broadcasting organisations shall expire 50 years after the first transmission of a broadcast, whether this broadcast is transmitted by wire or over the air, including by cable or satellite.

7. The rights of performers shall expire 50 years after the date of the fixation of the performance

However, if a fixation of the performance is lawfully published or lawfully communicated to the public within this period, the term of protection shall be calculated from the date of the first such publication or the first such communication to the public, whichever is the earlier. The term of protection of the rights of performers in a phonogram shall be 70 years after this date

8. The rights of producers of phonograms shall expire 50 years after the fixation is made. However, if the phonogram has been lawfully published within this period, the said rights shall expire 70 years from the date of the first lawful publication. If no lawful publication has taken place within fifty years after the first fixation is made, and if the phonogram has been

lawfully communicated to the public within this period, the said rights shall expire 70 years from the date of the first lawful communication to the public.

The Parties shall adopt effective measures in order to ensure that the profit generated during the 20 years of protection beyond 50 years is shared fairly between the performers and the producers of phonograms.

9. The terms laid down in this Article shall be calculated from the 1st January of the year following the event.

10. Each Party may provide for longer terms of protection than those provided for in this Article.

Article X.12

Resale right

1. Each Party shall provide, for the benefit of the author of an original work of graphic or plastic art, a resale right, to be defined as an inalienable right, which cannot be waived, even in advance, to receive a royalty based on the sale price obtained for any resale of the work, subsequent to the first transfer of the work by the author.

2. The right referred to in paragraph 1 shall apply to all acts of resale involving as sellers, buyers or intermediaries art market professionals, such as salesrooms, art galleries and, in general, any dealers in works of art.

3. Each Party may provide that the right referred to in paragraph 1 shall not apply to acts of resale where the seller has acquired the work directly from the author less than three years before that resale and where the resale price does not exceed a certain minimum amount.

Article X.13

Collective Management of Rights

1. The Parties promote cooperation between their respective collective management organisations for the purpose of fostering the availability of works and other protected subject matter in the territories of the Parties and the transfer of rights revenue between the respective collective management organisations for the use of such works or other protected subject matter.

2. The Parties promote transparency of collective management organisations, in particular regarding rights revenue they collect, deductions they apply to rights revenue they collect, the use of the rights revenue collected, the distribution policy and their repertoire.

3. Each Party undertakes to ensure that where a collective management organisation established in the territory of one Party represents another collective management organisation established in the territory of the other Party by way of a representation agreement, the representing collective management organisation does not discriminate against right-holders of the represented collective management organisation.

4. Each Party undertakes to ensure that where a collective management organisation established in the territory of one Party represents another collective management organisation established in the territory of the other Party by way of a representation agreement, the representing collective management organisation must accurately, regularly and diligently pay amounts owed to the represented collective management organisation as well as provide the represented collective management organisation with the information on the amount of rights revenue collected on its behalf and any deductions made to this rights revenue.

Article X.14

Exceptions and limitations

Each Party shall provide for limitations or exceptions to the rights only in certain special cases which do not conflict with a normal exploitation of the work or other subject-matter and do not unreasonably prejudice the legitimate interests of the right holders.

Article X.15

Protection of Technological Measures

1. Each Party shall provide adequate legal protection against the circumvention of any effective technological measures, which the person concerned, carries out in the knowledge, or with reasonable grounds to know, that he or she is pursuing that objective.
2. Each Party shall provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes of devices, products or components or the provision of services which:
 - (a) are promoted, advertised or marketed for the purpose of circumvention of, or
 - (b) have only a limited commercially significant purpose or use other than to circumvent, or
 - (c) are primarily designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of any effective technological measures.
3. For the purposes of this Sub-Section, the expression 'technological measures' means any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject-matter, which are not authorised by the right holder of any copyright or related right as provided for by national legislation. Technological measures shall be deemed 'effective' where the use of a protected work or other subject matter is controlled by the right holders through application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject-matter or a copy control mechanism, which achieves the protection objective.
4. Notwithstanding the legal protection provided for in paragraph 1, in the absence of voluntary measures taken by the right-holders, each Party may take appropriate measures, as necessary, to ensure that the adequate legal protection against the circumvention of effective technological measures provided for in accordance with this Article does not prevent beneficiaries of exceptions or limitations provided for in accordance with Article 14 on exceptions and limitations from enjoying such exceptions or limitations.

Article X.16

Obligations concerning Rights Management Information

1. Each Party shall provide adequate legal protection against any person knowingly performing without authority any of the following acts:
 - (a) the removal or alteration of any electronic rights-management information;
 - (b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject-matter protected under this Sub-Section from which electronic rights-management information has been removed or altered without authority, if such person knows, or has reasonable grounds to know, that by so doing he is inducing, enabling, facilitating or concealing an infringement of any copyright or any related rights as provided by national legislation.
2. For the purposes of this Article, the expression “rights-management information” means any information provided by right holders which identifies the work or other subject-matter referred to in this Article, the author or any other right holder, or information about the terms and conditions of use of the work or other subject-matter, and any numbers or codes that represent such information.
3. Paragraph 2 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 referred to in this Article.

Sub-Section 2
Trademarks

Article X.17

International Agreements

Each Party

- shall accede to/ adhere to the *Protocol related to the Madrid Agreement concerning the International Registration of Marks*,
- shall comply with the *Trademark Law Treaty* and with the *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks*, and
- shall make all reasonable efforts to accede to the *Singapore Treaty on the Law of Trademarks*.

Article X.18

Rights conferred by a trademark, including on goods in transit

1. The registered trademark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties, not having his consent, from using in the course of trade:
 - (a) any sign which is identical with the registered trademark in relation to goods or

services which are identical with those for which the trademark is registered;

(b) any sign where, because of its identity with, or similarity to, the registered trademark and the identity or similarity of the goods or services covered by this trademark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the registered trademark.

2. The proprietor of a registered trademark shall be entitled to prevent all third parties from bringing goods, in the course of trade, into the Party where the trademark is registered without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorization a trademark which is identical to the trademark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trademark.⁴

3. Such entitlement referred to in paragraph 2 of the trademark proprietor shall lapse if during the proceedings to determine whether the registered trademark has been infringed, evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trademark is not entitled to prohibit the placing of the goods on the market in the country of final destination.

Article X.19

Registration Procedure

1 Each Party shall provide for a system for the registration of trademarks in which each final negative decision, included partial refusal, taken by the relevant trademark administration shall be communicated in writing to the relevant party and duly reasoned.

2. Each Party shall provide for the possibility to oppose trademark applications or, when appropriate, trademark registrations. Such opposition proceedings shall be adversarial.

3. Each Party shall provide a publicly available electronic database of trademark applications and trademark registrations.

Article X.20

Well-known Trademarks

For the purpose of giving effect to protection of well-known trademarks, as referred to in Article 6*bis* of the Paris Convention (1967) and Article 16(2) and (3) of the TRIPS Agreement, the Parties shall apply the Joint Recommendation adopted by the assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO (September 1999).

⁴ The Parties may take additional appropriate measures with a view to ensure the smooth transit of generic medicines.

Article X.21

Exceptions to the Rights Conferred by a Trademark

1. Each Party shall provide for limited exceptions to the rights conferred by a trademark such as the fair use of descriptive terms including geographical indications, and they may provide other limited exceptions, provided such exceptions take account of the legitimate interests of the proprietor of the trademark and of third parties.
2. The trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:
 - (a) his own name or address;
 - (b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;
 - (c) the trademark where it is necessary to indicate the intended purpose of a good or service, in particular as accessories or spare parts; provided he uses them in accordance with honest practices in industrial or commercial matters.
3. The trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognised by the laws of the Party in question and within the limits of the territory in which it is recognised.

Article X.22

Grounds for revocation

1. Each Party shall provide that a trademark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the relevant territory in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use. However, no person may claim that the proprietor's rights in a trademark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trademark has been started or resumed. The commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.
2. A trademark shall also be liable to revocation if, after the date on which it was registered:
 - (a) in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a good or service in respect of which it is registered;
 - (b) in consequence of the use made of it by the proprietor of the trademark or with his consent in respect of the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

Article X.23

Bad faith applications

A trademark shall be liable to be declared invalid where the application for registration of the trademark was made in bad faith by the applicant. Each Party may also provide that such a trademark shall not be registered.

Sub-Section 3

Designs

Article X.24

International Agreements

Each Party shall make all reasonable efforts to accede to the Geneva Act to the Hague Agreement Concerning the International Registration of Industrial Designs (1999).

Article X.25

Protection of Registered Designs

1. Each Party shall provide for the protection of independently created designs that are new and original⁵. This protection shall be provided by registration and shall confer an exclusive right upon their holders in accordance with the provisions of this article.

2. The holder of a registered design shall have the right to prevent third parties not having the holder's consent at least from making, offering for sale, selling, importing, exporting, stocking the product bearing and embodying the protected design or using articles bearing or embodying the protected design when such acts are undertaken for commercial purposes, unduly prejudice the normal exploitation of the design, or are not compatible with fair trade practice.

3. A design applied to or incorporated in a product which constitutes a component part of a complex product shall only be considered to be new and original:

(a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter, and

(b) to the extent that those visible features of the component part fulfil in themselves the requirements as to novelty and originality.

4. "Normal use" within the meaning of paragraph 3(a) shall mean use by the end user, excluding maintenance, servicing or repair work.

Article X.26

Duration of Protection

The duration of protection available shall amount to 25 years from the date of filing of the

⁵ For the purpose of this Article, a Party may consider that a design having individual character is original.

application.

Article X.27

Protection Conferred to Unregistered Designs

1. The European Union and [the negotiating partner] shall provide the legal means to prevent the use of the unregistered appearance of a product, only if the contested use results from copying the unregistered appearance of the product in their respective territories. Such use shall at least cover offering for sale, putting on the market, importing or exporting the product.
2. The duration of protection available for the unregistered appearance of a product shall amount to at least three years from the date on which the design was made available to the public in the territory of the respective signatory.

Article X.28

Exceptions and exclusions

1. Each Party may provide limited exceptions to the protection of designs including unregistered designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected designs and do not unreasonably prejudice the legitimate interests of the holder of the protected design, taking account of the legitimate interests of third parties.
2. Design protection shall not extend to designs dictated essentially by technical or functional considerations. In particular a design right shall not subsist in features of appearance of a product which must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may perform its function.
3. By way of derogation from paragraph 2, a design may subsist in a design, which has the purpose of allowing the multiple assembly or connection of mutually interchangeable products within a modular system.

Article X.29

Relationship to Copyright

A design, including unregistered designs shall also be eligible for protection under the law of copyright of a Party as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Party.

Sub-Section 4
Geographical Indications

Article X.30
Scope of application

1. For the purpose of this Sub-Section, “geographical indication” means an indication which identifies an agricultural product or foodstuff 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 product is essentially attributable to its geographical origin.
2. Geographical indications of a Party to be protected by the other Party shall only be subject to this Sub-Section if they are recognised and declared as such in the country of origin.

Article X.31
Established geographical indications

Parties, having examined both the legislation of the other Party referred to in Annex I to this Sub-Section and the geographical indications of the other Party listed in Parts A and B in Annex III, and having completed an objection procedure in accordance with the criteria set out in Annex II, undertake to protect those geographical indications in accordance with the level of protection laid down in this Sub-Section.

Article X.32
Amendment of the list of geographical indications

Parties agree on the possibility to amend the list of geographical indications to be protected in Annex III in accordance with Article X.38.3. New geographical indications shall be added after having completed the opposition procedure and after having examined the geographical indications as referred to in Articles X.31 to the satisfaction of both Parties.

Article X.33
Scope of protection of geographical indications

1. The geographical indications listed in Annex III, as well as those added pursuant to Article X.32, shall be protected against:
 - (a) any direct or indirect commercial use of a protected name:
 - for comparable products not compliant with the product specification of the protected name, or
 - in so far as such use exploits the reputation of a geographical indication;
 - (b) any misuse, imitation or evocation, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’, ‘flavour’, ‘like’ or similar, including when those products are used as an ingredient;

- (c) any other false or misleading indication as to the provenance, origin, nature or essential qualities of the product, on the inner or outer packaging, advertising material or documents relating to the product concerned, and the packing of the product in a container liable to convey a false impression as to its origin, including when those products are used as an ingredient;
 - (d) any other practice liable to mislead the consumer as to the true origin of the product.
2. Protected geographical indications shall not become generic in the territories of the Parties.
3. Nothing in this Sub-Section shall oblige a Party to protect a geographical indication of the other Party which is not or ceases to be protected in its country of origin. The Parties shall notify each other if a geographical indication ceases to be protected in its country of origin. Such notification shall take place in accordance with procedures laid down in Article X.38.3.
4. Nothing in this Agreement shall prejudice the right of any person to use, in the course of trade, that person's name or that person's predecessor in business, except where such name is used in such a manner to mislead the public.

Article X.34

Right of use of geographical indications

1. A name protected under this Agreement may be used by any operator marketing a product which conforms to the corresponding specification.
2. Once a geographical indication is protected under this agreement, the use of such protected name shall not be subject to any registration of users, or further charges.
3. Indications, abbreviations and symbols referring to the geographical indications may only be used in the labelling of product protected or registered in the respective territories and produced in conformity with the corresponding product specification.

Article X.35

Relation between trademarks and geographical indications

1. Parties shall refuse to register a trademark the use of which would contravene Article X.33 and which relates to a same type of product, provided the application to register the trade mark is submitted after the date of application for protection of the geographical indication in the territory of the Party concerned.

Trademarks registered in breach of the first subparagraph shall be invalidated.

2. For geographical indications referred to in Article X.31, the date of submission of the application for protection referred to in paragraph 1 shall be the date of the publication of the opposition procedure referred to in Article X.31 in the respective territories.

3. For geographical indications referred to in Article X.32, the date of submission of the application for protection shall be the date of the transmission of a request to the other Party to protect a geographical indication.

4. A Party shall not be required to protect a name as a geographical indication under this Article X.32 if, in light of a trademark's reputation and renown and the length of time it has been used, that name is liable to mislead the consumer as to the true identity of the product.

5. Without prejudice to paragraph 4, the Parties shall protect geographical indications also where a prior trade mark exists. A prior trade mark shall mean a trade mark the use of which the use of which contravenes Article X.33.1, which has been applied for, registered or established by use, if that possibility is provided for by the legislation concerned, in good faith in the territory of one Party before the date on which the application for protection of the geographical indication is submitted by the other Party under this Agreement.

Such trademark may continue to be used and renewed notwithstanding the protection of the geographical indication, provided that no grounds for the trademark's invalidity or revocation exist in the legislation on trademarks of the Parties. In such cases, the use of the protected geographical indication shall be permitted as well as the use of the relevant trademarks.

Article X.36

Enforcement of protection

Parties shall enforce the protection provided for in Articles X.33 to X.35 by appropriate administrative and judicial steps to prevent or stop the unlawful use of protected geographical indications. They shall also enforce such protection via administrative action at the request of an interested party.

Article X.37

General rules

1. A Party shall not be required to protect a name as a geographical indication under this Agreement if that name conflicts with the name of a plant variety or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product.

2. If geographical indications of the Parties are wholly or partially homonymous, protection shall be granted by the other Party to each indication provided there is sufficient distinction in practice between conditions of usage and presentation of the names, so as to not mislead the consumer.

3. Where a Party, in the context of bilateral negotiations with a third party, proposes to

protect a geographical indication of that third party which is wholly or partially homonymous with a geographical indication of the other Party, the latter shall be informed and be given the opportunity to comment before that name is protected.

4. Import, export and marketing of products corresponding to the names referred to in Annex III shall be conducted in compliance with the laws and regulations applying in the territory of the Party in which the products are placed on the market.

5. Any matter arising from product specifications of protected geographical indications shall be dealt with in the Committee established in Article X.38.

6. The registration of geographical indications protected under this Agreement may only be cancelled by the Party in which the product originates.

7. A product specification referred to in this Sub-Section shall be that approved, including any amendments also approved, by the authorities of the Party in the territory from which the product originates.

Article X.38

Joint Committee, co-operation and transparency

1. Parties agree to set up a Joint Committee consisting of representatives of the European Union and Chile with the purpose of monitoring the development of this Sub-Section and of intensifying their co-operation and dialogue on geographical indications.

2. The Joint Committee adopts its decisions by consensus. It shall determine its own rules of procedure. It shall meet at the request of either of the Parties, alternatively in the European Union and in Chile, at a time and a place and in a manner (which may include by videoconference) mutually determined by the Parties, but no later than [90] days after the request.

3. The Joint Committee shall also see to the proper functioning of this Sub-Section and may consider any matter related to its implementation and operation. In particular, it shall be responsible for:

- (a) amending Annex I as regards the references to the law applicable in the Parties,
- (b) amending Annex II as regards the criteria to be included in the opposition procedure,
- (c) modifying Annex III as regard to geographical indications,
- (d) exchanging information on legislative and policy developments on geographical indications and any other matter of mutual interest in the area of geographical indications,
- (e) exchanging information on geographical indications for the purpose of considering their protection in accordance with this Sub-Section.

4. Parties shall notify each other if a geographical indication listed in Annex III ceases to be protected in the territory of the Party concerned. Following such notification, the Joint Committee shall modify Annex III in accordance with paragraph 3(c) to end the protection under this Agreement.

Only the Party in which the product originates is entitled to request the end of the protection under this Agreement/Sub-Section of a geographical indication listed in Annex III.

5. Parties shall, either directly or through the [Joint Committee], remain in contact directly on all matters relating to the implementation and the functioning of this Sub-Section. In particular, a Party may request from the other Party information relating to product specifications and their amendments, as well as contact points for control provisions.

6. Parties may make publicly available the product specifications or a summary thereof and contact points for control provisions corresponding to the geographical indications of the other Party protected pursuant to this Sub-Section.

Article X.39

Other protection

This Sub-Section shall apply without prejudice to the rights and obligations of the Parties in accordance with the Agreement establishing the World Trade Organisation, or any other multilateral agreement on intellectual property law to which Chile and the European Union are contracting parties.

Article X

Incorporation of existing agreements (Wine and Spirits)

[The precise placement of this Article is to be considered in due course, depending on the overall architecture of the AA]

1. The Agreement on Trade in Wines in Annex V of the Association Agreement between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, done at Brussels on 18 November 2002, as amended (the ‘2002 Wine Agreement’) is incorporated into and made part of this Agreement, [as amended by Annex XXX].

2. The Agreement on Trade in Spirit Drinks and Aromatised Drinks in Annex VI of the Association Agreement between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, done at Brussels on 18 November 2002, as amended (the ‘2002 Spirits Agreement’) is incorporated into and made part of this Agreement, [as amended by Annex XXX].

ANNEX I

Legislation of the Parties

1. EUROPEAN UNION

- (a) Regulation (EU) No 1151/2012⁶ of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs and its implementing Acts;
- (b) Regulation (EU) No 1308/2013⁷ of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation), in particular Articles 92 to 111 on designations of origin and geographical indications, and its implementing Acts;
- (c) Regulation (EC) No 110/2008⁸ of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and protection of geographical indications of spirit drinks, and its implementing Acts;
- (d) Regulation (EU) No 251/2014⁹ of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, and its implementing Acts.

2. CHILE

[...]

ANNEX II

Criteria to be included in the opposition procedure as referred to in Article X.2

- a. List of name(s) with the corresponding transcription into Latin characters;
- b. The product type;
- c. An invitation:
 - in the case of the European Union, to any natural or legal persons except those

⁶ OJ L 343, 14.12.2012, p. 1.

⁷ OJ L 347, 20.12.2013, p.671.

⁸ OJ L 39, 13.2.2008, p. 16.

⁹ OJ L 84, 20.3.2014, p. 14.

- established or resident in [third country concerned],
- in the case of Chile, to any natural or legal persons except those established or resident in a Member State of the European Union,
 - having a legitimate interest, to submit objections to such protection by lodging a duly substantiated statement;
- d. Statements of opposition must reach the European Commission or Chile's Governments within 2 months from the date of publication of the information notice;
- e. Statements of opposition shall be admissible only if they are received within the time-limit set out above and if they show that the protection of the name proposed would:
- conflict with the name of a plant variety, including a wine grape variety or an animal breed and as a result is likely to mislead the consumer as to the true origin of the product;
 - be a homonymous name which misleads the consumer into believing that products come from another territory;
 - in the light of a trademark's reputation and renown and the length of time it has been used, be liable to mislead the consumer as to the true identity of the product;
 - jeopardise the existence of an entirely or partly identical name or of a trademark or the existence of products which have been legally on the market for at least five years preceding the date of the publication of this notice;
 - or if they can give details which indicate that the name, for which protection and registration is considered, is generic.
- f. The criteria referred to above shall be evaluated in relation to the territory of the European Union, which in the case of intellectual property rights refers only to the territory or territories where the said rights are protected, and of Chile.

ANNEX III

Part A

Agricultural products, processed agricultural products, fish and fishery products other than wines, spirits and aromatised wines of the European Union to be protect in Chile:

Member State of the European Union Name to be protected/ / product type

[...]

Part B

Agricultural products, processed agricultural products, fish and fishery products other than wines, spirits and aromatised wines of Chile to be protect in the European Union:

[...]

Sub-Section 5
Patents

Article X.40

International Agreements

Each Party shall comply with the Patent Cooperation Treaty, done at Washington on 19 June 1970, as amended on 28 September 1979 and last modified on 3 October 2001, and shall make all reasonable efforts to comply with the Patent Law Treaty, adopted in Geneva on 1 June 2000.

Article X.41-X.46

[Placeholder]

Article X.47

Patents and Public Health

The Parties recognise the importance of the Declaration on the TRIPS Agreement and Public Health, adopted in Doha on 14 November 2001 by the Ministerial Conference of the WTO (hereinafter referred to as “Doha Declaration”). In interpreting and implementing the rights and obligations under this Sub-Section, each Party shall ensure consistency with the Doha Declaration.

Article X.48

Extension of the Period of Protection Conferred by a Patent on Medicinal Products

1. The Parties recognise that medicinal products protected by a patent in their respective territory may be subject to an administrative authorisation procedure before being put on their market. They recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on their respective market, as defined for that purpose by the relevant legislation, may shorten the period of effective protection under the patent.
2. Each Party shall provide for a further period of protection for a medicinal product which is protected by a patent and which has been subject to an administrative authorisation procedure, that period being equal to the period referred to in the second sentence of paragraph 1, reduced by a period of [...] years.

3. Notwithstanding paragraph 2, the duration of the further period of protection may not exceed [...] years.
4. In the case of medicinal products for which paediatric studies have been carried out, and the results of those studies are reflected in the product information, each Party shall provide for a further [...] months extension of the period of protection referred to in paragraph 2.

Article X.49

Extension of the Period of Protection Conferred by a Patent on Plant Protection Products

1. Each Party shall determine safety and efficacy requirements before authorising the placing on the market of plant protection products.
2. The Parties recognise that plant protection products protected by a patent in their respective territory may be subject to an administrative authorisation procedure before being put on their market. They recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on their respective market, as defined for that purpose by the relevant legislation, may shorten the period of effective protection under the patent.
3. Each Party shall provide for a further period of protection for a plant protection product which is protected by a patent and which has been subject to an administrative authorisation procedure, that period being equal to the period referred to in the second sentence of paragraph 2, reduced by [...] years.
4. Notwithstanding paragraph 3, the duration of the further period of protection may not exceed [...] years.

Sub-Section 6

Protection of Undisclosed Information

Article X.50

Scope of protection of trade secrets

1. In fulfilling its obligation to comply with the TRIPS Agreement, and in particular paragraphs 1 and 2 of Article 39 of the TRIPS Agreement, each Party shall provide for appropriate civil judicial procedures and remedies for any trade secret holder to prevent, and obtain redress for, the acquisition, use or disclosure of a trade secret whenever carried out in a manner contrary to honest commercial practices.

2. For the purpose of this subsection:
 - (a) 'trade secret' means information that:
 - (i) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
 - (ii) has commercial value because it is secret; and
 - (iii) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.
 - (b) 'trade secret holder' means any natural or legal person lawfully controlling a trade secret.
3. For the purpose of this subsection, at least the following conducts shall be considered contrary to honest commercial practices:
 - (a) the acquisition of a trade secret without the consent of the trade secret holder, whenever carried out by unauthorised access to, appropriation of, or copying of any documents, objects, materials, substances or electronic files, lawfully under the control of the trade secret holder, containing the trade secret or from which the trade secret can be deduced:
 - (b) the use or disclosure of a trade secret whenever carried out, without the consent of the trade secret holder, by a person who is found to meet any of the following conditions:
 - (i) having acquired the trade secret in a manner referred to in point (a);
 - (ii) being in breach of a confidentiality agreement or any other duty not to disclose the trade secret; or
 - (iii) being in breach of a contractual or any other duty to limit the use of the trade secret.
 - (c) the acquisition, use or disclosure of a trade secret whenever carried out by a person who, at the time of the acquisition, use or disclosure, knew or ought, under the circumstances, to have known that the trade secret had been obtained directly or indirectly from another person who was using or disclosing the trade secret unlawfully within the meaning of point (b), including when a person induced another person to carry out the actions referred to in point (b).
4. Nothing in this subsection shall be understood as requiring any Party to consider any of the following conducts as contrary to honest commercial practices:
 - (a) independent discovery or creation by a person of the relevant information;
 - (b) reverse engineering of a product by a person who is lawfully in possession of it and who is free from any legally valid duty to limit the acquisition of the relevant information;
 - (c) acquisition, use or disclosure of information required or allowed by the relevant domestic law;
 - (d) use by employees of their experience and skills honestly acquired in the normal

course of their employment.

5. Nothing in this subsection shall be understood as restricting freedom of expression and information, including media freedom as protected in the jurisdiction of each of the Parties.

Article X.51

Civil judicial procedures and remedies of trade secrets

1. Each party shall ensure that the any person participating in the civil judicial proceedings referred to in Article X.50 (scope of protection of trade secrets) or who has access to documents which form part of those legal proceedings, is not permitted to use or disclose any trade secret or alleged trade secret which the competent judicial authorities have, in response to a duly reasoned application by an interested party, identified as confidential and of which they have become aware as a result of such participation or access.
2. In the civil judicial proceedings referred to in Article X.50 (scope of protection of trade secrets), each Party shall provide that its judicial authorities have the authority at least to:
 - (a) order provisional measures, as set out in the respective domestic laws and regulations, to prevent the acquisition, use or disclosure of the trade secret in a manner contrary to honest commercial practices;
 - (b) order injunctive relief to prevent the acquisition, use or disclosure of the trade secret in a manner contrary to honest commercial practices;
 - (c) order the person that knew or ought to have known that he, she or it was acquiring, using or disclosing a trade secret in a manner contrary to honest commercial practices to pay the trade secret holder damages appropriate to the actual prejudice suffered as a result of such acquisition, use or disclosure of the trade secret;
 - (d) take specific measures to preserve the confidentiality of any trade secret or alleged trade secret produced in civil proceedings relating to the alleged acquisition, use and disclosure of a trade secret in a manner contrary to honest commercial practices. Such specific measures may include, in accordance with their respective domestic law, the possibility of restricting access to certain documents in whole or in part; of restricting access to hearings and their corresponding records or transcript; and of making available a non-confidential version of judicial decision in which the passages containing trade secrets have been removed or redacted.
 - (e) impose sanctions on parties, or other persons subject to the court's jurisdiction for violation of judicial orders concerning the protection of a trade secret or alleged trade secret produced in that proceedings.
3. Each Party shall not be required to provide for the judicial procedures and remedies referred to in Article X.50 (scope of protection of trade secrets) when the conduct contrary to honest commercial practices is carried out, in accordance with their relevant domestic law, to reveal misconduct, wrongdoing or illegal activity or for the

purpose of protecting a legitimate interest recognised by law.

Article X.52

Protection of Data Submitted to Obtain an Authorisation to Put a Medicinal Product on the Market

1. Each Party shall protect commercially confidential information submitted to obtain an authorisation to place medicinal products on the market (“marketing authorisation”) against disclosure to third parties, unless steps are taken to ensure that the data are protected against unfair commercial use and except where the disclosure is necessary for an overriding public interest.
2. Each Party shall ensure that for a period of at least [...] years from the date of a first marketing authorisation in the Party concerned (“first marketing authorisation”), the authority responsible for the granting of a marketing authorisation will not accept any subsequent application for a marketing authorisation that refers to the results of pre-clinical tests or clinical trials submitted in the application for the first marketing authorisation without the explicit consent of the holder of the first marketing authorisation, unless international agreements recognised by both Parties provide otherwise. This rule shall apply regardless of whether or not the information referred to in paragraphs 1 or 2 has been made available to the public.
3. Each Party shall ensure that for a period of at least [...] years from the date of a first marketing authorisation in the Party concerned, a medicinal product subsequently authorised on the basis of the results of pre-clinical tests and clinical trials submitted in the application for the first marketing authorisation shall not be placed on the market without the explicit consent of the holder of the first marketing authorisation, unless international agreements recognised by both Parties provide otherwise.
4. For the purpose of human use, the [...] year period referred to in paragraph 3 shall be extended to [...] years if, during the first [...] years after obtaining the first marketing authorisation in the Party concerned, the marketing authorisation holder obtains a marketing authorisation for one or more new therapeutic indications, which are considered of significant clinical benefit in comparison with existing therapies. This is without prejudice to additional periods of protection which each Party may recognise in accordance with its legislation.

Article X.53

Protection of Data Submitted to Obtain Marketing Authorisation for Plant Protection Products

1. Each Party shall recognise a temporary right of the owner of a test or study report submitted for the first time to achieve a marketing authorisation for a plant protection product. During such period, the test or study report will not be used for the benefit of any other person aiming to achieve a marketing authorisation for plant protection

product, except when the explicit consent of the first owner is proved. This right will be hereinafter referred as data protection.

2. The test or study report should fulfil the following conditions:
 - (a) be necessary for the authorisation or for an amendment of an authorisation in order to allow the use on other crops; and
 - (b) be certified as compliant with the principles of good laboratory practice or of good experimental practice.
3. The period of data protection shall be at least [...] years from the first authorisation granted by the concerned authority in that Party. In case of low risk plant protection products the period can be extended to [...] years.
4. Those periods shall be extended by [...] months for each extension of authorisation for minor uses if the applications for such authorisations are made by the authorisation holder at the latest [...] years after the date of the first authorisation. The total period of data protection may in no case exceed [...] years. For low risk plant protection products the total period of data protection may in no case exceed [...] years.
5. A test or study shall also be protected if it was necessary for the renewal or review of an authorisation. In those cases, the period for data protection shall be [...] months.
6. Notwithstanding paragraphs 3, 4 and 5, the public body responsible for the granting of a marketing authorisation will not take into account the information referred to in paragraphs 1 and 2 for any successive marketing authorisation, regardless whether or not it has been made available to the public.
7. The Parties shall lay down measures obliging the applicant and holders of previous authorisations established in the Parties' respective territories, to share proprietary information, so as to avoid duplicative testing on vertebrate animals.

Sub-Section 7
Plant Varieties
Article X.54

The Parties shall protect plant varieties rights, in accordance with the International Convention for the Protection of New Varieties of Plants (UPOV) as lastly revised in Geneva on March 19, 1991, (the so-called "1991 UPOV ACT") including the exceptions to the breeder's right as referred to in Article 15 of the said Convention, and co-operate to promote and enforce these rights.

Section 3 - Enforcement of Intellectual Property Rights

Sub-Section 1
Civil and administrative enforcement

Article X.55
General Obligations

1. The Parties reaffirm their commitments under the TRIPS Agreement and in particular of its Part III, and shall provide for the following complementary measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights¹⁰. Those measures, procedures and remedies shall be fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.
2. Those measures and remedies shall also be effective, proportionate and dissuasive and 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 X.56
Persons entitled to apply for the application of the measures, procedures and remedies

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this section and in Part III of the TRIPS Agreement:

- (a) the holders of intellectual property rights in accordance with the provisions of the applicable law,
- (b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by and in accordance with the provisions of the applicable law,
- (c) intellectual property collective rights management bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law,
- (d) professional defence bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law.

Article X.57
Evidence

1. Each Party shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his claims that his intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information. In ordering provisional measures, the judicial authorities shall take into account the legitimate interests of the alleged infringer.
2. Such measures may include the detailed description, with or without the taking of

¹⁰ For the purposes of this sub-section the notion of "intellectual property rights" should include at least the following rights: copyright; rights related to copyright; *sui generis* right of a database maker; rights of the creator of the topographies of a semiconductor product; trademark rights; design rights; patent rights, including rights derived from supplementary protection certificates; geographical indications; utility model rights; plant variety rights; trade names in so far as these are protected by each Party.

samples, or the physical seizure of the alleged infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto.

3. Each Party shall take the measures necessary, in cases of infringement of an intellectual property right committed on a commercial scale, to enable the competent judicial authorities to order, where appropriate, on application by a Party, the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

Article X.58

Right of information

1. Each Party shall ensure that, during civil proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order the infringer and/or any other person which is party to a litigation or a witness therein to provide information on the origin and distribution networks of the goods or services which infringe an intellectual property right.

(a) 'Any other person' in this paragraph means a person who:

- (i) was found in possession of the infringing goods on a commercial scale;
- (ii) was found to be using the infringing services on a commercial scale;
- (iii) was found to be providing on a commercial scale services used in infringing activities; or
- (iv) was indicated by the person referred to in this subparagraph as being involved in the production, manufacture or distribution of the goods or the provision of the services.

(b) Information shall, as appropriate, comprise:

- (i) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers; or
- (ii) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

2. This Article shall apply without prejudice to other statutory provisions which:

- (a) grant the right holder rights to receive fuller information;
- (b) govern the use in civil proceedings of the information communicated pursuant to this Article;
- (c) govern responsibility for misuse of the right of information;
- (d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit his own participation or that of his close

relatives in an infringement of an intellectual property right;

- (e) govern the protection of confidentiality of information sources or the processing of personal data.

Article X.59

Provisional and Precautionary Measures

1. Each Party shall ensure that the judicial authorities may, at the request of the applicant, issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by domestic law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right. For the purposes of this Article, "Intermediaries" include internet service providers.

2. An interlocutory injunction may also be issued to order the seizure or delivery up of goods suspected of infringing an intellectual property right, so as to prevent their entry into or movement within the channels of commerce.

3. In the case of an alleged infringement committed on a commercial scale, each Party shall ensure that, if the applicant demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets. To that end, the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information.

Article X.60

Remedies

1. Each Party shall ensure that the judicial authorities may order, at the request of the applicant and without prejudice to any damages due to the right holder by reason of the infringement, and without compensation of any sort, the destruction or at least the definitive removal from the channels of commerce, of goods that they have found to be infringing an intellectual property right. If appropriate, the judicial authorities may also order destruction of materials and implements predominantly used in the creation or manufacture of those goods.

2. Each Party's judicial authorities shall have the authority to order that those measures shall be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

3. In considering a request for remedies 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 X.61

Injunctions

Each Party shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer as well as against an intermediary whose services are used by a third party to infringe an intellectual property right an injunction aimed at prohibiting the continuation of the infringement.

Article X.62

Alternative Measures

Each Party may provide that the judicial authorities, in appropriate cases and at the request of the person liable to be subject to the measures provided for in Article X.60 (Remedies) and/or Article X.61 (Injunctions), may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in these two Articles if that person acted unintentionally and without negligence, if execution of the measures in question would cause him disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

Article X.63

Damages

1. Each Party shall ensure that the judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the right-holder damages appropriate to the actual prejudice suffered by him/her as a result of the infringement. When the judicial authorities set the damages:

(a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the right holder by the infringement; or

(b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, the Parties may lay down that the judicial authorities may order in favour of the injured party the recovery of profits or the payment of damages which may be pre-established.

Article X.64

Legal Costs

Each Party shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall as a general rule be borne by the unsuccessful party,

unless equity does not allow this.

Article X.65

Publication of Judicial Decisions

Each Party shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part.

Article X.66

Presumption of authorship or ownership

The Parties shall recognise that for the purposes of applying the measures, procedures and remedies provided for in this Section 3

- (a) for the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for his/her name to appear on the work in the usual manner;
- (b) the provision under (a) shall apply mutatis mutandis to the holders of rights related to copyright with regard to their protected subject matter.

Article X.67

Administrative procedures

To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set forth in the relevant provisions of this section.

Sub-Section 2

Border enforcement

Article X.68

Border measures

1. With respect to goods under customs control, each Party shall adopt or maintain procedures under which a right holder may submit applications requesting customs authorities to suspend the release or detain goods suspected of infringing trademarks, copyrights and related rights, geographical indications, patents, utility models, industrial designs, topographies of integrated circuits and plan variety rights (hereinafter 'suspected goods').
2. Each Party shall have in place electronic systems for the management by customs of the applications granted or recorded.

3. Customs authorities shall not charge a fee to cover the administrative costs resulting from the processing of an application or a recordation.
4. Customs authorities should decide about granting or recording application within a reasonable period of time.
5. Each Party shall provide for such application/recordation to apply to multiple shipments.
6. With respect to goods under customs control, customs authorities may act upon their own initiative to suspend the release or detain suspected goods.
7. Customs authorities shall use risk analysis to identify suspected goods.
8. Each Party shall have in place procedures allowing for the destruction of goods infringing intellectual property rights, without there being any need to prior administrative or judicial proceedings for the formal determination of the infringements, in particular where the persons concerned agree or do not oppose to the destruction. In case goods determined to be infringing are not destroyed, each Party shall ensure that, except in exceptional circumstances, such goods are disposed of outside the commercial channel in such a manner to avoid any harm to the right holder.
9. Each Party may have in place procedures allowing for the swift destruction of counterfeit trademark and pirated goods sent in postal or express couriers consignments.
10. This Article may not apply to import of goods put on the market in another country by or with the consent of the right holders. A Party may exclude from the application of this Article goods of a non-commercial nature contained in travellers' personal luggage.
11. The Customs authorities of each Party shall maintain a regular dialogue and promote cooperation with the relevant stakeholders and with other authorities involved in the enforcement of intellectual property rights.
12. The Parties agree to cooperation in respect of international trade in goods suspected of infringing intellectual property rights. In particular, the Parties agree to share information on trade in goods suspected of infringing intellectual property rights affecting the other Party.
13. Without prejudice to other forms of cooperation, Protocol [to complete] on Mutual Administrative Assistance in Customs Matters will be applicable with regard to breaches of legislation on intellectual property rights for the enforcement of which the customs authorities are competent in accordance with this article.
14. [Placeholder – Committee in charge of ensuring the proper functioning and implementation of this Article, in particular providing for the framework for organising cooperation].

Article X.69

Consistency with GATT and TRIPS Agreement

In implementing border measures for the enforcement of intellectual property rights by customs, whether or not covered by this article, the Parties shall ensure consistency with their obligations under the GATT and TRIPS agreements and, in particular, with Article V of GATT agreement, Article 41 and Section 4 of the Part III of TRIPS agreement.

*[[placeholder for possible Section 4 on
Liability of Intermediary Service Providers]]*

*Section 5
Final Provisions*

Article X.75

Modalities of cooperation

1. The Parties agree to cooperate with a view to supporting implementation of the commitments and obligations undertaken under this Chapter.
2. The Parties shall draw on the following modalities, among others, with respect to cooperation on intellectual property rights protection and enforcement matters. The areas of cooperation include the following activities, but are not limited to:
 - (a) The exchange of information on the legal framework concerning intellectual property rights and relevant rules of protection and enforcement;
 - (b) The exchange of experience between the Parties on legislative progress;
 - (c) The exchange of experience between the Parties on the enforcement of intellectual property rights;
 - (d) Exchange of experiences between the Parties on enforcement at central and sub-central level by customs, police, administrative and judiciary bodies;
 - (e) Coordination to prevent exports of counterfeit goods, including with other countries;
 - (f) Technical assistance, capacity building; exchange and training of personnel;
 - (g) The protection and defence of intellectual property rights and the dissemination of information in this regard in, inter alia, business circles and civil society;
 - (h) Public awareness of consumers and right holders; enhancement of institutional cooperation, particularly between the intellectual property offices;
 - (i) Actively promoting awareness and education of the general public on policies concerning intellectual property rights;

- (j) Regarding public-private collaboration engaging with SMEs, including at SME-focused events or gatherings, regarding protecting and enforcing intellectual property rights and reducing infringement;
 - (k) Formulation of effective strategies to identify audiences and communication programmes to increase consumer and media awareness on the impact of intellectual property rights' violations, including the risk to health and safety and the connection to organised crime.
3. Each Party may make publicly available the product specifications, or a summary thereof, and relevant contact points for control or management of geographical indications of the other Party protected pursuant to Sub-Section 4 (Geographical Indications).
4. The Parties shall, either directly or through the joint working body defined by the Agreement established in Article X.77 (Institutional Provisions), maintain contact on all matters related to the implementation and functioning of this Chapter.

Article X.76

Voluntary Stakeholder Initiatives

Each Party shall endeavour to facilitate voluntary stakeholder initiatives to reduce intellectual property rights infringement, including over the Internet and in other marketplaces focusing on concrete problems and seeking practical solutions that are realistic, balanced proportionate and fair for all concerned including in the following ways:

- (a) each Party shall endeavour to convene stakeholders consensually in its territory to facilitate voluntary initiatives to find solutions and resolve differences regarding the protection and enforcement of intellectual property rights and reducing infringement;
- (b) the Parties shall endeavour to exchange information with each other regarding efforts to facilitate voluntary stakeholder initiatives in their respective territories; and
- (c) the Parties shall endeavour to promote open dialogue and cooperation among the Parties' stakeholders, and to encourage the Parties' stakeholders to jointly find solutions and resolve differences regarding the protection and enforcement of intellectual property rights and reducing infringement.

Article X.77

Institutional Provisions

[Purpose of the Article: to establish the joint working body to monitor and implement the FTA with respect to the intellectual property chapter]

[Placeholder]