

Consolidated Text

Anti-Counterfeiting Trade Agreement

Informal Predecisional/Deliberative Draft:  
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CHAPTER ONE  
INITIAL PROVISIONS AND DEFINITIONS

Section A: Initial Provisions

[TO BE COMPLETED]

Section B: General Definitions

[Can: Canada reserves its position on all elements proposed in this section, pending discussion of them in negotiations]

ARTICLE 1.X: DEFINITIONS

For purposes of this Agreement, unless otherwise specified:

days means calendar days;

[MX: In the "days" definition it is established that it would natural days. However, in Article 2.13 there is a footnote which stipulates that "days" refer to working days. Therefore, it is suggested to make clear the initial definition or delete such definition and establish with footnotes if it refers to natural or working days, where appropriate.]

intellectual property refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II of the Agreement on Trade-Related Aspects of Intellectual Property Rights.

[MX: The definition of "intellectual property" refers to the figures listed in TRIPs; however, said wording is not clear enough since words such as "intellectual property right" and "copyrights and related rights and trademarks" are used in all the text. Therefore, it is suggested to define "intellectual property" in Article 1 and use the same wording in all the text in order to be uniformity.]

Council means the ACTA Oversight Council established under Chapter Five;

measure includes any law, regulation, procedure, requirement, or practice;

person means either a natural person or a juridical person;

right holder includes a federation or an association having the legal standing and authority to assert rights in intellectual property, and also includes a person that exclusively has any one or more of the intellectual property rights encompassed in a given intellectual property;

territory means customs territory of a Party and all free trade zones of that Party;

TRIPS Agreement means the Agreement on Trade-Related Aspects of Intellectual Property

Rights, contained in Annex 1C to the WTO Agreement;<sup>1</sup>

WTO means the World Trade Organization; and

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done on April 15, 1994.

## CHAPTER TWO

### LEGAL FRAMEWORK FOR ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

#### Section 1: Civil Enforcement

*[MX: The use of wordings such as "judicial authorities" and "competent authorities" shall be precisely review and in accordance with the content of the provision taking into consideration that the Industrial Property Law and the Federal Law of Copyrights authorize IMPI and INDAUTOR to carry out activities to investigate, request information, perform provisional measures to prevent and cease the infringement of intellectual property rights and, moreover, to impose administrative sanctions. The legal nature of said institutions is administrative, not judicial.]*

**ARTICLE 2.1: [US/J:AVAILABILITY OF CIVIL PROCEDURES] [EU: SCOPE OF THE CIVIL ENFORCEMENT]**

1. Each Party shall make available to right holders [US/J: civil judicial] [Mex/NZ: or administrative] procedures concerning the enforcement of any [US/J: intellectual property right] [Sing/Can/NZ: copyrights and related rights and trademarks] [Kor: as provided for in the following individual articles in this Section].

[2. EU/Can/NZ: Those measures, procedures and remedies shall also be effective, proportionate and deterrent.]

#### **ARTICLE 2.X: INJUNCTIONS**

**ORIG 1:** In civil judicial proceedings concerning the enforcement of [Can/NZ: copyright or related rights and trademarks] [US/J: intellectual property rights], each Party shall provide that its [US/J: judicial authorities] [NZ: competent authorities] shall have the authority to issue an order to a party to desist from an infringement, including an order to prevent infringing goods from entering into the channels of commerce [US/Aus/Kor/Mor/NZ: and to prevent their exportation].<sup>2</sup>

<sup>1</sup> For greater certainty, "TRIPS Agreement" includes any waiver in force between the Parties of any provision of the TRIPS Agreement granted by WTO Members in accordance with the WTO Agreement.

<sup>2</sup> [Kor: A Party may comply with its obligation relating to exportation of infringing goods through its provisions concerning distribution or transfer.]

**Option 2:** [EU: 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 an injunction aimed at prohibiting the continuation of the infringement. The Parties shall also ensure that right holders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right.]

[NZ: Does not support the inclusion of this provision, JUS Comment - which provision? Option 1 or Option 2?]

[CAN: Need to address statutory limitations]

#### ARTICLE 2.2: DAMAGES

1. Each Party shall provide that:

(a) in civil judicial proceedings, [US/J: its judicial authorities] [Mex/NZ: or competent authorities] [EU/NZ: on application of the [EU: injured party] [NZ: right holder]] shall have the authority to order the infringer [EU/NZ: who knowingly or with reasonable grounds to know, engaged in infringing activity] of [Can/Sing/NZ: copyright or related rights and trademarks] [US/J: intellectual property rights] to pay the right holder

(i) damages adequate to compensate for the [EU: actual] injury the right holder has suffered as a result of the infringement<sup>1</sup>; or [EU: or]

(ii) [US/Mor/Aus/Kor/Sing: at least in the case of copyright or related rights infringement and trademark counterfeiting,] [MX: in the case of IPR infringements] the profits of the infringer that are attributable to the infringement, which may be presumed to be the amount of damages referred to in clause (i) [Aus/Sing/NZ/EU: which may be presumed to be the amount of damages referred to in clause (i)]; and

[EU: Delete (ii) (as originally proposed?) and move (ii) into paragraph 2.2.1(b)—Please clarify.]

[(iii) Can/NZ: For greater certainty, a Party may limit or exclude damages in certain special cases.]

(b) in determining the amount of damages for [Can/Sing/NZ: copyright or related rights infringement] [MX: IPR] infringement [US/J: of intellectual property rights] [Can/Sing: and trademark counterfeiting], its [US/J: judicial] [NZ: competent] authorities [US/J: shall] [Aus/Can/NZ: may] consider, *inter alia*, [Can/NZ: any legitimate measure of value that may be submitted by the right holder, including] [EU/Can/NZ: the lost profits], the value of the infringed good or service, measured by the market price, [Can: or] the suggested retail price [NZ: suggested retail price], or other legitimate measure of value submitted by the right holder [Can/NZ: or other legitimate measure of value]

<sup>1</sup> US/Mor: In the case of patent infringement, damages adequate to compensate for the infringement shall not be less than a reasonable royalty. [Sing/Aus/EU/Can/NZ: Delete US/MOR footnote]

submitted-by-the-right-holder], [EU: the profits of the infringer that are attributable to the infringement].

[MX: Please specify the way in which the amount of the damage, particularly the scope of the "legitimate measure"] [Editorial comment: Please clarify this statement]

2. At least with respect to works, phonograms, and performances protected by copyright or related rights, and in cases of trademark counterfeiting, in civil judicial proceedings, [EU/Can: As an alternative to paragraph 1,] each Party [US/J: shall][EU/Can/NZ: may] establish or maintain a system that provides [Sing/NZ: for]:

- (a) pre-established damages; or [Sing: a system that provides for]
- (b) presumptions for determining the amount of damages sufficient [US/Can: to constitute a deterrent to future infringements and] to compensate [US: fully] the right holder for the harm caused by the infringement. [Sing: Such damages shall be an amount sufficient to constitute a deterrent to future infringements and to compensate the right holder for the harm caused by the infringement.]

[Aus/Mex/NZ: Delete paragraph 2.]

3. Each Party shall provide that the right holders shall have the right to choose the system in paragraph 2 as an alternative to the damages in paragraph 1.

[US: will propose editorial changes at upcoming round to clarify the language]  
[Aus/Mex/NZ: Delete paragraph 3.]

[3. EU: Where the infringer did not knowingly, or with reasonable grounds knows, engage in infringing activity, each Party may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established.]

4. Each Party shall provide that its judicial [NZ: competent] authorities, except in exceptional circumstances, [EU: unless equity does not allow this], shall have the authority to order, at the conclusion of civil judicial proceedings [US/J: concerning copyright or related rights infringement, patent infringement (Can/NZ: patent-infringement), or trademark infringement] [EU: concerning copyright-or-related-rights-infringement, patent-infringement, or-trademark-infringement], that the prevailing party [US/J: shall][Can: shall] be awarded payment by the losing party of [NZ: appropriate] court [(EU: reasonable and proportionate)EU/CAN/NZ: legal] costs or fees. Each Party [US/J:shall] [Mor: may] also provide that its [US/J: judicial] [NZ: competent] authorities, [US/Can/Mor/MX/NZ: except

\* Such measures [J: shall][US/Sing/Can/EU/NZ: may] include the presumption that the amount of damages is (i) the quantity of the goods infringing the right holder's intellectual property right and actually assigned to third persons, multiplied by the amount of profit per unit of goods which would have been sold by the right holder if there had not been the act of infringement or (ii) a reasonable royalty [EU: or (iii) 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 authorization to use the intellectual property right in question].

† US/Mex: No Party is required to apply paragraph 2 to actions for infringement against a Party or a third party acting with the authorization or consent of the Party.]

#### JAPAN - U.S. JOINT PROPOSAL

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in exceptional circumstances] [EU: unless equity does not allow this], [US/Can/Aus/Mor: (US/Aus/Mor: at least ) in proceedings concerning copyright or related rights infringement or willful trademark counterfeiting,] shall have the authority to order, [J/Can/Aus/NZ: in appropriate cases][MX: in-appropriate-cases], that the prevailing party be awarded payment by the losing party of [US/J: reasonable][NZ: appropriate] attorney's fees<sup>4</sup>. [US/Aus/Mor: Further, each Party shall provide that its judicial authorities, at least in exceptional circumstances, shall have the authority to order, at the conclusion of civil judicial proceedings concerning patent infringement, that the prevailing party shall be awarded payment by the losing party of reasonable attorneys' fees.][Mor: , fees should be left to the discretion of the judge who determine the reasonable level of these fees][EU: Further, each Party shall provide that its judicial authorities, at least in exceptional circumstances, shall have the authority to order, at the conclusion of civil judicial proceedings concerning patent infringement, that the prevailing party shall be awarded payment by the losing party of reasonable attorneys' fees.]

### ARTICLE 2.3: OTHER REMEDIES

1. [US: At least] [Can: At least]with respect to goods that have been found to be [US/Aus/Can/Sing/Kor/NZ: pirated or counterfeit] [J/EU/MX: infringing an intellectual property right], each Party shall provide that in civil judicial proceedings, at the right holder's request, [J/Aus/EU/Can/MX/Kor/NZ: its judicial (NZ: competent) authorities shall have the authority to order that] such goods shall be [NZ: forfeited to the right holder] [US/J: destroyed], [EU/Can/NZ: recalled or definitively removed from the channel of commerce,] except in exceptional circumstances, [Can: except in exceptional circumstances,] without compensation of any sort.

2. Each Party shall further provide that its judicial authorities shall have the authority to order that materials and implements [J/Can/EU: the predominant use of which has been] [US/Aus/NZ: that have been used] [EU: that have been used] in the manufacture or creation of [J/MX/EU: infringing (MX: of IP)] [US/Aus/Can/Sing: pirated or counterfeit] goods [NZ : infringing copyright or related rights or trademarks ] shall be, without compensation of any sort, [US/EU/MX: promptly][Aus: promptly] [Can: without undue delay][NZ: forfeited to the right holder] [US/J: destroyed] or, [US/EU/MX/NZ: in exceptional circumstances,] [Aus: in exceptional circumstances,] disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements.

*[Sing/Can: Request clarification of "manufacture" relative to "creation" in the context of this provision.]*

3. In regard to counterfeit trademarked goods, the simple removal of the trademark unlawfully affixed shall not be sufficient [J/Aus/Can/MX: , other than in exceptional cases,] to permit the release of goods into the channels of commerce.

*[NZ: Delete paragraph 3.]*

4. EU: The (NZ: Each Party shall further provide that its) [EU/NZ: judicial authorities shall (NZ: have the authority to)]EU/NZ: order that those measures be carried out at the

<sup>4</sup> Kor: For greater certainty, the term "reasonable attorney's fees" is not intended to require a higher amount than the amount of "appropriate attorney's fees" under the TRIPS Article 45.2.]

expense of the infringer, unless particular reasons are invoked for not doing so.]

[5. (EU/Can: In ordering those measures, the judicial authorities) (NZ: Each Party shall further provide that its judicial authority in ordering these measures) EU/Can/NZ: shall take into account the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interest of third parties.]

#### ARTICLE 2.4: INFORMATION RELATED TO INFRINGEMENT

[EU: Without prejudice to other statutory provisions which, in particular, govern the protection of confidentiality of information sources or the processing of personal data,] Each Party shall provide that in civil judicial proceedings concerning the enforcement of [US/J: intellectual property rights][Can: copyright or related rights and trademarks], its judicial authorities shall have the authority upon a justified request of the right holder, to order the infringer to provide, [US/J: for the purpose of collecting evidence] [EU: for the purpose of collecting evidence][Mor: within the framework of measures of inquiry or investigation], any [Can: relevant] information [EU: information on the origin and distribution network of the infringing goods or services on a commercial scale] [J: in the form as prescribed in its applicable laws and regulations] that the infringer possesses or controls, [J/Can/EU/MX: where appropriate,] to the right holder or to the judicial authorities. Such information may include information regarding any person or persons involved in any aspect of the infringement and regarding the means of production or distribution channel of such goods or services, including the identification of third persons involved in the production and distribution of the infringing goods or services or in their channels of distribution. [Can: For greater clarity, this provision does not apply to the extent that it would conflict with common law or statutory privileges, such as legal professional privilege.]

[Am/NZ: Supports deletion of this Article.]

[MX: It should be considered to have flexibility concerning administrative remedies, as stipulated in Article 199 bis 1.]

#### ARTICLE 2.5: PROVISIONAL MEASURES

[X. EU: Each Party shall provide that its judicial authorities shall have the authority, at the request of the applicant, to issue an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right. 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. Each Party shall also provide that provisional measures may be issued, even before the commencement of proceedings on the merits, to preserve relevant evidence in respect of the alleged infringement. Such measures may include *inter alia* the detailed description, the taking of samples or the physical seizure of documents or of the infringing goods,]

Ormost [1. US/EU/Sing: Each Party shall provide that its judicial authorities shall act expeditiously on requests for provisional measures *in iudicio altera parte*] [Sing: and shall endeavor to make a decision on such requests within ten days except in exceptional cases.] [US/EU: , and shall endeavor to make a decision on such requests {US: within ten days} {EU: without delay}]{MX: within twenty days}, except in exceptional cases.]

**OPTION 2 [I, J:** Each Party shall ensure that, where proceedings for provisional measures are conducted *in absentia altera parte*, the {J: judicial}{MX: competent} authorities shall expeditiously make a decision on the request for provisional measures.]

**OPTION 3 [I, Can/Aus/Kor/NZ:** Each Party's authorities shall act on requests for {Can/Aus: relief}{Kor/NZ: provisional measures} *in absentia altera parte* {Can: without undue delay} {Kor/Aus/NZ: expeditiously} in accordance with the Party's judicial rules.]

2. [US/J/NZ/MX: In civil {US/J: judicial}{NZ: or administrative} proceedings {MX: or administrative remedies} concerning copyright or related rights infringement and trademark counterfeiting{NZ: infringement}], [EU: ~~In civil judicial proceedings concerning copyright or related rights infringement and trademark counterfeiting~~], each Party shall provide that its judicial authorities shall have the authority to order {Can/NZ, in appropriate cases,} the seizure or other taking into custody of suspected infringing goods, materials, and implements relevant to the act of infringement [US/Aus/Can/NZ: and, at least for trademark counterfeiting, documentary evidence relevant to the infringement] [~~Sing: used to accomplish the prohibited activity~~].

*[MX: Clarify that "custody" in provision is intended to prevent an infringement and preserve evidence. ]*

3. Each Party shall provide that its [US/J judicial]{MX: competent} authorities have the authority to require the plaintiff, with respect to provisional measures, to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the plaintiff's right is being infringed or that such infringement is imminent, and to order the plaintiff to provide a reasonable security or equivalent assurance set at a level sufficient to protect the defendant. [EU/Can: ensuring compensation for any prejudice suffered when the measure is revoked or lapses due to any reason,] and to prevent abuse, [US/J: and so as not to unreasonably deter recourse to such procedures] [Can: ~~and so as not to unreasonably deter recourse to such procedures~~].

*[NZ: Delete this paragraph.]*

[4. EU/Can: Each Party shall ensure that the provisional measures referred to in paragraphs 1, 2 and 3 are revoked or otherwise cease to have effect, upon request of the defendant, if the applicant does not institute, {EU: within a reasonable period to be determined by the judicial authority if the law of a Party so permit or within a period not exceeding 20 working days or 31 calendar days, proceedings leading to a decision on the merits of the case before the competent judicial authority.} {Can: proceedings leading to a decision on the merits of the case before the competent judicial authority, either within a reasonable period to be determined by the judicial authority if the laws of a Party so permit or within a period not exceeding 20 working days or 31 calendar days.}]

*[NZ: Delete this paragraph.]*



## Section 2: Border Measures

Border Measures<sup>7</sup>[Japan: <sup>8</sup>] [Aus/NZ: <sup>9</sup>]**Option 1 [ARTICLE 2.X: EU: SCOPE OF THE BORDER MEASURES]**

1. This section sets out the conditions for action by the competent authorities when goods are suspected of infringing intellectual property rights, within the meaning of this agreement, when they are imported, exported, or in-transit.

2. For the purposes of this section, "goods infringing an intellectual property right" means goods infringing any of the intellectual property rights covered by TRIPS<sup>6</sup>, with the exception of the protection of undisclosed information and layout designs (topographies) of integrated circuits.]

3. Where a traveler's personal baggage contains goods of a non-commercial nature within the limits of the duty-free allowance and there are no material indications to suggest the goods are part of commercial traffic, each Party may consider to leave such goods, or part of such goods, outside the scope of this section.]

**Option 2[[ARTICLE 2.X: Aus/Can/NZ/Sing: SCOPE OF THE BORDER MEASURES]**

[Aus/Can/Sing: 1. Where a traveler's personal baggage contains trademark goods or copyright materials of a non-commercial nature within the limits of the duty-free allowance {Aus: or where copyright materials or trademark goods are sent in small consignments) and there are no material indications to suggest the goods are part of commercial traffic, Parties may consider such goods to be outside the scope of this Agreement.]

[JP: 1. Where a Party excludes from the application of the provisions in this Section small quantities of goods of a non-commercial nature contained in traveler's personal luggage, the Party shall ensure that the quantities of goods eligible for such exclusion shall be limited to the minimum allowed within its available resources.]

<sup>7</sup> Where a Party has dismantled substantially all controls over movement of goods across its border with another Party with which it forms part of a customs union, it shall not be required to apply the provisions of this Section at that border.

<sup>8</sup>[JP: Each Party shall implement the obligations in respect of importation and exportation set out in this Section so as to be applied to shipments of goods consigned to (a local party/a party in the territory) but destined for outside the territory of the Party]

<sup>9</sup> [Aus/NZ/Sing: No Party shall be obliged to apply this section to any goods that do not infringe an intellectual property right held within the territory of that Party].

<sup>6</sup> [EU: The provisions of this section shall also apply to confusingly similar trademark goods, which means any goods, including packaging, bearing without authorization a sign that is similar to the trademark validly registered in respect of such or similar goods where it exists a likelihood of confusion on the part of the public between the sign and the trademark.]

OPTION 3 [Can/NZ/US: Where a traveler's personal baggage contains goods of a non-commercial nature in quantities reasonably attributable to the personal use of the traveler and there are no material indications to suggest the goods are part of commercial traffic, each Party may consider that such goods are outside the scope of this section.]

#### ARTICLE 2.6: APPLICATION BY RIGHT HOLDER

1. Each Party shall provide [US/J: procedures][Mor: measures] for import, [Aus/Can/Sing/NZ: and may provide procedures for] export [US/NZ/Mor: and in-transit] [Mor/Sing/Kor: in-transit] [Aus: Customs transit and transhipped] [ ] shipments, [EU: for import, export, and in-transit shipments] by which right holders may request the competent authorities to suspend release <sup>11</sup> [CH: at least in cases] of suspected counterfeit trademark goods<sup>12</sup> or confusingly similar trademark goods [Can/Aus/Kor/Mor/Sing: or confusingly similar trademark goods], and suspected pirated copyright goods<sup>13</sup> [EU/MX: goods suspected of infringing an intellectual property right/US: suspected infringing goods] into free circulation.

[MX: In Mexico, Customs acts by request of the authorized entities for copyrights or industrial property rights infringements as established in Articles 148 and 149 of the Customs Law.]

XX. [Mor: Each Party may also provide the same measures for in-transit shipments.]

<sup>10</sup> [Aus/Can/NZ/US: (CAN/NZ/US: For the purpose of this Section, in-transit goods means goods under "Customs transit" and goods "transhipped" as defined in the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention).]

<sup>11</sup> For the purpose of this Section, where the competent authorities suspend the release of suspected counterfeit [J: or confusingly similar] trademark or pirated copyright goods, the authorities shall not permit the goods to be released into free circulation, exported, or subject to other customs procedures, except in exceptional circumstances.]

[Sing: Delete above footnote 11 on release of goods.]

<sup>12</sup> For purposes of this Section, counterfeit trademark goods means any goods, including packaging, bearing without authorization a trademark that is identical to the trademark validly registered in respect of such goods, or that cannot be distinguished in its essential aspects from such a trademark, and that thereby infringes the rights of the owner of the trademark in question under the law of the country in which the procedures set out in this Section are invoked. [Can: It is to be understood that there shall be no obligation to apply such procedures to imports of goods put on the market in another country by or with the consent of the right holder.]

<sup>13</sup> For purposes of this Section, pirated copyright goods means any goods that are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and that are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country in which the procedures set out in this Section are invoked.

*[NZ comment: Referral to suspending the release of goods "into free circulation" would not make sense if the provision was to provide an option to cover in-transit shipments (or exports).]*

2. The competent authorities shall require [US/J: a right holder ][MX: an applicant] requesting [US/J: the ][MX: the] procedures described in paragraph 1 to provide adequate [MX: and sufficient] evidence to satisfy themselves that, under the laws of [US/J: that country<sup>22</sup>][Can: that country] [Aus, Can, NZ, Sing: the Party providing the procedures], there is *prima facie* an infringement of the right holder's intellectual property right and to supply sufficient information that may reasonably be expected to be within the right holder's knowledge to make the suspected infringing goods reasonably recognizable by the [Sing/MX: competent] [US/J: customs authorities. [US/J/AUS/CAN: The requirement to provide sufficient information shall not {Aus/Can: be used to} unreasonably deter recourse to the procedures described in paragraph 1.] [Sing/Mor: The requirement to provide sufficient information shall not {Aus & Can: be used to} unreasonably deter recourse to the procedures described in paragraph 1.]

3. Each Party shall provide [US/J: that the application to suspend the release of goods shall {JP: unless otherwise specified by the right holder} apply to all {US/J: points of entry to and exit from} {Mor: or party of customs offices in} its territory and remain applicable] [Aus/Can/NZ: for applications to suspend the release of suspected infringing goods that apply to all customs {NZ: jurisdictions or} offices in its territory and remain applicable to multiple shipments] for a period of not less than one year from the date of application, [NZ: unless otherwise specified by the rights holder] or the period that the relevant article is protected by copyright or the relevant trademark registration is valid under the laws of the [US/J: country taking][Aus/Can/NZ/Sing: Party providing] border measures provided for under this Section, whichever is shorter. [Sing: Where the measures of a Party provide for a specific application that applies to a specific shipment of a suspected infringing good, such application shall remain applicable for a period of not less than sixty days from the date of application, or the period that the relevant article is protected by copyright or the relevant trademark registration is valid under the laws of the party providing border measures under this Section, whichever is shorter.]

[Aus/Can/NZ: Each Party may also provide for applications to suspend the release of particular specified shipments of suspected infringing goods that remain applicable for {Aus: a reasonable period of time} {Can/NZ: a period of not less than sixty days} from the date of application, or the period that the relevant article is protected by copyright or the relevant trademark registration is valid under the laws of the Party providing border measures under this Section, whichever is shorter.]

[Can/NZ: Parties may provide that an application may be administratively suspended or voided for cause, particularly where it is established that an applicant has accumulated substantial unpaid storage or destruction costs owing for a significant period of time, or where the applicant has abused the process by, for example, knowingly provided false or misleading information in the application or in connection with the enforcement of border measures.]

<sup>22</sup> Definition of 'country'

[Sing: Each Party shall provide for ~~either one of the following:~~ (i) applications to suspend the release of suspected infringing goods that apply to all customs offices in its territory and remain applicable to multiple shipments for a period of not less than one year from the date of application, or the period that the relevant article is protected by copyright or the relevant trademark registration is valid under the laws of the party providing border measures under this Section, whichever is shorter: or

(ii) applications to suspend the release of particular specified shipments of suspected infringing goods that remain applicable for a period of not less than 60 days from the date of application, or the period that the relevant article is protected by copyright or the relevant trademark registration is valid under the laws of the party providing border measures under this Section, whichever is shorter.]

*[MX: It is suggested to add words "procedures/measures" to be read: "Party's procedures/measures".*

*Replace "points of entry to and exit from" to "customs ports".*

*Mexico needs a resolution not only an application to suspend the release of goods.]*

[Aus/NZ/Can/Sing/EU: 3. Each Party shall permit right holders to supply the competent authorities information to assist them in taking border measures provided for under this Section. Each Party may authorize the competent authorities to request right holders to supply any such information.]

*[Aus/Can/NZ: In this article and others in this section of Chapter 2, Australia, Canada and New Zealand have indicated their ability to support articles proposed by different negotiation participants which achieve the same end. This is to demonstrate flexibility, but does not indicate support for including duplicate articles in the final agreement. For example, Australia, Canada and New Zealand can support this EU Article 2.6.3, or Japan/US proposed Article 2.8, but not both together.]*

4. [US/J: The] [Aus/Can/Sing/NZ: Each Party shall provide that the] competent authorities shall [US/J: inform] [Aus/Can/Sing/NZ: make known to] the applicant within a reasonable period whether they have accepted the application. Where the competent authorities have accepted the application, [US/J: they shall also make known to the applicant the period of validity of the application] [Sing: they shall also make known to the applicant the period of validity of the application]. [US/J: The competent authorities shall also make the application public, while protecting any information in the application that is confidential] [Can: The competent authorities shall also make the application public, while protecting any information in the application that is confidential]. [Aus/Can/Sing/NZ: Each Party may provide that competent authorities make the above information known to an applicant through publication.]

[Aus/EU: 4. The right-holder shall not be charged a fee to cover the administration costs occasioned by the processing of the application.]

5. Each Party may also provide procedures [US/J/Sing: for import, (Sing: and) export (U.S.: , and in-transit) (Sing: and-in-transit) shipments] [EU: for import, export, and in-

transit-shipment [by which right holders may request the competent authorities to suspend release of goods suspected of infringing other intellectual property rights.  
 [MX/Can/NZ: Delete paragraph, already covered.]

#### ARTICLE 2.7: EX-OFFICIO ACTION

1. Each Party [NZ: may] [US/J: shall] provide that its customs authorities may act upon their own initiative, to suspend the release of [US/J: suspected (Sing: infringing) counterfeit (US/J: or confusingly similar) (Can/Aus/Kor/Mor/Sing: or-confusing-similar) trademark goods or suspected pirated copyright goods] [MX: IPR infringing goods] with respect to imported, [US/J: exported] [Can: exported] [US: , or in-transit] [Sing: or-in-transit] goods including [US/J: suspected (Sing: infringing) counterfeit (US/J: or confusingly similar) (Can/Aus/Kor/Mor/Sing: or-confusing-similar) trademark goods or suspected pirated copyright goods] [MX: IPR infringing goods] admitted to, withdrawn from, or located in free trade zones [EU: goods suspected of infringing an intellectual property right]. [JP/Aus/Can/NZ/Sing: Each Party [US: shall][Aus/Can/Sing/NZ: may] [JP: shall endeavor to] provide its customs authorities the same authority as the foregoing provision of this Article in respect of [Aus/Can/Sing/NZ: exported and] in-transit [Aus:, Customs transit and transhipped] goods that are [US/J: suspected counterfeit (JP/NZ: or confusingly similar) (Can/Aus/Kor/Mor/Sing: or-confusing-similar)] trademark goods or suspected pirated copyright goods.] [MX IPR infringing goods]

2. Each Party may also provide that its customs authorities may act, upon their own initiative, to suspend the release of goods suspected of infringing other intellectual property rights [EU: , not covered by this section].

[MX: Delete b/c repeats 2.7.1.]

*In Mexico, the Mexican Customs Law does not establish that Customs acts ex officio to suspend the release, importation or exportation of goods suspected of infringing intellectual property rights]*

[Can: Delete provision]

#### ARTICLE 2.8: PROVISION OF INFORMATION FROM RIGHT HOLDER

[EU: Move this article to Article 2.6 (Application by rights holders)]

[US/J: With respect to the procedures described in Articles 2.6 and 2.7, each] [Aus/Can/Sing, NZ: Each] Party shall [Aus/Can/NZ/Sing: have in place procedures enabling] [US/J: adopt or maintain a procedure to allow] right holders to supply the competent authorities [Aus/ Can/Sing/NZ: with information sufficient] [US/J: sufficient information] to assist them in taking border measures provided for under this Section. Each Party may authorize the competent authorities to request right holders to supply any such information.

*[MX: Customs as per Article 11, subparagraph LXII of the Internal Regulations of SAT, is authorized to receive and request to parties to provide pediments, declarations, notices, data, documents, catalogues and other elements that allow the identification of goods.]*

#### ARTICLE 2.9: SECURITY OR EQUIVALENT ASSURANCE

### JAPAN – U.S. JOINT PROPOSAL

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Each Party shall provide that its competent authorities shall have the authority to require a right holder requesting procedures described under Article 2.6 to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Each Party shall provide that such security or equivalent assurance shall not unreasonably deter recourse to these procedures. Each Party may provide that such security may be in the form of a bond conditioned to hold the defendant harmless from any loss or damage resulting from any suspension of the release of the goods in the event the competent authorities determine that the good [US/J/Can/Aus/Kor/Mor/Sing: is not a counterfeit (US/J: or confusingly similar) (Can/Aus/Kor/Mor/Sing: or confusingly similar) trademark good or a pirated copyright good] [EU: does not infringe intellectual property rights covered by this section]. [US/J: No Party may] [Aus/Can/NZ: Only in exceptional circumstances may a Party] [Sing/NZ: Only pursuant to a judicial order may a Party] permit a defendant to post a bond or other security to obtain possession of suspected counterfeit (US/J: or confusingly similar) [Can/Aus/KR/Mor/Sing: or confusingly similar] trademark goods or suspected pirated copyright goods.

[Mor: Define other forms of security.]

[MX: It is suggested to add possession "or release" of suspected. To evaluate it in compliance with the Industrial Property Law since signing allows against security (deposit) and the approval of this article will need an amendment to the law for the deletion of the provision.

Customs is not the entity authorized to establish securities or equivalent assurances in cases of goods of suspected infringing intellectual property; thus, the competent authority is IMPI.]

[EU/Aus/Can/NZ: Article XX: Disclosure of Information:

With a view to establishing whether an intellectual property right has been infringed under national law and in accordance with national provisions on the protection of personal data, commercial and industrial secrecy and professional and administrative confidentiality, the competent authorities have detained infringing goods, shall inform the right holder of the names and addresses of the consignee, importer, exporter, or consignee, and provide to the right holder a description of the goods, the quantity of the goods, and, if known, the country of origin and name and addresses of producers of the goods.]

[Sing: Please clarify how this article is to be read with Article 2.13]

#### ARTICLE 2.10<sup>11</sup> DETERMINATION AS TO INFRINGEMENT

Each Party shall provide a procedure by which competent authorities [Aus/Sing/NZ: may] [US/J: will] determine, whether upon request or on their own initiative within a reasonable period of time after the initiation of the procedures described under Article 2.6 or 2.7, whether the suspected infringing goods infringe an intellectual property right. [Aus/NZ/Can: <sup>11</sup>]

<sup>11</sup> [Aus/NZ/Can: It is understood that this chapter does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Parties to enforce their law in general. Nothing in this chapter creates any obligation with respect to the distribution of resources as between enforcement of intellectual property

*[Aus/Can: Clarification is required from Japan & the US to ensure determination is not mandatory, i.e. "whether" cannot compel a decision in Australia's or Canada's Judicial system.]*

*[Kor: Include "competent authorities" in the definitions section to clarify that competent authorities includes judicial authorities.]*

*[MX: Customs is not the competent authority on IPR infringements. However, Customs contributes on combating piracy in coordination with Attorney's General Office and IMPI.]*

#### ARTICLE 2.11: REMEDIES

1. Each Party shall ~~[Aus/Can/Sing/NZ: have in place procedures whereby the competent authorities may] provide that goods [Aus/Sing/Can: in the custody of the state] that have been [US/J: forfeited {NZ: to the state} as infringing] [Can: forfeited-as infringing] [Aus/Sing/Can: found to infringe copyright or trademark] following a determination under Article 2.10 shall be destroyed, except in exceptional circumstances.~~

2. Each Party shall authorize its competent authorities to impose penalties ~~[Aus/Can/Sing, NZ: or provide remedies] in connection with the importation [US/J: and exportation] [Can/Sing/NZ: and exportation] of goods following a determination under Article 2.10 that the goods are infringing.~~<sup>14</sup> ~~[Sing: Each Party may provide its competent authorities the same authority as the foregoing provision of this Article in respect of the exportation of goods.]~~

*[Can: Because this Article overlaps with civil and criminal remedies, negotiators should consider deleting 2.11.1, especially, 'penalties' for 'imports']*

*[MX: Even though Customs is not the authority for imposing copyrights or industrial property infringements, the general rules on foreign commerce 2009, considers as a cause for suspending the release of any of the patterns, in the case of piracy as per Article 59, subparagraph IV of the Law.*

*On the other hand, Customs is not the competent authority to seize and destroy infringing goods since its task is to control the entry and exit of goods of the national territory as well as of the means in which they are transported.]*

3. ~~[US/J: No] [Aus/Sing/Can: Subject to other customs procedures, no] Party may authorize the competent authorities to permit forfeited [US/J: infringing] [Can: infringing] goods [Aus/Sing/Can: in the custody of the state that have been found to infringe copyright or trademark following a determination under Article 2.10] to be released into [Aus: channels of commerce] [US/J: free circulation], [Aus/Sing/Can: or] exported, [US/J: or subject to other customs procedures] [Can: or subject to other customs procedures] except in rights and the enforcement of law in general.]~~

<sup>14</sup> Negotiator's Note: Subject to negotiation of general provision on deterrent penalties.

exceptional circumstances. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, [Aus/Can/EU/Kor/NZ/Sing/JP: other than in exceptional [Aus/Sing/Can/MX/Mor: circumstances] (EU/NZ/JP/Kor: cases)] to permit the release of the goods into the channels of commerce.

ARTICLE 2.12: FEES [Can/Aus: DELETES THIS ARTICLE.]

1. Each Party shall provide that any [US/J: application fee] [EU: application-fee], [US/J: merchandise] [Can: merchandise] storage fee, or destruction fee to be assessed [Aus/Can/Sing/NZ: by competent authorities] in connection with procedures described in this Section shall not be [Aus/Can/Sing/NZ: used to] [US/J: allocated in a manner or set at an amount that unreasonably burdens right holders, or] [Can: allocated in a manner or set at an amount that unreasonably burdens right holders, or] unreasonably deter recourse to these procedures.

[MX: It should be assessed on a cost recovery basis.

The Tax Administration (SAT) grants concessions to particulars for resending handling, storage and safekeeping of goods, in establishments located within and outside the fiscal area. They are responsible for the storage and safekeeping of the goods deposit in such areas; therefore, the payment of such fees is through contracts between individuals. Thus, Customs has not authority to waive the payment of such services in the case that illegal goods are deposited in the fiscal area.]

2. Each Party shall provide that if the competent authorities have made a determination under Article 2.10 that the suspected infringing goods infringe [US/J: an intellectual property right][Aus, Can/Sing/NZ: copyright or trademark], [Aus/Can/NZ/Sing: procedures are made available to enable] the right holder [US/J: shall not be liable for payment of any storage or destruction fees described in paragraph 1][Aus/Can/NZ/Sing 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 under this Section].

[EU: Delete paragraph 2.]

[CH: Rule is too absolute and exceptions should be available.]

[MX: So, why does the right holder should pay the cost of destruction?

With regard to Article 2.12 "Fees", it is suggested to review the scope and objective of the provision, particularly with regard to the right holder obligations for paying a fee for the destruction of the illegal goods.]

ARTICLE 2.13: DISCLOSURE OF INFORMATION

Where the competent authorities have [Sing: made a determination under Article 2.10 that the suspected infringing goods infringe an intellectual property right, the Party shall grant its competent authorities the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee and of the quantity of the goods in question.] [US/J: confiscated][MX: seized] [Aus/NZ/Can: detained or seized] infringing goods, [Aus/NZ/Can/Mor: and in accordance with their domestic laws pertaining to] [Can/NZ/Mor: the privacy of information,] [Aus: the protection of personal information,] the competent authority shall have the authority to inform the right holder [MX: and his licensee] within 30



[Mex: 45] days<sup>17</sup> of [US/J: confiscation][Aus/NZ/Can: such detention or seizure], or at an earlier time, the names and addresses of the consignor, importer, exporter, or consignee, and provide to the right holder a description of the goods, [Sing: and] the quantity of the goods [Sing: in accordance with its domestic laws pertaining to the privacy or confidentiality or information. The competent authority may, in addition, provide the name and addresses of exporter] and if known, the country of origin and name and addresses of producers of the goods.

[EU: Move this article after the Article 2.9]

[Sing: Delete "confiscated infringing goods, the competent authority shall inform the right holder within 30 days of confiscation, or at an earlier time, of the names and addresses of the consignor, importer, exporter, or consignee, and provide to the right holder a description of the goods, the quantity of the goods, and, if known, the country of origin and name and addresses of producers of the goods."]

[MX: It is suggested to review the scope of Article 2.13 in conformance with Mexico's Federal Law on Transparency and Access to Governmental Public Information since through this provision, information would be submitted that could include personal data. All information within the Tax Administration (SAT) is reserved per Article 69 of the Fiscal Federal Code]

[Can/NZ/Sing/EU: Article XX: EU: Liability of the Competent Authorities

1. The acceptance of an application shall not entitle the right-holder to compensation in the event that goods infringing an intellectual property right are not detected by {Sing: competent authorities} a customs office and are released or no action is taken to detain them.

2. The competent authorities shall not be liable towards the persons involved in the situations referred to in Article 2.6 for damages suffered by them as a result of the authority's intervention, except where provided for by the law of the Party in which the application is made or in which the loss or damage is incurred.]

[Article XX: Kor: Information Exchange between Customs Authorities

If the customs authority of an importing party seizes counterfeit trademark goods or pirated goods to be imported, the party may request the customs authority of the exporting party to take proper measures to the exporters of the goods concerned. The requesting party shall provide information necessary for the identification of the goods concerned by the customs authority of the requested party.]

[JP: Including "in accordance with national legislations and relevant international agreements/arrangements"]

<sup>17</sup> For purposes of this Article, "days" shall mean "business days."

[US: This article may be more appropriate in the International Cooperation Section or Enforcement Practices Section]

[MX: This provision is more suitable in International Cooperation.]

### Section 3: Criminal Enforcement

[Can: Reserves the right to provide substantive comments on Option EU proposed for this chapter when the text is next discussed]

#### ARTICLE 2.14: CRIMINAL OFFENSES

1. Each Party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting [J/NZ, {NZ: and} trademark infringement caused by confusingly similar trademark goods] or copyright or related rights piracy on a commercial scale.<sup>12</sup> Willful copyright or related rights piracy on a commercial scale includes:]

[EU: Article 1. OFFENCES/CRIMINAL INFRINGEMENTS  
1a. TRADEMARK COUNTERFEITING, COPYRIGHT AND RELATED RIGHTS  
PIRACY ON A COMMERCIAL SCALE

Each Party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting and copyright or related rights piracy(1) on a commercial scale. (1) Negotiator's note: The term "related rights" is defined by each Party in accordance with its international obligations.]

[AUS, MX, CAN: Reference to "confusingly similar trademark goods" throughout this Section should be deleted.]

[CH: As a general rule, footnotes including substantial text (i.e., 1, 4 and 5) should be incorporated into the regular text.]

[CAN: Definition of "related rights" should be provided in Chapter One, Section B: "General Definitions".

- Reserves the right to further comment on 2.14.1, including on (a) (b), from "Willful copyright and related rights piracy on a commercial scale includes..." to "private financial gain", and

<sup>12</sup> Each Party shall treat willful importation or exportation of counterfeit trademark goods [], confusingly similar trademark goods] or [US/J: pirated copyright goods] [AUS: pirated-copyright] [], in accordance with its laws and regulations, as unlawful activities subject to criminal penalties under this Article. A Party may comply with its obligation relating to exportation of pirated copyright goods through its measures concerning distribution.

[ECW/CAC: Option 1, "in accordance with its laws and regulations" should be deleted.]

[AUS: The application of the last sentence of footnote 1 should not be limited just to pirated copyright goods.]

[CAJ: ]

- Insert phrase "on a commercial scale" after "Each Party shall treat willful importation"
- Delete "or exportation".
- Delete Option US/J sentence beginning with: "A Party may comply..."

[NZ: Delete "exportation"]

Negotiator's Note: Definitions of "counterfeit trademark goods" and "pirated copyright goods" provided for in footnotes 12 and 13 of Section 2 (Border Measures) should be used as context for this Section.

entire footnote 2.)

[MX: Delete "confusingly similar trademark goods"; define "commercial scale" within the text]

- (a) significant willful copyright or related rights infringements that have no direct or indirect motivation of financial gain; and

[MX: The concept "financial gain" should include "financial loss", i.e., money which right holders would be deprived of as a result of illegal activities.

The term "commercial advantage or private financial gain" should be defined.]

- (b) willful copyright or related rights infringements for purposes of commercial advantage of [US/J: private] [Aus/NZ: private] financial gain.<sup>19</sup>

2.

#### Option 1

[J/MX: Each Party shall provide for criminal procedures and penalties to be applied in cases of willful importation and domestic {J: trafficking} {EU/CAN: use in the course of trade} conducted on a commercial scale of labels, to which a mark, which is identical to or cannot be distinguished in its essential aspects from a trademark registered in a Party in respect of certain goods or services, {J: or which is confusingly similar to such a trademark} [MX: or which is confusingly similar to such a trademark], has been applied, and which are intended to be used on either the goods or services for which such trademark is registered {J: or goods or services confusingly similar to such goods or services} [MX: or goods or services confusingly similar to such goods or services].]

[MOR:

- insert the footnote: "The concept of trafficking shall be interpreted to include distribution within the territories of a Party, exportation and importation."

- reflect "packaging" in Option 1.]

[KOR:

- insert the footnote: "A Party may comply with the obligation regarding exportation under this Article through its provisions concerning distribution."

- the difference between "confusingly similar trademark" and "mark which cannot be distinguished" needs to be further clarified.]

[AUS: Concern that the scope of "trafficking" is proposed to include imports.]

[CAN, MEX: Support Option 1, with the deletion of "confusingly similar to such a trademark" and "or goods or services confusingly similar to such goods or services."]

[NZ: Adopt Option 1.]

[MX: It is suggested to include acts such as "transportation, distribution, commercialization"

It is suggested to consider the inclusion of new materials, inputs and all other elements that are used for the reproduction of copyright piracy.

Taking into consideration that "willfulness" is a basic requisite in order to impose sanctions for crimes, it is suggested to define terms such as "commercial scale", "financial gain", "significant willfulness...", "no direct or indirect motivation of financial gain", "commercial advantage", "private financial gain", among others.]

#### Option 2

<sup>19</sup> For purposes of this [Agreement], financial gain includes the receipt or expectation of receipt of anything of value.

[EU: 1b. TRAFFICKING/IMPORTATION AND DOMESTIC USE IN THE COURSE OF TRADE OF/ IN COUNTERFEIT/ ILLICIT LABELS

Each Party shall provide for criminal procedures and penalties to be applied in cases of willful importation and domestic use in the course of trade on a commercial scale of labels,

(i) to which a mark has been applied [CAN: without consent of the right holder], which is identical to or cannot be distinguished from a trademark registered in its territory, and

(ii) which are intended to be used on either the goods or [services] which are identical to goods or [services] for which the trademark is registered. ]

**OPTION 3**

[US: Each Party shall provide for criminal procedures and penalties to be applied, even absent willful trademark counterfeiting or copyright or related rights piracy, at least in cases of knowing trafficking in:

- (a) counterfeit labels affixed to, enclosing, or accompanying, or designed to be affixed to, enclose, or accompany the following:
  - (i) a phonogram,
  - (ii) a copy of a computer program or other literary work,
  - (iii) a copy of a motion picture or other audiovisual work,
  - (iv) documentation or packaging for such items; and
- (b) counterfeit documentation or packaging for items of the type described in subparagraph (a); and
- (c) illicit labels<sup>3</sup> affixed to, enclosing, or accompanying, or designed to be affixed to, enclose, or accompany items of the type described in subparagraph (a). ]

[AUS: Concerns that (i) the focus is on copyright even though the measures relate to "counterfeit labels", (ii) reference to "counterfeit documentation" is not expressed in reference to copyright piracy or trademark counterfeiting, (iii) "illicit labels" are included and (iv) the scope of "trafficking" is not defined and may include imports and exports.]

[CH: Agrees that this relate to an infringement, such as the pure trafficking of counterfeit labels, should not be punishable.]

[MX: Why are trademarks not protected under Option US.]

[CAN: Delete Option US, including footnote 3.]

[NZ: Delete Option US and footnote 3.]

3. Each Party shall provide for criminal procedures and penalties to be applied [J: in accordance with its laws and regulations,] against any person who, without authorization of the holder of copyright or related rights in a motion picture or other audiovisual work,

<sup>3</sup> For purposes of this Section, the term illicit label shall mean a genuine certificate, licensing document, registration card, or similar labeling component that is used by the right holder to verify that an item described in subparagraph (a) is not counterfeit or infringing of any copyright, and that is, without the authorization of the copyright owner, distributed or intended for distribution not in connection with the copy, phonorecord, or work of visual art to which such labeling component was intended to be affixed by the respective right holder.

knowingly [US: uses an audiovisual recording device to transmit or make] [J: makes] a copy of [J:, or transmits to the public] the motion picture or other audiovisual work, or any part thereof, from a performance of the motion picture or other audiovisual work in a motion picture exhibition facility open to the public.

[AUS, CH, NZ: This Article should be deleted.]

[MX: The term "knowingly" should be deleted, and the term "transmit" should be clarified

- It is sufficient to sanction the fact that a person copies a motion picture or any other audiovisual work without authorization of the holder with financial gain notwithstanding specific circumstances such as the way or place (motion picture exhibition facility open to the public).
- It is suggested to delete the wording "knowingly" since any copy or reproduction of an audiovisual work without authorization of the holder and financial gain ~~HAS TO BE~~ a willful act.]

[CAN:

- Delete US, "uses an audiovisual recording device to transmit or make"
- Delete J "transmits to the public".
- Replace "motion picture or other audiovisual work, knowingly" with "cinematographic work"
- Reflect the authorization of theatre manager
- Delete "or related rights"]

[EU: This article is still under examination.]

#### ARTICLE 2.15: CRIMINAL LIABILITY AND PENALTIES

Further to Article 2.14.1, each Party shall provide penalties [Can: available] that include sentences of imprisonment as well as monetary fines sufficiently high to provide a deterrent to future acts of infringement, consistent with a policy of removing the monetary incentive of the infringer.<sup>204</sup>

#### [EU: ARTICLE 2. LIABILITY, PENALTIES AND SANCTIONS

##### 1a. LIABILITY OF LEGAL PERSONS

- (i) Each Party shall adopt such measures as may be necessary, consistent with its legal principles, to establish the liability of legal persons for the offences referred to in Article 1.
- (ii) Subject to the legal principles of the Party, the liability of legal persons may be criminal or non-criminal.
- (iii) Such liability shall be without prejudice to the criminal liability of the natural persons who have committed the criminal offences.

##### 2b. INCITING, AIDING AND ABETTING

The provisions of this section shall apply to inciting, aiding and abetting the offences referred to in Article 1.

<sup>204</sup> [Option US: Negotiator's Note: Consistent with Article 2.15, a provision will be included in the Enforcement Practices Section of this Agreement providing that each Party shall encourage its competent authorities to impose penalties at levels sufficient to provide a deterrent to future infringements, including imposition of actual terms of imprisonment.] [AUS, CAN: This Negotiator's Note should be deleted.]

## 2c. PENALTIES AND SANCTIONS

(i) For the offences referred to in Article 1, each Party shall provide for effective, proportionate and dissuasive penalties. The available penalties shall include imprisonment and monetary fines. (1)

(1) Negotiator's note: This does not imply an obligation for a Party to provide for the courts a possibility to impose both penalties in parallel.

(ii) For legal persons held liable under Article 2a, each Party shall provide for effective, proportionate and dissuasive sanctions, including monetary sanctions. ]

## OPTION 1 [US/J: ARTICLE 2.16: SEIZURE, FORFEITURE, AND DESTRUCTION

Further to Article 2.14.1, each Party shall provide:

(a) that its [US/J: judicial authorities][MX: competent authorities] shall have the authority to order the seizure of suspected counterfeit trademark goods [J/NZ: confusingly similar trademark goods] or pirated copyright goods, any related materials and implements used in the commission of the alleged offense, any documentary evidence relevant to the alleged offense, and [AUS: at least for serious offenses] any [J: other] assets derived from or obtained, directly or indirectly, through the infringing activity<sup>5</sup>. Each Party shall provide that such orders need not individually identify the items that are subject to seizure, so long as they fall within specified categories in the relevant order.

[MX: How can the authorities demonstrate that such assets result from illegal activities.

- It is suggested to change "judicial authorities" to "competent authorities" since administrative authorities are the ones who order seizure of goods and the final destination of such goods when initiated criminal investigations are not dealt with the judicial authority.
- In the case of Mexico counterfeit pirated or counterfeiting products can not be subject of an auction, therefore, the destruction shall proceed.
- Delete "confusingly similar trademark goods"]

[CH: Last sentence should read "Each Party shall provide that such orders need not describe the items that are subject to seizure in more detail than necessary to allow their unambiguous identification for the purposes of the seizure."]

[MX: 2.16.1(a) and 2.16.1(b) (2.14.2(b) and (c)) should include "competent authorities"

Delete Option 1 "confusingly similar trademark goods".]

[Can: Text should clarify that this paragraph applies to the investigation stage for purposes of evidence gathering.]

(b) [AUS/CAN: at least for serious offenses] that its judicial authorities shall have the authority to order the forfeiture [NZ: to the State] of the assets derived from or obtained, directly or indirectly, through the infringing activity<sup>6</sup>; and

<sup>5</sup> Each Party may provide that its judicial authorities have the authority to order [CAN: fines or] the seizure of assets the value of which corresponds to that of such assets derived from or obtained, directly or indirectly, through the infringing activity.

<sup>6</sup> Each Party may provide that its judicial authorities have the authority to order the forfeiture of assets the value of which corresponds to that of such assets derived from or obtained, directly or indirectly, through the infringing activity.

(c) that its judicial or other competent authorities shall [J/AUS/NZ/CH/CAN: have the authority to] [US: , except in exceptional cases,] order:

- (i) the forfeiture [NZ: to the right holder] and [NZ: and or] destruction of all counterfeit trademark goods [J/NZ: , confusingly similar trademark goods] or pirated copyright goods [US: , and any articles consisting of a counterfeit mark]; and

[MEX: delete Option J "confusingly similar trademark goods"]

- (ii) the forfeiture [NZ: to the right holder or] [J/AUS: and] [US/KOR/CH/CAN: or] destruction of materials and implements that have been [CAN: predominantly] used in the creation of counterfeit trademark goods [J/NZ: , confusingly similar trademark goods] or pirated copyright goods. [Can: In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of the third parties will be taken into account.]

[KOR: It should be clarified Article 2.16 para. (c) does not prejudice the rights of innocent third-party owners.]

[MEX: delete Option J "confusingly similar trademark goods"]

[J/CH: Each Party shall ensure that the counterfeit trademark goods, (J: confusingly similar trademark goods), and pirated copyright goods that have been forfeited under subparagraph(i) shall, if not destroyed in accordance with such subparagraph, be disposed of outside the channels of commerce.]

[CAN, NZ, KOR: Delete Option J/CH.]

Each Party shall further provide that [NZ: any] forfeiture [US/J: and] [NZ: or] destruction under this paragraph shall occur without compensation of any kind to the defendant.]

## OPTION 2 [EU : ARTICLE 3. SEIZURE, FORFEITURE/CONFISCATION AND DESTRUCTION

### 3a. SEIZURE

(j) In case of an offence referred to in Article 1, each Party shall provide that its competent authorities shall have the authority to order the seizure of suspected counterfeit trademark goods or pirated copyright goods, any related materials and implements used in the commission of the alleged offence, documentary evidence relevant to the alleged offence and any assets derived from, or obtained directly or indirectly through the infringing activity.

(ii) Each Party shall, if a prerequisite for such an order, according to its national law, is the identification of the items, ensure that the order need not determine the items that are subject to seizure in more detail than necessary to allow their identification for the purpose of the seizure.

## 3b. FORFEITURE/CONFISCATION and 3c. DESTRUCTION

(l) For the offences referred to in Article 1, each Party shall provide that its competent authorities shall have the authority to order confiscation/forfeiture and/or destruction of all counterfeit trademark goods or pirated copyright goods, of materials and implements

(predominantly) (1) used in the creation of counterfeit trademark goods or pirated copyright goods, of the assets derived from, or obtained directly or indirectly, through the infringing activity.

(i) *The position of the Member States of EU on the inclusion/deletion in the text of this word is still under examination.*

(ii) Each Party shall ensure that the counterfeit trademark goods and pirated copyright goods that have been confiscated/ forfeited under this subparagraph shall, if not destroyed, be disposed of outside the channels of commerce, under the condition that the goods are not dangerous for the health and security of persons.

(iii) Each Party shall further ensure that confiscation/forfeiture and destruction under this subparagraph shall occur without compensation of any kind of the defendant.

(iv) Each Party may provide that its judicial authorities have the authority to order the confiscation/ forfeiture of assets the value of which corresponds to that of such assets derived from or obtained directly or indirectly through the infringing activity.]

ARTICLE 2.17: *Ex Officio* CRIMINAL ENFORCEMENT

Each Party shall provide that its [J/CH/MX/NZ: competent] authorities may act upon their own initiative to initiate [J: investigation][AUS/MX/NZ: investigation or legal action][US/CH: legal action] with respect to the criminal offenses described in [Sections 3 and 4.]

*[CH: Ex Officio action should be limited to "serious" criminal offenses and be effected in accordance with "national laws".]*

*[EU: This Article is still under examination.]*

*[MX: In Article 2.17 related to the ex officio initiation of a criminal investigation, it is important to bear in mind that with regard to Article 233 of the Industrial Property Law, IPR crimes are initiated by request of a party.]*

## [EU: ARTICLE 5. RIGHTS OF THE DEFENDANT AND THIRD PARTIES

Each Party shall ensure that the rights of the defendants and third parties shall be duly protected and guaranteed. ]

## Section 4: Special Measures Related to Technological Enforcement Means and the Internet

[US/AUS : ARTICLE [2.17] (MX: 2.18): ENFORCEMENT PROCEDURES IN THE DIGITAL ENVIRONMENT

[CAN: Expressed concern with disparity between section title and scope of content of



section]

[J: The title should be decided after the completion of the substantive discussion.]

1. Each Party shall ensure that enforcement procedures, to the extent set forth in the civil and criminal enforcement sections of this Agreement, are available under its law so as to permit effective action against an act of [US: trademark, {AUS: infringement}, copyright or related rights][J/EU: intellectual property rights] infringement which takes place [US: by means of the Internet][EU: in the digital environment], including [US: expeditious remedies] [MX: measures] to prevent [US/EU: infringement and remedies which constitute a deterrent {EU:} to further infringement][MX: or deter such infringements.] [EU: Those measures, procedures and remedies shall also be fair and proportionate.]

[CH: Switzerland understands that in Para. 1 the terms "expeditious remedies" refers to the language used in Article 41 of the TRIPS Agreement and that, accordingly, provisional measures (preliminary/interlocutory injunctions) available under national law are considered qualifying as "expeditious remedies" under this provision.]

[CAN: Seeks clarification of the scope of "related rights" (should be consistent with both Criminal and Civil Enforcement Chapters). This holds for all instances of "related rights" in this section.]

[J: Japan supports overall concept of Paragraph 1. However, it should be noted that infringement of intellectual property rights other than trademark, copyright or related rights on the Internet is also a serious problem. Thus, infringement which takes place by means of the Internet should not be limited to that of trademark and copyright or related rights.]

[EU: see identical comment on the draft Chapter 2, Section 1 "Civil Enforcement" and Section 3 "Criminal Enforcement". A suggestion is to move these provisions into Chapter 1, Section A which applies to the whole Agreement. Direct reference to TRIPS might also clarify the scope of these obligations.]

2. Without prejudice to the rights, limitations, exceptions, or defenses to [{J: patent, industrial design, trademark and} {US: copyright or related rights}][EU: intellectual property rights] infringement available under its law, including with respect to the issue of exhaustion of rights, each Party [US: confirms that] [CH: shall provide for] [US/J: civil remedies {J:}][MX: administrative, civil or penal actions], as well as limitations, exceptions, or defenses with respect to the application of such [US: remedies][MX: actions], are available in its legal system in cases of third party liability<sup>28</sup> for [{J: patent, industrial design, trademark and} {US:

<sup>28</sup> [EU: For the purpose of this section, the term deterrent is to be understood in accordance with Parties legal system.]

<sup>29</sup> [J: For the purposes of this paragraph, "civil remedies" shall mean both damages and injunctions or either one of these]

<sup>30</sup> For greater certainty, the Parties understand that third party liability [(US: means){AUS/NZ: may include} liability for any person who authorizes for a direct financial benefit, (US: induces through or by conduct directed to promoting); (CH: induces an) infringement, or knowingly and materially aids any act of (US:

copyright or related rights) ~~[(EU: intellectual property rights) infringement.]~~<sup>24</sup>

[J: Japan basically supports Paragraph 2 but would like to confirm or propose the matters below:

- "civil remedies...are available" will be implemented if a Party at least makes available either damages or injunctions. In other words, a Party is not obliged to make both damages and injunctions available.
- Infringement of rights to patent, industrial design and trademark by third parties is also a serious problem, so Japan proposes a reference to these rights.
- If this paragraph is to be moved to the Civil Enforcement Section, the question on where this provision should be located in the Civil Enforcement Section should be carefully considered since the original US proposal refers to copyright or related rights while the Civil Enforcement Section basically does not limit its scope. ]

3. [US: Each Party recognize that some persons<sup>25</sup> use the services of third parties, including online service providers,<sup>26</sup> for engaging in copyright or related rights infringement. Each Party also recognizes that legal uncertainty with respect to application of (US:

copyright or related rights)]~~[(J: copyright-or-related-rights) infringement by another.]~~ [(EU: refer to the concept of holding other persons other than the actual infringer liable for their involvement in the infringement.)] [US: Further, the Parties also understand that the application of third party liability may include consideration of exceptions or limitations to exclusive rights that are confined to certain special cases that do not conflict with a normal exploitation of the (EU: service or of the product or in the case of copyright of the) work, performance or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder, (US: including fair use, fair dealing, or their equivalents.)] (EU: including fair use, fair dealing, or their equivalents.)] [J: Further, the Parties also understand that the application of third party liability may include consideration of exceptions or limitations to exclusive rights that are confined to certain special cases that do not conflict with a normal exploitation of the work, performance or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder, including fair use, fair dealing, or their equivalents. ]

[CE: Further clarification is requested regarding the practical difference between the two cases of indirectment referred to in this FN with "indirect through or by conduct"? Case examples would be appreciated. Alternatively, Switzerland proposes [as reflected above] to delete this part and to refer to cases of indirectment without any further clarification.]

[CAN: Footnote changes (re-wording of substance in text. Canada seeks clarification of the second part. Sentence beginning "Further..." is redundant with respect to substance of text.)

[J: The first sentence of Footnote (1) is basically acceptable.

The second sentence refers to "three-step test" and Japan understands this rule is important, however, the reference is not appropriate because "three-step test" applies to copyright, while the scope of Paragraph 2 should not be limited to copyright or related rights. In addition, making reference to a specific legislation of a specific country such as "fair use" is inappropriate in this context. ]

<sup>24</sup> Negotiator's Note: This provision is intended to be moved and located in the civil enforcement section. [AUS: reserves its position on this negotiator's note and the placement of the current 2.17.1 until the civil and digital enforcement sections of Chapter Two are nearing completion.]

[EU: supports footnote 23 to move and locate paragraph 2 in the civil enforcement section]

<sup>25</sup> For purposes of this Article, person means a natural person or (US: an enterprise)[(CH/J/EU: a legal person)]

[MX: Person is already defined in Article 1 as a "natural person or juridical person" so this definition is not necessary here]

intellectual property rights) {AUS: copyright and related rights}, limitations, exceptions, and defenses in the digital environment may present barriers to the economic growth of, and opportunities in, electronic commerce. Accordingly, in order to facilitate the continued development of an industry engaged in providing information services online while also ensuring that measures to take adequate and effective action against copyright or related rights infringement are available and reasonable, {MX: in its legal remedies} [EU: (a) In this respect] each Party [US: shall [EU:<sup>27</sup>][CH: may]:

[CH: Switzerland considers that a mandatory provision ("shall") providing for limitations of liability for ISP could reduce the substantive level of protection granted by the current national legislation (and actually as it is today provided in the Swiss legislation). The proposed alternative wording thus enables Parties to provide for such limitations, without obliging them to do so.]

[NZ: The second and third sentences of Article 2.17.3 use preambular language which would be more appropriate in the agreement's initial provisions.]

In the third sentence of Article 2.17.3 the words "*in order to facilitate the continued development of an industry engaging in providing information services online*" provide an interpretive gloss on Article 2.17.3 which appears to go beyond the general aim of ACTA to provide a framework for the enforcement of intellectual property rights.]

[J: It is worth considering moving 1<sup>st</sup> and 2<sup>nd</sup> sentences of paragraph 3 to the preamble of the Agreement or a political declaration to be made on concluding ACTA.]

[EU: delete and move the second and third sentences to Chapter 1 Section A.]

- (a) provide limitations<sup>28</sup> on the [US: scope of civil remedies available against an][EU: on the liability of] online service provider[EU:s] for infringing activities that occur by

<sup>28</sup> For purposes of this Article, **online service provider** and **provider** mean a provider of online services or network access, or the operator of facilities therefore, and includes an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received.

[CAN: Examining scope of "modification".]

[NZ: It is unclear whether the definition of "online service provider" includes a person who hosts material on websites or other electronic retrieval systems that can be accessed by a user.]

[J: Japan needs to consider further whether this footnote is acceptable.]

<sup>27</sup> EU: The activities covered in paragraph 3(a)(i) cover the mere conduit and the activities covered in paragraph 3(a)(ii) cover respectively caching and hosting in accordance with parties legal systems.]

<sup>28</sup> For greater certainty, the Parties understand that the failure of an online service provider's conduct to qualify for a limitation of liability under its measures implementing this provision shall not bear adversely upon the consideration of a defense by the [US: service provider][J: provider] that the [US: service][J: service] provider's conduct is not infringing or any other defense.

- (i) automatic technical processes, [US: and][EU: or]  
[MX: Define automatic technical processes]
- (ii) the actions of the provider's users that are [US: not directed or] [EU: not-directed] initiated [EU: nor modified] by that provider and when the provider does not select the material, [US: and][EU: or]
- (iii) [US: the provider referring or linking users to an online location,]  
[EU: the storage of information provided by the recipient of the service or at the request of the recipient of the service,]

when, in cases of subparagraphs (ii) and (iii), the provider does not have actual knowledge of the infringement and is not aware of facts or circumstances from which infringing activity is apparent; and

[EU: when exercising the activities as stipulated in paragraph 3(a)(ii) and/or (iii) the online service providers act expeditiously, in accordance with applicable law, to remove or disable access to infringing material or infringing activity upon obtaining actual knowledge of the infringement or the fact that the information at the initial source has been removed or disabled.]

[NZ: re: Paragraph (a)(iii): We understand this provision covers information location tools such as search engines. It is not clear how the provision or use of information location tools breaches copyright, or why third party liability should arise for the provision of such tools. We would welcome further explanation on the need to provide such a safe harbour.]

**OPTION 1 [US:**

- (b) condition the application of the provisions of subparagraph (a) on meeting the following requirements:

- (i) an online service provider adopting and reasonably implementing a policy<sup>28</sup> to address the unauthorized storage or transmission of materials protected by copyright or related rights [US: except that no Party may condition the limitations in subparagraph (a) on the online service provider's monitoring its services or affirmatively seeking facts indicating that infringing activity is occurring][J: ~~except that no Party may condition the limitations in subparagraph (a) on the online service provider's monitoring its services or affirmatively seeking facts indicating that infringing activity is occurring~~]; and

[NZ: New Zealand does not support the inclusion of this condition. New Zealand can, however, support the inclusion of a provision aimed at preventing a party to ACTA conditioning safe harbours on an online service provider "monitoring its services or affirmatively seeking facts indicating that infringing activity is occurring" ]

<sup>28</sup> An example of such a policy is providing for the termination in appropriate circumstances of subscriptions [US: and][AUS:or] accounts on the service provider's system or network of repeat infringers.

[J: The present legislation of Japan does not require an ISP to adopt and implement a "policy," so Japan is now examining how to adjust Footnote (6) to Japanese legislation or vice versa. ]

- (ii) an online service provider expeditiously removing or disabling access to material or [US: activity][MX: alleged infringement], upon receipt [US: of legally sufficient notice of alleged infringement,][MX: of an order from a competent authority] and in the absence of a legally sufficient response from the relevant subscriber of the online service provider indicating that the notice was the result of mistake or misidentification.

except that the provisions of (ii) shall not be applied to the extent that the online service provider is acting solely as a conduit for transmissions through its system or network.]

[CAN: Relationship is unclear between 2.17.2 (third party liability) and 2.17.3 (ISP limitation on liability). Seek clarification if paragraph 3 structure preserved on infringement of ISPs.]

#### Option 2: [EU

Paragraph 3(a) shall not affect the possibility for a judicial or administrative authority, in accordance with the Parties legal system, requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility of the parties establishing procedures governing the removal or disabling of access to information

When providers are acting accordance with this paragraph 3, the Parties shall not impose a general monitoring requirement.]

#### Option 3

[J: c) if a Party does not adopt the measures under subparagraphs (a) and (b), such Party shall ensure that civil remedies to compensate for damages are available against an online service provider who does not take appropriate measures such as removing or disabling access to material or activity to prevent copyright or related rights infringement initiated by its users only when:

- (i) it is technically possible to take measures for preventing the infringement, and
- (ii) the provider knows or there is a reasonable ground to know that the infringement is occurring.

3 bis. Each Party shall not impose general obligation on online service providers to regularly monitor its service or affirmatively seek facts indicating infringing activity on a daily basis in order to claim the application of the provision on limitations described in paragraph 3(a) or (b).

3 ter. Each Party shall enable right holders, who have given effective notification to an online service provider of materials that they claim with valid reasons to be infringing their copyright or related rights, to expeditiously obtain from that provider information on the identity of the relevant subscriber.

3 quater. Each Party shall promote the development of mutually supportive relationships

between online service providers and right holders to deal effectively with patent, industrial design, trademark and copyright or related rights infringement which takes place by means of the Internet, including the encouragement of establishing guidelines for the actions which should be taken.]]

[J: The current paragraph 3 proposed by the US is not consistent with Japanese legislation. Provisional texts shown here are still under examination.

Further, the ISP Act of Japan provides the limitation on the scope of the ISPs' liability under certain circumstances but the Act limits the scope of civil damages only. That is, the ISP Act mentions nothing about availability of the injunction against an ISP and the courts decide whether the injunction order should be issued on case by case basis.

The ISP Act of Japan does not categorize ISPs into "conduit," "hosting," "caching" or others. In addition, the Act denies civil liabilities for ISPs under the following conditions.

- (a) it is technically impossible for an ISP to take measures for preventing the transmission of information; or
- (b) an ISP does not know and does not have a reasonable ground to know that infringing activity is occurring.

Meeting the conditions described in subparagraphs (b)(i) and (b)(ii) of US proposal are not required under the ISP Act of Japan. However, adopting and reasonably implementing a policy or removing material upon receipt of notice may be taken into consideration when courts decide whether condition (a) or (b) above is met. Therefore, there is a difference between the structure of the present ACTA draft and the ISP Act of Japan. Thus, Japan indicates a revision to paragraph 3. The blue sentences are added or modified by Japan to show clearly the difference between present ACTA draft and the ISP Act of Japan.

Japan would like to clarify whether providing stricter conditions for the limitations of ISP in the Party's national law, compared to the conditions provided in the present ACTA text, will be regarded as a proper implementation of this paragraph or not.]

#### **Option 1**

4. [US: In implementing Article 11 of the *WIPO Copyright Treaty* and Article 18 of the *WIPO Performances and Phonograms Treaty* regarding] [~~CAN/J/E: In implementing Article 11 of the *WIPO Copyright Treaty* and Article 18 of the *WIPO Performances and Phonograms Treaty* regarding~~] [AUS: In order to provide][EU: Each Party shall provide] adequate legal protection [US: and effective legal remedies][~~EU: and effective legal remedies~~] against the circumvention of effective technological measures that are used by authors, performers or producers of phonograms [~~CH: or any other copyright owner or owner of an exclusive license~~] in connection with the exercise of their rights and that restrict unauthorized acts in respect of their works, performances, and phonograms, [US: each Party shall provide for civil remedies, as well as criminal penalties] [EU: each Party shall provide for civil remedies, as well as criminal penalties] in appropriate cases of willful conduct [EU:<sup>30</sup>], that apply to:

<sup>30</sup> [EU: For the purpose of this Article, willful conduct means actual knowledge or reasonable grounds to know that he or she is pursuing the objective of circumventing any effective technological measure.]

- (a) the unauthorized circumvention of an effective technological measure<sup>30</sup> [US: that controls access to a protected work, performance, or phonogram] [EU: that controls access to a protected work, performance, or phonogram]; and
- (b) the manufacture, importation, or circulation of a technology, service, device, product, component, or part thereof, that is: marketed or primarily designed or produced for the purpose of circumventing an effective technological measure, or that has only a limited commercially significant purpose or use other than circumventing an effective technological measure.

[EU: 4.2 Each Party may provide for measures which would safeguard the benefit of certain exceptions and limitations to copyright and related rights, in accordance with its legislation.]

[CH: Swiss proposal reflects a desire by Switzerland to apply para 4 to derivative rights.]

## OPTION 2

[J:

4. Each Party shall provide for civil remedies that apply to:

- (a) the importation, assignment, delivery of (i) a device (including a machine incorporating such device) or, (ii) data storage media or a machine on which a program having sole function of circumventing an effective technological measure is stored; or
- (b) the provision through an electric telecommunication line, of a program having sole function of circumventing an effective technological measure.]

[J: Japan understands that the WIPO treaties do not require the Parties to implement the restriction on circumvention of access control. Thus, making reference to the WIPO treaties is inappropriate.

The Copyright Act and the Unfair Competition Prevention Act of Japan restrict circumvention of effective technological measures under certain conditions (The Copyright Act does not restrict circumvention of access control).

However, these Laws do NOT provide:

- a restriction on circumvention of access control itself,
- a restriction on manufacture, importation and circulation of a technology for circumvention of access control,
- a restriction on importation or circulation of services for circumvention of access control,
- a restriction on manufacture of devices for circumvention of access control, and
- criminal penalties for circumvention of access control or any related acts, such as

<sup>30</sup> For the purposes of this Article, effective technological measure means any technology, device, or component that, in the normal course of its operation, [US: controls access to a protected work, performance, phonogram, or protects any copyright or any rights related to copyrights.] [EU: is controlled by the right holders through application of an access control or protection process such as encryption, scrambling, or other transformation of their works, performances or phonograms, or a copy control mechanism, which achieves the protection objective.]

[J: Japan needs to consider further whether footnote [31] is acceptable.]

manufacturing of or trafficking in devices for circumvention of access control. Therefore, Japan is now examining how to fix the difference between its legislation and present ACTA draft, with due regard to maintaining a balance between the rights of authors and the larger public interest, e.g. education, research, and cannot provide definitive comments on Paragraph 4 at this time. Japan reserves the right to make further comments on Paragraph 4.

Japan would like to know from the US or other countries which adopt a restriction on circumvention of access control, the concrete example and data and background of the legislation. That is, amount of harm by circumvention of access control, how effective the legal remedy against the circumvention of access control was (e.g. shrinkage of harm, number of litigation cases, what kind of major actions were ceased in terms of copyright protection perspective.) ]

[5. Each Party shall provide [US: that a ] [EU: adequate legal protection against a ] violation of a measure implementing paragraph (4) [US: is a separate civil or criminal offense,] [EU: is a separate civil or criminal offense,] independent of any infringement of copyright or related rights.<sup>22</sup> Further, [US: each Party may adopt exceptions and limitations to measures implementing {US: subparagraph (4)} {J: paragraph 4} so long as they do not significantly impair the adequacy of legal protection of those measures or the effectiveness of legal remedies for violations of those measures.] [EU: each Party may provide for measures which would safeguard the benefit of certain exceptions and limitations to copyright and related rights, in accordance with its legislation.]<sup>23</sup>

[CH: Switzerland understands that Para 5 does not require any party to ACTA to establish specific exceptions and limitations to such measures. Since these measures are used by authors in "connection with the exercise of their copyrights", Switzerland provides only for one set of exceptions and limitations that provide an exemption from any liability arising from criminal prosecution or civil action under copyright as well as under the protection of such measures.]

[NZ: The paragraphs refer to "adequate legal protection" as well as remedies, which is inconsistent the objective of ACTA to establish standards for the enforcement of intellectual

<sup>22</sup>[US: The] [EU: In accordance with the applicable national legislation, the] obligations in paragraphs (4) and (5) [US: are] [EU: may be] without prejudice to the rights, limitations, exceptions, or defenses to copyright or related rights infringement. Further, [US: in implementing paragraph (4), no Party may] [EU: paragraph (4) does not imply any obligation to] require that the design of, or the design and selection of parts and components for, a consumer electronics, telecommunications, or computing product provide for a response to any particular technological measure, so long as the product does not otherwise violate any measures implementing paragraph (4).

[CAN: clarification of relationship of exceptions to access control measures.]

[J: Japan reserves its position on Footnote (8) because the acceptability of this Footnote depends on the scope of Paragraph 4. The current legislation of Japan does not mandate devices to respond to any particular technological measure.]

<sup>23</sup> Negotiator's Note: This provision is subject to broader government action/sovereign immunity provision elsewhere in the Agreement.



property rights and the ACTA discussion paper. In particular, we note that the discussion paper only refers to parties providing "remedies against circumvention of technological protection measures used by copyright owners and the trafficking of circumvention devices."

New Zealand does not support protection being mandated against circumvention of TPMs where the underlying work is not protected by copyright. In particular, we do not support protection against circumvention of access control TPMs because access control is not an exclusive right given to copyright owners.]

[J: Japan accepts the concept of the first sentence of Paragraph 5, which provides that the liability for the infringement of copyright or related rights and the circumvention of effective technological measures are separate from and independent of each other.

Japan reserves its position on the second sentence, especially the phrases following "so long as" since we would like to examine those phrases in connection with Paragraph 4.]

[EU: delete paragraph 5 because the first sentence is not necessary as we have adequate legal protection in paragraph 4 and the second sentence is merged into the second sentence of the new paragraph 4.2]

6. [US: In implementing Article 12 of the WIPO Copyright Treaty and Article 19 of the WIPO Performances and Phonograms Treaty on providing] [CAN: ~~In implementing Article 12 of the WIPO Copyright Treaty and Article 19 of the WIPO Performances and Phonograms Treaty regarding~~] [AUS: In order to provide] adequate and effective legal remedies to protect [J: electronic] rights management information, [EU: ~~In implementing Article 12 of the WIPO Copyright Treaty and Article 19 of the WIPO Performances and Phonograms Treaty on providing adequate and effective legal remedies to protect rights management information~~] each Party shall provide [US: for civil remedies, as well as criminal penalties][EU: adequate legal protection to protect electronic rights management information] in appropriate cases of willful [EU:<sup>35</sup>] conduct, that apply to any person performing any of the following acts knowing [J: or with respect to civil remedies having reasonable grounds to know] that it will induce, enable, facilitate, or conceal an infringement of any copyright or related right [J: covered by the treaties above]:

- (a) to remove or alter any [AUS/J/EU: electronic] right management information<sup>35</sup>
- (b) to distribute, import for distribution, broadcast, communicate, or make available to the public [J: without authority], copies of works, performances, or phonograms,

<sup>35</sup> [EU: For the purpose of this Article, willful conduct means knowingly performing without authority any of the following acts listed under subparagraph 6 (a) or (b), 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 rights related to copyright.]

<sup>36</sup> For purposes of this Article, [J: electronic] rights management information means:  
 (a) information that identifies a work, performance, or phonogram; the author of the work, the performer of the performance, or the producer of the phonogram; or the owner of any right in the work, performance, or phonogram;  
 (b) information about the terms and conditions of the use of the work, performance, or phonogram; or  
 (c) any numbers or codes that represent such information,

when any of these items is attached to a copy of the work, performance, or phonogram or appears in connection with the communicator or making available of a work, performance, or phonogram to the public.

knowing that [AUS/J/EU: electronic]rights management information has been removed or altered without authority.

[EU: 6.2 Each Party may adopt appropriate exceptions to the requirements of subparagraphs (a) and (b)]

[J: The word "electronic" should be inserted before "rights management information" in paragraph 6 because WIPO treaties explicitly confine the Contracting party's obligations concerning RMI to providing the remedies against removing or altering electronic RMI, and other acts with the knowledge of such removing and altering.

It should be noted that Article 12 of the WCT and Article 19 of the WPPT stipulates "Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that will induce, enable...infringement..." Thus, the expression of this provision should be examined again in civil remedies context.

The word "without authority" should be inserted as it is in the WCT and the WPPT. ]

[7. Each Party may adopt appropriate limitations or exceptions to the requirements of subparagraphs (a) and (b) of paragraph (6) [J: so long as they do not significantly impair the adequacy of legal protection or effectiveness of legal remedies against the acts of provided in that paragraph.]

[NZ: New Zealand does not support the protection of RMIs extending to information that identifies a performance, the performer of the performance, the owner of any right in the performance, or the producer of a photograph.]

[J: The brackets in paragraph 7 intends to confirm that exceptions to the requirements regarding electronic RMI are permissible but they should not impair the adequacy of the restrictions stipulated in paragraph 6.]

[EU: merge paragraph 7 with paragraph 6, in the same line as we did for paragraphs 4 and 5.]

### CHAPTER THREE INTERNATIONAL COOPERATION

[MX: This chapter establishes information exchange and in one of the written proposals (paragraph 4), it is stipulated that for ACTA's objectives it would not be needed the submission of "reserved information". It is suggested to consider and precise the kind of information that will be exchanged as well as the mechanisms to be used for the submission of it.]

#### Article 3.1: International Enforcement Cooperation

1. Each Party recognizes that international [J:enforcement] [CAN: enforcement] cooperation [US/J/Can: is vital {US/J: to realize {J: fully} {US: fully}- effective protection of intellectual property rights) (CAN: in order to deal with the increasingly global problem of

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#### JAPAN - U.S. JOINT PROPOSAL

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the trade in counterfeit and pirated goods)] [~~Sing: plays an important role in the protection of copyright and trademark rights~~]and should be [J: undertaken] [US: encouraged] regardless of the origin of the infringing goods or the location [US: or nationality] of the right holder [J: of the intellectual property rights][~~CAN: of the intellectual property rights~~].

2. In order to combat [J: intellectual property right infringement, in particular,] [~~Sing: intellectual property right infringement, in particular, ] trademark counterfeiting and copyright piracy, [EU: in particular, trademark counterfeiting and copyright piracy] each Party shall promote [Sing: shall promote may, as it deems appropriate, ] cooperation [CAN: measures, where appropriate,] among the [NZ: relevant] competent authorities of the Parties [J: concerned with] [AUS/CH/US/MOR: responsible for] enforcement of intellectual property rights [Sing: concerned with enforcement of intellectual property rights]. Such [J: cooperation includes][~~Sing/CAN: measures may include~~] [EU: cooperation shall include] [US: may include] law enforcement cooperation with respect to criminal investigation or prosecution [J: concerning] [CAN: relating to] the offences covered by this Agreement and [J: border measures] [CAN: cooperation at the border], [J: which may be conducted bilaterally or multilaterally] [US: which may be conducted bilaterally or multilaterally]. [EU: Particular attention shall be devoted to the circulation of IPR infringing goods detrimental to the health and safety.]~~

3. Each Party [J: shall][US: may], consistent with the [J: existing][AUS/CH/US/MOR: existing] [US: domestic law and policy and the] [J: international agreements and arrangements to which such Party is a party] [EU: consistent with the existing international agreements and arrangements to which such Party is a party, ] [J: conduct][CAN: undertake] enforcement cooperation [EU: foreseen] [US: activities as provided] [AUS: international cooperation as set out ] in this Chapter [EU: in line with the international agreements and arrangements to which such Party is a party.] [US: Each Party may also conduct enforcement cooperation or provide assistance to another Party pursuant to other international agreements, arrangements, and practices, and in accordance with its domestic law and policies.]

[EU: 4. Nothing in this Chapter and Chapter 4 shall require any Party to disclose confidential information which would be contrary to its laws, regulations, policies, legal practices and applicable international agreements and arrangements, including laws protecting investigative techniques, right of privacy or confidential information for law enforcement, or otherwise be contrary to public interest, or would prejudice the legitimate commercial interests of particular enterprises, public or private.]

[US: 4. The Parties understand that obligations under this Chapter and Chapter 4 are subject to the domestic laws, policies, resource allocation and law enforcement priorities of each Party.]

#### Article 3.2: Information Sharing

1. [J: In order to ensure effective enforcement of the provisions of this Agreement,] [US/CAN: In order to ensure effective enforcement of the provisions of this Agreement,] each Party [(J: shall) (US: may) promote sharing or exchanging] [Sing: may, as it deems appropriate, share or exchange ] with other Parties [J: of the following information ][Sing: of the following information][EU: as appropriate and mutually agreed]:

- (a) information collected by the Party under provisions of Chapter 4, including statistical data and information on best practices including those relating to [J: risk analysis] [US: risk management]; and
- (b) information on [CAN: the] development [MOR: and implementation] of legislative and regulatory measures [J: of the] [CAN: by the] Party [US: related to the protection and enforcement of intellectual property rights].

[Sing: Delete subparagraph (b).]

For this purpose, the Parties shall endeavour to establish appropriate modalities including holding of periodical meetings.

[Mor: Parties shall endeavor to establish an observatory as a tool for collecting information]

[AUS/NZ/US: Delete this sentence.]

[NZ: It is preference for this article to be developed into a separate general "Transparency" provision within ACTA that would apply "horizontally" across the Agreement, rather than having transparency obligations peppered throughout individual chapters.]

2. Each Party shall ensure, as appropriate and mutually agreed, [J: within the limits of (Sing: its) national legislation][US: consistent with its domestic laws], policies, [J: legal] [US: legal] practices, and applicable [J: existing][AUS/US: existing] international agreements and arrangements. [EU: within the limits of national legislation, policies, legal practices, and applicable existing international agreements and arrangements] that its competent authorities have the [J: ability] [US: authority] to provide the competent authorities of any other [J: Parties][US: Party], either on request or on its own initiative, with information [(J: necessary to ensure) (NZ: to facilitate) (EU: to allow) a proper application of laws] [US: necessary to ensure proper application of laws] concerning [CAN: application of laws concerning] enforcement of intellectual property rights and to prevent, investigate, [J: and repress acts of intellectual property right infringements][US: or prosecute infringement of Intellectual property rights] [AUS: related to the enforcement of intellectual property rights] [CAN: and to prevent, investigate, and repress acts of intellectual property right infringements].

[NZ: NZ has reserved its position on this Article until the nature/scope of the obligations in Article 3.3.1 have been clarified.]

### Article 3.3: Capacity Building and Technical Assistance

1. [EU: In order to facilitate the implementation of this Agreement or the accession thereto,] [J: Developed country] [AUS: Developed-country] Parties shall [AUS/CAN/CH/NZ/US: endeavour to] provide, on request and on mutually agreed terms and conditions, assistance in capacity building and technical assistance [J: in improving enforcement of intellectual property rights,] [CAN: focused on initiatives to combat the trade in counterfeit and pirated goods] in favour of developing country Parties to this Agreement and [US: , where appropriate,] [J: for third countries] [NZ: and for third countries]; [US: for third countries] for

countries not a Party to this Agreement.] [EU: Parties shall make all reasonable efforts to ensure that such capacity building and technical assistance are compatible and do not overlap with similar activities provided by international organizations active in the field of intellectual property.] [Sing: The provision of assistance under this Article and Articles 3.3.2 and 3.3.3 is subject to the availability of resources on the part of the donor Party.]

2. For the purpose of paragraph 1, [J: developed country] [AUS: developed-country] Parties shall [Sing: , at the request of developing country Parties and on mutually agreed terms and conditions, ] work closely with [J: developing country] [AUS: other] Parties [US: and, where appropriate, countries not a Party to this Agreement or separate customs territories,] [J: to enact] [EU: implement and to ] or strengthen their [J: domestic] [US: national] legislation, as appropriate, and [CAN: enact-or-strengthen-their-domestic-legislation,-as-appropriate, and ] assist them in improving their national intellectual property law enforcement capacities through sharing best practices concerning intellectual property law enforcement and providing relevant technical training for enforcement officials.

[NZ: NZ has reserved its position on this Article until the nature/scope of the obligations in Article 3.3.1 have been clarified.]

3. [[J: Developed country] {AUS/EU: Developed-country} {MX: Developed and developing country} Parties] [US: Each Party] may undertake the obligations under this Article in conjunction with relevant private sector or international organizations.

[Mor: 4. Parties shall put in place a special allocation Fund to finance ACTA initiatives on capacity building and technical assistance]

[Mor: Parties shall, in the implementation and administration of this Agreement, take into account developing countries needs in the field of financing and technical assistance. In this respect, States Parties to the Agreement agree:

(a) To support, developing countries efforts, for the implementation of the Agreement and the integration of anti-counterfeiting and anti-hacking actions in national development strategies. This assistance shall be designed to help developing countries to harmonize their laws, to carry out their obligations and to exercise their rights as Members.

(b) To ensure predictable and sustainable financing.

(c) To promote coordination of technical assistance activities with the bilateral donors, WTO Secretariat, WIPO as well as with other relevant international intergovernmental institutions.

(d) States Parties shall review annually the implementation of this Article].

[Mor: 5. State parties shall endeavour to provide technical assistance in the following areas:

(a) Promoting the culture of intellectual property.

- (b) Training professionals in charge of the protection of the rightholders involved in the protection of intellectual Property.
- (c) Capacity building and experience sharing among institutions in charge of fighting counterfeiting and piracy.
- (d) Tools for measuring the economic impact of counterfeiting on the market and evaluating the anti counterfeiting and anti-hacking actions.
- (e) Conducting joint operations at the regional and international levels.
- (f) Enforcement of laws regarding fighting counterfeiting and piracy through the Internet.

Technical assistance shall be extended to all other types of actions facilitating the implementation and the applicability of the ACTA Agreement].

#### CHAPTER FOUR ENFORCEMENT PRACTICES

##### Article 4.1: Enforcement Expertise, Information and Domestic Coordination

1. Each Party shall [(J:facilitate) {NZ: encourage} {Sing: as it deems appropriate foster the} development of] [US: develop] specialized expertise (J: of)[Sing: in its] competent authorities concerned with enforcement of [J:intellectual property rights] [Sing/NZ: copyright and trademark rights], in order to [J: ensure] [Sing: promote] effective enforcement of [J: intellectual property rights] [Sing: copyright and trademark rights] [CAN: in-order-to-ensure-effective-enforcement-of-intellectual-property-rights]. [US: One means of implementation is through specialized law enforcement authorities for the investigation and prosecution of cases concerning the infringement of intellectual property rights.]

*[AUS: Reserve its position on this article.]*

2. Each Party shall [J: promote collection and analysis of] [Sing: endeavor to collect] statistical data and other [J: relevant] [Sing: relevant] information [Sing: , which such Party determines is useful and relevant,] [J: concerning infringement of intellectual property rights {Sing: within its territory}, especially] [CAN/NZ: infringement-of-intellectual-property-right, especially] trade in counterfeit trademark goods and pirated copyright goods [EU: ,especially trade-in-counterfeit-trademark-goods-and-pirated-copyright-goods]. Each Party shall [J: further] [US: further ] promote collection of information on best practices to prevent and combat [J: intellectual property right infringement] [CAN: trademark counterfeiting and copyright piracy]. [Sing: ,especially-trade-in-counterfeit-trademark-goods-and-pirated-copyright-goods-Each-Party-shall-further-promote-collection-of-information-on-best-practices-to-prevent-and-combat-intellectual-property-right-infringement.]

3. Each Party shall [Sing: , as it deems appropriate,] [US: , as appropriate,] [J: endeavour to enhance] [US: promote] internal coordination among, [J: and facilitate joint actions by] [US/ CAN: and-facilitate-joint-actions-by], [Sing: such Party's] [US: the] competent authorities [J: concerned with] [US: responsible for] enforcement of intellectual property rights [J: through an appropriate coordinating (J: body){EU: bodies} or other relevant mechanisms] [Sing:

~~through an appropriate coordinating body or other relevant mechanisms].~~

4. ~~[J: In order to promote effective enforcement of intellectual property rights,] [US/CAN: In order to promote effective enforcement of intellectual property rights,] each Party shall [Sing: , as it deems appropriate,] [J: endeavour to encourage][EU: endeavour to encourage ] [US: promote] [US/EU: the] establishment and maintenance of formal or informal mechanisms, [US: as appropriate,] such as public and/or private advisory groups, whereby competent authorities may hear [US: the views of] right holders and other relevant stakeholders [J: where appropriate] [US/EU: where appropriate] [Sing: encourage establishment and maintenance of formal or informal mechanisms, such as public and/or private advisory groups, whereby competent authorities may hear right holders and other relevant stakeholders where appropriate foster dialogue and information exchanges with shareholders in its territory].~~

*[NZ: Reserve its position on this paragraph.]*

#### Article 4.2: Management of Risk at Border

Each Party shall adopt and maintain appropriate measures that facilitate activities of custom authorities for better identifying and targeting for inspection at its border, shipments [J: that [EU: could] contain] [CAN/CH: which are suspected to contain] [J: counterfeit trademark goods or pirated copyright goods] [EU: goods infringing intellectual property rights.] Such activities may include, [J: subject to paragraph 2 of Article 3.2] [EU: clause in article 3.4 is applicable]:

- (a) contact with relevant stakeholders and with relevant authorities to identify and address risks;
- (b) exchanging available data with custom authorities of other Parties regarding significant seizures of [J: counterfeit and pirated] [EU: infringing] goods by customs, wherever possible; and
- (c) sharing information with custom authorities of other Parties on approaches that are developed to provide greater effectiveness in targeting shipments that could contain [J: counterfeit and pirated] [EU: infringing] goods.

[US: 1. To better identify and target shipments for inspection that are suspected to contain counterfeit trademark goods or pirated copyright goods, each Party may:

- (a) consult with relevant stakeholders and with competent authorities responsible for intellectual property rights enforcement to identify and address significant risks and promote actions to mitigate those risks;
- (b) when appropriate, exchange data with border authorities of other Parties; and
- (c) share information with border authorities of other Parties on approaches that are developed to provide greater effectiveness in the border enforcement of intellectual property rights, including approaches for targeting shipments that could contain counterfeit and pirated goods.

2. Each Party shall provide that its competent authorities may conduct audits of an importer's business records, including methods of payment and purchase contracts, as well as its internal controls to track illicit financial gains and expose business practices related to trademark counterfeiting and copyright piracy.]

[KOR: Article 4.2 should be reviewed in relation to other proposal on Chapter 2 regarding Information Exchange between Customs Authorities.

*Article XX: Information Exchange between Customs Authorities*

*If the customs authority of an importing party seizes counterfeit trademark goods or pirated goods to be imported, the party may request the customs authority of the exporting party to take proper measures to the exporters of the goods concerned. The requesting party shall provide information necessary for the identification of the goods concerned by the customs authority of the requested party.]*

[CAN: Reserve its position on US proposal and Korea proposal.]

[MX: Move this paragraph to Border Measure section.]

#### Article 4.3: Transparency/Publication of Enforcement Procedures and Practices

##### Option 1

[J: 1. For the purpose of [J: further] [US: further] promoting transparency in the administration of [US: the] intellectual property right enforcement system, each Party shall take appropriate measures [US: pursuant to domestic laws and policies,] [J: available] [US/CAN: available] to publish or make available to the public information [CAN: within a reasonable period of time] on:

- (a) procedures [EU: available] regarding the enforcement of intellectual property rights including competent authorities for enforcement of intellectual property rights and contact points for assistance to right holders;
- (b) relevant laws, regulations, [J: final judicial decisions] [EU: final-judicial-decisions] and administrative rulings of general application pertaining to enforcement of intellectual property rights; [Sing: delete subparagraph]
- (c) applications [EU: forms] for the suspension by the competent authorities of the release of goods [J: infringing intellectual property right] [US/CAN/CH: suspected counterfeit and pirated goods] as a border measure; and

[Sing: delete subparagraph]

[CH: Data protection laws in Switzerland may limit the possibility to publish applications for the suspension of the release of goods.]

- (d) its efforts to ensure effective enforcement of intellectual property rights and [US: an effective][J: intellectual property protection system] [Sing: intellectual-property protection-system] including any [US: any] statistical data that the Party may collect.]

##### Option 2

[US: ]. For the purpose of promoting transparency in the administration of its intellectual property rights enforcement system, each Party shall:

- (a) provide that final judicial decisions or administrative rulings of general applicability pertaining to the enforcement of intellectual property rights shall be in writing and shall state any relevant findings of fact and the reasoning or the legal basis upon which the decisions are based. Each Party shall also provide that such decisions or rulings shall be published<sup>304</sup> or otherwise made publicly available, in a national language in such a manner

<sup>304</sup> [US: For greater certainty, a Party may satisfy the requirement in [Article 5.3] to publish a measure by making it available to the public on the Internet. ]



as to enable governments and interested persons to become acquainted with them.

(b) identify in a manner readily available to the public, the competent authorities for intellectual property enforcement and contact points where right holders may seek assistance;

(c) [publish applications for the suspension by the competent authorities of the release of suspected counterfeit and pirated goods as a border measure;] and

(d) publicize information on its efforts to ensure effective enforcement of intellectual property rights in its domestic intellectual property rights system, including any statistical information that the Party may collect for such purposes.<sup>19</sup> ]

#### Ornover 1

[J/US: 2. Nothing in this (J: Chapter and Chapter 3) (US: Agreement) shall require any Party to disclose (J: confidential) (US: confidential) information which would impede the enforcement of its laws and regulations, including laws protecting investigative techniques, right of privacy or confidential information for law enforcement, or otherwise be contrary to (US: its domestic laws or policy, or) the public interest, or would prejudice the legitimate commercial interests of particular enterprises, public or private.

[EU: Move this paragraph to Chapter 3.1.4]

[AUS: 2. Nothing in paragraphs 1, 2 and 3 shall require Members to disclose personal information, or confidential information which would impede law enforcement or otherwise be contrary to the public interest or could prejudice the legitimate commercial interests of particular enterprises, public or private.]

[NZ: It is NZ's preference for this article to be developed into a separate general "Transparency" provision within ACTA that would apply "horizontally" across the Agreement, rather than having transparency obligations peppered throughout individual chapters.]

[EU: 2. In civil 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. Parties may apply this provision to other judicial and administrative proceedings.]

#### Article 4.4: Public Awareness

Each Party shall take (J:necessary) (CAN: necessary) (Sing: such) (AUS: appropriate) [US: promote the adoption of appropriate] measures [Sing: as it deems appropriate] to enhance [NZ: will promote] [US/MX: including educational projects, designed to raise]

<sup>19</sup> [US: For greater certainty, nothing in [this sub-paragraph] is intended to prescribe the type, format, and method of publication of the information a Party must publicize.]

public awareness of the importance of [J: the protection of][US: protecting] intellectual property rights and the detrimental effects of intellectual property right infringement, including educational [J: and dissemination] [CAN: and dissemination] projects. [US/CAN/MX: Such measures may include joint initiatives with the private sector.]

[EU: Article 4.5: Destruction of infringing goods

In cases where confiscated goods found to be infringing intellectual property rights are to be destroyed, Parties shall endeavour to take environmental concerns into account when deciding on the destruction method.]

#### CHAPTER FIVE

#### INSTITUTIONAL ARRANGEMENTS

*EU – The EU considers that definitive decisions on the institutional structure of ACTA should only be taken once the substantive chapters of the agreement are more clearly defined. For this reason, the comments below are not final and the EU reserves the right to make additional proposals at a later stage of the negotiation.*

*As a general remark on the future institutional structure of ACTA, the EU submits that the administration of the agreement could be carried out in conjunction with an existing international organisation that could, at least perform the functions of depositary and secretariat. Depending on whether or not this objective is achievable from the entry into force of ACTA, the EU will provide alternative language.*

*JAPAN - The content on institutional issues should reflect the outcome of discussion on substance of the ACTA. Therefore, the details of the content should be discussed at completion of the discussion of the ACTA initiative. Our comments on this paper are preliminary and we reserve our right to make further comments and to request further amendments.*

*For effective implementation of the ACTA, the Parties should well discuss and agree what and how much functions shall be entrusted to an institution, if any, under the ACTA. The legal status and structure of the institution should best fit such functions to be agreed by the Parties.*

*In order to avoid excessive burden of finance or human resources of the Parties, the institutional structure of the ACTA should be as simple as possible. The provisions concerning institutional structure should be limited to such as may be truly needed.*

ARTICLE 5.1: THE [CAN: OVERSIGHT] [MEX: STEERING] [NZ: COMMITTEE][AUS: OVERSIGHT]

1. The [NZ: Contracting] Parties [Can: hereby establish][NZ: shall have a] the [Can: Oversight][CH: ACTA] [MEX: Steering][AUS: oversight] Committee, comprising [(Can: representatives of) (SING/AUS: each of) the Parties] [NZ: one delegate from each Party who may be assisted by alternative delegates, advisors and experts.]

*SING – The proposed refinement seeks to clarify that each Party should be represented in the Oversight Committee.*

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*AUS - Australia proposes that the Oversight Committee be comprised of representatives of all Parties, rather than being made up of representatives from a select set of Parties.*

*NZ - New Zealand recommends deleting the term "oversight" from the name of the Committee to avoid any confusion as to the function or purpose of the Committee. New Zealand also recommends that the provision clearly state the composition of each Party's delegation on the "Committee".*

*JAPAN - Japan can generally support the idea to establish an institution for the ACTA which consists of the representatives from the Parties. Japan can support the opinion that "Oversight Committee" shall comprise of representatives from all of the Parties but reserves its right to make further comments on this Article including whether the institution should be named "the Oversight Committee".*

*KOREA - Korea supports "the Committee". The composition of delegation for the Committee lies on each party's decision. Therefore, a specific description on how each Party should be represented in the Committee is not needed.*

*MOR -*

- Clarify the mode of designation of Committee and its membership
- Morocco is in favour of a Committee composed of all State Parties to the agreement.
- Frequency of regular sessions: Once a year
- Convene special sessions if necessary

*CH - Each Party to the Agreement should be represented in the Committee. It would be sufficient to have this principle set out in the Agreement; further details concerning participation are not necessary.*

## 2. The Committee shall:

- (a) supervise the implementation of this Agreement; [EU: including a periodic mutual evaluation process of the implementation of the Agreement by the parties, according to the principles of equal treatment and a fair hearing.]
- (b) [Can: oversee {Can: its} {CH: the} {US: the Agreement's} further elaboration [MEX: or development?] [CH: of this Agreement], [NZ: deal with matters concerning the amendment and development of this Agreement] while ensuring that such[Can: elaboration][NZ development]does not duplicate other international efforts regarding the enforcement of intellectual property rights;
- (c) [NZ: Delete sub-paragraph][Can: resolve][AUS: facilitate the avoidance of] disputes that may arise regarding [Can: its][CH:the] interpretation or application[EU:<sup>27</sup>] [CH: of this Agreement]; and
- (d) consider any other matter that may affect the operation of this Agreement.

*AUS - [Australia proposes to replace all references in this Chapter to the 'Committee' with the 'Oversight Committee,' to avoid any confusion with committees established under Article*

<sup>27</sup> The application of this provision shall not conflict with the rules and implementation of the Dispute Settlement Understanding of the World Trade Organisation.

5.1.3(a)??[Australia's written comment of 12/21/09 indicates that it does not support the use of the term "oversight"; however previous comment favors "oversight". Need clarification.] Australia also proposes that the Oversight Committee facilitate the avoidance of disputes, rather than attempt to resolve disputes by consensus.

**MEX** - On (c): who will resolve disputes? Clarify scope.

**NZ** - In order to clarify function (b) New Zealand recommends replacing the reference to "oversee its further elaboration" with "deal with matters concerning the development and amendment of the Agreement". Furthermore, we prefer that function (c) be deleted as we do not see the Committee playing a role in resolving disputes between Parties.

**JAPAN** - As to the functions of the Committee stated in paragraph 2, Japan needs further clarification on the following points:

- (1) the details of what will be expected for the Committee to "supervise" the implementation of the ACTA under subparagraph (a);
- (2) what "elaboration" means under subparagraph (b);
- (3) examples of predictable "other matter" under subparagraph (d); and
- (4) in regard to Article 6.4, paragraph 1; how the Committee will be involved in amendments to the ACTA.

In regard to subparagraph (c), whether and how the Committee will be involved in dispute settlement regarding interpretation or application of the Agreement should be discussed later.

**CH** - Switzerland considers that the provision on accession (Article 6.1; Becoming Party to the Agreement) may also have implications on the functions of the Committee.

3. The Committee may:

- (a) [Can/US/CH/NZ/EU/MX: establish,] [Can/US/NZ/MX: and delegate [NZ/ MX: tasks] tasks/[responsibilities] to, ad hoc or standing committees [NZ: or standing committees-], working groups or [US: Government] experts groups;] [CH: to assist the Committee in accomplishing its tasks,][EU: a Task-Force to undertake the monitoring and the evaluation of the Agreement, namely by reviewing the implementation of Parties' obligations, as defined in Article 5.1.2.a) and assisting candidate countries to join the Agreement. This Task-Force should consist of experts appointed by the Parties and agreed upon by the Oversight Committee;]
- (b) seek the advice of non-governmental persons or groups [MOR: from the State Parties];
- (c) [AUS: (Delete sub-paragraph) make recommendations regarding the implementation of the Agreement [EU: including endorsing best practice guidelines for implementing the Agreement, identifying and monitoring techniques of piracy and counterfeiting and their evolution];]
- (d) assist non-Party governments in assessing the benefits of accession to the Agreement [EU: and share information and best practices on reducing IPR infringements];
- (e) [NZ: (Delete sub-paragraph) support international organizations in the

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- (f) enforcement of intellectual property rights,] and take such other action in the exercise of its functions as the Parties may decide.

*AUS - Australia supports autonomous implementation of ACTA, and regards article 5.1.2(d) as providing the committee with adequate powers to review issues including implementation.*

*NZ - New Zealand agrees with the Committee being able to be delegate tasks to working or expert groups comprising delegates from Parties to the Agreement. The Committee should, however, retain responsibility for ensuring its functions are carried out.*

- \* *To avoid confusion between the "Committee" (of Parties) and "standing committees", the reference to "standing committees" should perhaps be deleted.*
- \* *New Zealand notes that while function (b) could alternatively be provided for under the Committee's rules and procedures, our preference is for this provision to be retained in its present form to highlight the Committee's commitment to transparency.*
- \* *It is unclear what function (c) would entail and, therefore, the function should either be further elaborated or perhaps simply deleted.*

*JAPAN - As to the language of paragraph 3, Japan appreciates it if Canada could clarify the following points:*

- (1) the difference between the role of "expert groups" in subparagraph (a) and the role of "non-government persons or groups" in subparagraph (b);*
- (2) the meaning of "recommendations" in subparagraph (c);*
- (3) the details of expected "assist" under subparagraph (d) and how it will be distinguished from "assistance" to be provided to developing countries under International Cooperation Chapter (Article 3.3); and*
- (4) what kind of "support" is expected to which "international organizations" under subparagraph (e).*

*Regarding the EU bracket in subparagraph (d), introduction of any new, and any changes to existing, laws and regulations should be included in the information to be shared.*

*US - Reserves its position on 3. (d) "tasks".*

[**NZ: X** One-half of the members of the Committee shall constitute a quorum.]

*NZ - New Zealand considers it important to specify what constitutes a quorum at Committee.*

4. The Committee shall [Can: establish its rules and procedures][CH: at its first meeting adopt its rules of procedures] [NZ: including rules for the convocation of extraordinary sessions]. All decisions of the Committee shall be taken by consensus, [CAN: except as the Committee may otherwise decide.]{SING: by consensus.}[MOR: except as the Committee may otherwise decide.]. [CH/J/US: The working language of the Committee shall be English.]

*SING - The proposed refinement seeks to clarify that any decision to not take decisions by consensus must itself be taken by consensus.*

*NZ - Whether the Agreement ultimately requires the Committee to meet regularly on an annual or biennial basis, provision should be made for the Committee to be able to meet in*

*between times. Provision for extraordinary meetings to be held and under what conditions could be provided for under the Committee's rules and procedures.*

*JAPAN - Regarding the principle of decision-making provided in paragraph 4, Japan can in principle support consensus system. However, the principle of decision-making should be decided so as to match the functions of the Committee: "a majority of the votes cast" system may be better for decision-making of minor issues. Japan reserves its position.*

5. The Committee shall convene [~~Can/EU/MEX: at least [once a year]] [NZ: once every two years] [Can: in regular session][CH: in-regular-session-Regular-sessions]. [T]he Committee shall be chaired [AUS/NZ/MEX: {and hosted}][EU: {and-hosted}] [Can: successively by each Party][AUS: by a volunteering Party] [in English alphabetically] [NZ/MEX: {in English alphabetical order}][AUS: {in-English-alphabetical-order}]. [CH/US: assisted by a Vice-Chair from the Party due to chair and host the subsequent meeting.] [EU: A Special session may be called for by one Party and convened if the majority of the Parties does not oppose such request. The Special session shall be chaired by the Party chairing the Regular session of that year. The Committee shall preferably meet in Geneva.]~~

*CH - If we use the term "regular session", we have to include also paragraph in extraordinary sessions. Switzerland is flexible as to the location of meetings. The advantage of Geneva would be that the attendance of delegates at other international meetings in Geneva could be used to also convene an ACTA meeting. Concerning the frequency of the meetings, we consider that this point can only be decided once the functions of the Committee have been agreed. Basically, we share the opinion expressed by New Zealand to have meetings on a biennial basis with the possibility to call for an extraordinary session between two regular meetings.*

*SING - On the matter of holding regular meetings, we prefer that the provision stipulate a minimum meeting frequency of once every two years (as opposed to once a year) as this would give the Committee greater flexibility to adjust the frequency to suit its needs.*

*AUS - Australia is flexible as to whether the Oversight Committee convenes in regular session at least once every one or two years. Australia proposes that the Oversight Committee meetings be chaired and hosted by a volunteering Party.*

*MEX - It is important to convene once a year since 2 years is too long. It is suggested that during this annual session, the Committee reports on follow-ups such as international cooperation and enforcement practices. Likewise, include information such as parties willing to join the agreement, among other things.*

*NZ - New Zealand supports the Committee meeting on a biennial basis with provision for the Committee to meet in extraordinary sessions in between, if the circumstances warrant additional meetings.*

*• From an administrative perspective it appears sensible to at least link together the responsibilities for being the host and for providing the Chair.*

*JAPAN - Frequency of meetings should be decided so as to match the nature and volume of the functions to be entrusted to the Committee.*

*Regarding chairmanship of meetings, Japan can basically support a rotation basis.*

*Regarding the location of meetings, Japan prefers a rotation basis in light of reducing and equalizing the financial burden of the Parties.*

*KOREA: To promote operations of small working groups and sub-committees, outreach activities, etc. both a regular and a special session should be held in the Geneva-base.*

[US: 6. The Committee's role as set forth in Article 5.1 shall not include any oversight or supervision relating to domestic or international criminal investigations or enforcement of specific intellectual property cases.]

**ARTICLE 5.2: THE SECRETARIAT**

1. The Party that is the Chair of the Committee shall provide the Secretariat to the Committee for [the calendar year][the two calendar years beginning with the calendar year immediately prior to that] [EU/MEX: ~~the two calendar years beginning with the calendar year immediately prior to that~~] [SING: [the two calendar years beginning with the calendar year immediately prior to that]] [NZ: ~~the calendar year~~ [the two calendar years beginning with the calendar year immediately prior to that]] in which the Committee shall be convened with that Party as Chair.

*SING - We think it would be administratively easier for the term of the Secretariat to coincide with the term of Chairmanship of the Committee, rather than have them staggered by one year.*

*AUS - Ok with either option.*

*NZ - New Zealand supports linking the term of the Secretariat with the hosting and Chairing responsibilities.*

*JAPAN - The answer to the question on whether standing and independent secretariat should be established or whether administration of the ACTA should be entrusted to an existing international organization like (IPOV to the WIPO or the FATF to the OECD depends on the discussion on substance of the ACTA. In addition, since the question relates to financial burden of the Parties, careful consideration should be given. The term of the Chair should be decided so as to match the Committee. Japan reserves its position.*

*KOREA - Korea prefers to link the Secretariat to an existing international organization preferably the WTO, permanently based in Geneva.*

*MOR - Morocco is in favor of a Permanent Secretariat to ensure continuity at the level of the management and implementation of the agreement;*

*- Morocco is for the idea of a Secretariat attached to an existing International Organization (WIPO for instance)*

*- Need to discuss structure of the Secretariat.*

2. The functions of the Secretariat shall be:

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- (a) to provide assistance to the Committee [NZ: as required, and];
- (b) [MEX: to provide administrative support to the Chair] [NZ: to perform the administrative tasks concerning this Agreement.]
- (c) [MEX: to elaborate all documents resulted from ordinary or extraordinary sessions]
- (d) [MEX: to submit documents derived from ordinary or extraordinary sessions to all parties]

*SING – We reserve our comments on this provision, pending an elaboration on the specific functions of the Secretariat.*

*AUS – Australia does not propose any extra duties for the Secretariat.*

*NZ – New Zealand considers these amendments would give greater clarity to the functions of the Secretariat.*

*JAPAN – The function of the Secretariat should depend on the function of the Committee which should be, subject to discussion on substance of the ACTs.*

#### ARTICLE 5.3: CONTACT POINTS

1. [Can/AUS/US/J: Each Party shall designate a [AUS: current] contact point to facilitate communications [Can/AUS/J/US: between the][US: with other] Parties on any matter covered by this Agreement.] [Can/J: The][AUS: Each Party shall transmit the] [Can/AUS: name and address] [J: name, and address, telephone number and e-mail address] [US: The name, and physical address and email address] of that contact point [Can/US/J: shall be transmitted] [AUS: shall be transmitted] to the Depository [CH: prior to the entry into force of the Agreement for that Party], who shall circulate the information to the Parties.

*AUS – Australia proposes to insert 'current' into the first sentence to ensure that contact points are kept up to date. Australia proposes that the second sentence be reworded to clearly demonstrate the obligation upon the party.*

*MEX – Who will be the "Depository"?*

*JAPAN – In addition to the name and address, telephone number and email address should be included in the items to be transmitted to the Depository.*

2. On the request of [Can/SING: another][EU: one] Party, the contact point [EU: of another Party] shall identify [Can: the] [SING: according to the matter concerned, an appropriate] office or official [Can: responsible for the matter concerned][SING: responsible for the matter concerned] and assist, as necessary, in facilitating communication between the [US: responsible] office or official concerned with the requesting Party.

*SING – The proposed refinement gives greater flexibility for a Party to decide which office or official is best placed to address the requesting Party's concern.*



*MEX* – Please provide further explanation.

[ARTICLE 5.4: TRANSPARENCY

*CH* – This Article should form part of the Final provisions and not part of the Institutional arrangements.

*NZ* – New Zealand notes that the issue of transparency and provisions governing it now occur in several draft Chapters of the proposed Agreement. To avoid unnecessary repetition of these provisions, we recommend that these provisions be consolidated into a single set of provisions with application across the entire Agreement in the "Final Provisions" Chapter.

*JAPAN* – Article 5.4 should be reviewed in relation to the provisions on transparency under the International Cooperation and Enforcement Practices Chapters: Namely, Article 5.4, paragraph 1 seems to overlap Article 4.3 (Transparency), paragraph 4(b); paragraph 3 seems to overlap Article 3.2 (Information Sharing), paragraphs 1(b) and 2; and paragraph 4 seems to overlap Article 4.5, paragraph 2.

Basically, "Transparency" is categorized in Enforcement Practices in the Discussion Paper (the 4<sup>th</sup> item). As a provision in the Institutional Arrangements Chapter, Article 5.4 should focus on institutional aspects of transparency and information sharing among Parties, if any, such as possible modalities of information sharing. (Please see Article 3.2, paragraph 1.)

*Japan* would like *Canada* to clarify how the provisions "review of the operation of this Agreement" provided in paragraph 2 interact with the provision of Article 5.1.

Obligation to notify and supply information on laws and regulations provided for in paragraphs 2 and 3 seems to overlap with the obligation set out in paragraphs 2 and 3 of Article 6.3 of the TRIPS Agreement. Due consideration should be given to this fact to avoid excessive burden.

*KOREA* – Korea proposes that Article 5.4 be reviewed in relation to Article 4.3 (Transparency), since the contents of the two Articles appear similar.

#### OPTION 1

[CAN: 1. Each Party shall ensure that its laws, regulations, ~~Can:~~ procedures] [CH: final judicial decisions], and administrative rulings of general application respecting any matter covered by this Agreement are promptly [MOR: in an appropriate time] published or otherwise made publicly available [CH: in a national language,] in such a manner as to enable governments and interested persons to become acquainted with them.]

#### OPTION 2

[US: 1. Each Party shall ensure that final judicial decisions or administrative rulings of general applicability pertaining to the enforcement of intellectual property rights shall be in writing and shall state any relevant findings of fact and the reasoning or the legal basis upon which the decisions are based. Each Party shall also ensure that such decisions or rulings

shall be published<sup>39</sup>, or otherwise made publicly available, in a national language in such a manner as to enable governments and interested persons to become acquainted with them.]

*EU* - Delete paragraph *This is already foreseen in Article 4.3 of Chapter 4: Enforcement Practices.*

[2. Each Party shall notify the laws and regulations referred to in [Can: paragraph (1)] [EU: Article 4.3] to the Oversight Committee in order to assist that Committee in its review of the operation of this Agreement.]

[CH/SING: Delete paragraph]

*CH* - *This is already an obligation under 63.2 TRIPS. We doubt that the notification foreseen here does have an added value. In addition, somebody would have to make these available through a database and that would be quite costly and only duplicate the WTO database.*

*US* - *US Shares CH concern and reserves its position.*

*SING* - *We propose to omit this Article given that information on the laws and regulations referred to in paragraph (1) is already made available at WTO and updated by Member States as part of their WTO commitments.*

3. Each Party shall supply, in response to a written request from another Party, information regarding its laws, regulations, [Can/MOR: procedures][CH: final judicial decisions] and administrative rulings of general application [Can: respecting][MOR: with respect to] any matter covered by this Agreement.

4. Nothing in paragraphs [Can: 1, 2 and 3][CH/EU: 1 and 2] shall require a Party to disclose [confidential] information which would impede law enforcement or otherwise be contrary to [US: domestic laws and policies, or] the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

#### ARTICLE 5.5: CONSULTATION

*CH* - *This article should form part of the Final Provisions and not of the Institutional Arrangements.*

*JAPAN* - *The mechanism concerning dispute settlement procedure should be discussed later.*

*MOR* - *What are the mechanisms of such consultation and what is the role of the oversight committee in this respect?*

Each Party shall [Can: accord sympathetic consideration to, and shall] [SING: accord sympathetic consideration to, and shall] afford adequate opportunity for consultation regarding, such representations as may be made [US: to it] by another Party with respect to any matter affecting the operation of this Agreement.

<sup>39</sup> US: For greater certainty, a Party may satisfy the requirement in [Article 5.3] to publish a measure by making it available to the public on a publically accessible the Internet site.]

*SING* – The suggested deletion if for greater clarity.

*MEX* – What is meant by “affecting”?

[EU: ARTICLE 5.6: OBSERVERS

Countries candidate to become a Party to the Agreement may be invited [MOR/AUS: by the Committee] to attend sessions or parts thereof of the Oversight Committee as observers. An invitation under the same status may be extended [MOR/AUS: by the Committee] to international organizations active in the field of intellectual property and to non-governmental groups of intellectual property stake-holders [AUS: and to non-governmental groups of intellectual property stake-holders].]

*AUS: Australia supports the EU proposal to add a paragraph which allows non Party states and public international organizations to become ACTA observers.*

- *This would allow a category of states and organizations to have some access to major meetings, without a voting role.*
  - *The terms of their participation as observers could be specified by the Oversight Committee.*
  - *This could provide a means of including third parties in ACTA forums to help coordinate the enforcement efforts of ACTA Parties with non Party states and public international organizations.*
- *The ability to allow observer status will also provide an opportunity for the involvement of a greater number of states in ACTA, even where those states are not willing to become an ACTA Party.*
- *Public international organizations could include organizations such as the World Customs Organization, Interpol or the World Intellectual Property Organization.*
- *Granting observer status to these groups and states should be subject to agreement by ACTA parties.*

#### CHAPTER SIX FINAL PROVISIONS

[J - Japan reserves its position on Chapter Six.]

[MX, In the final provisions it is suggested to include aspects such as: depositary, entry into force agreement, nature of the resolution, binding aspect, certificate copies and languages in which the Agreement will be signed.]

[NZ: ARTICLE X: TRANSPARENCY

*NZ* - As noted above, the numerous transparency provisions occurring throughout the Agreement should be consolidated into a single provision in this Chapter of the proposed Agreement.

1. Each Party shall ensure that its laws, regulations, procedures, and administrative rulings of general application respecting any matter covered by this Agreement are promptly

published or otherwise made publicly available in such a manner as to enable governments and interested persons to become acquainted with them.

2. Each Party shall notify the laws and regulations referred to in paragraph (1) to the Oversight Committee in order to assist that Committee in its review of the operation of this Agreement.

*NZ - While we have replicated the original wording used for Article 5.4, we note that the passage "in its review of the operation of this Agreement" may need to be reviewed and amended to be consistent with functions of the Committee specified under Article 5.1.*

3. Each Party shall supply, in response to a written request from another Party, information regarding its laws, regulations, procedures, and administrative rulings of general application respecting any matter covered by this Agreement.

4. Nothing in paragraphs 1, 2 and 3 shall require a Party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.]

#### ARTICLE 6.1: BECOMING PARTY TO THE AGREEMENT

1. [EU: Any State member of the World Intellectual Property Organization (or of the United Nations) may become party to this Agreement.] Any [AUS: State] member of the [Can/AUS: World Intellectual Property Organisation] [NZ: World Trade Organization] [AUS: or the World Trade Organization (WTO)] [Can: (or of the United Nations)] [AUS/MEX/NZ: (or of the United Nations)] may become party to this Agreement. [EU: Decisions on accession shall be taken by the Oversight Committee. The Oversight Committee shall approve the agreement on the terms of accession by (unanimity) [a two-thirds majority of the Parties].

*EU - Comment on proposed deletion: Is there a purpose to this precondition? If it is necessary to have pre-conditions, then WTO membership would make more sense. Otherwise, the EU proposes that it is removed.*

*AUS - Australia supports the principle of broad membership, based on WIPO or WTO membership, to link ACTA membership to acceptance of other international IP standards. This change also allows this chapter to refer to all non state WTO members in the same manner. This proposal is consistent with comments made by others at the 4<sup>th</sup> round of negotiations.*

*MEX: Why WIPO? ACTA pretends to be a TRIPS plus, so what about WTO?*

*NZ - With the aim of the proposed Agreement being to build upon existing enforcement provisions in the TRIPS Agreement, it would therefore be appropriate to limit membership to existing members of World Trade Organization.*

*JAPAN - As it is essential to decide the principle of accessions for future members, the requirement for accession should be considered carefully. Reference to the existing international organizations such as WIPO and UN (and probably WTO) should carefully be considered.*

*MOR – Morocco supports Option 1 of this paragraph, i.e. WIPO*

2. Any Intergovernmental Organization which [US: the Committee decides] meets the requirements of paragraph 5 may become party to this Agreement. The Organization shall inform the Depositary of its competence [US: in respect of matters governed by this Agreement], and any subsequent changes in its competence, with respect to the matters governed by this Agreement. The Organization and its member States may, without, however, any derogation from the obligations under this Agreement, decide on their respective responsibilities for the performance of their obligations under this Agreement [US: without, however, any derogation from the obligations under this Agreement].

*AUS - Delete paragraph Australia proposes that this article be removed following the proposal for Article 6.1.1.*

*JAPAN - Japan reserves its position.*

3. A [Can: State or Intergovernmental Organization][AUS: member of any organization identified in paragraph 1] may become party to this Agreement by:

- (a) signature followed by the deposit of an instrument of ratification, acceptance or approval, or
- (b) the deposit of an instrument of accession.

*AUS - Referencing any member of organizations identified in Article 6.1.1 makes any WIPO or WTO member (including the EC) eligible to become a party to ACTA.*

4. The instruments referred to in paragraph (3) shall be deposited with the Depositary.

5. In this Article, "Intergovernmental Organization" means an organization constituted by, and composed of, States of any region of the world, which has competence in respect of matters governed by this Agreement, has its own legislation providing for intellectual property protection and binding on all its member States, and has been duly authorized, in accordance with its internal procedures, to sign, ratify, accept, approve or accede to this Agreement.

*AUS - Delete paragraph Australia proposes that this article be removed following the proposal for Article 6.1.1.*

#### ARTICLE 6.2: ENTRY INTO FORCE OF THE AGREEMENT

1. This Agreement shall enter into force, with respect to each of the [Can: first five States or Intergovernmental Organizations] [AUS: [five] members of either organization identified in Article 6.1.1] which have deposited their instruments of ratification, acceptance, approval or accession, [Can: three months] [AUS/US: 90 days] after the date on which the [AUS: [fifth]] instrument of ratification, acceptance, approval or accession has been deposited.

*AUS - Australia reserves its position on the threshold of five parties, but supports the remainder of this Article, subject to drafting amendments.*

#### JAPAN – U.S. JOINT PROPOSAL

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*Australia proposes to remove the reference to intergovernmental organisations, and replace it with a reference to members of either organization identified in Article 6.1.1.*

*Australia supports the principle of a broad ACTA membership, and does not want ACTA to appear to be an exclusive agreement.*

- *Australia proposes that the threshold number of Parties be set at a majority of parties participating in negotiations.*
- *Accordingly, Australia supports a larger number if EU member states will be eligible to join in addition to the EC.*

*Australia also proposes to replace all references to three months in the text with 90 days to add precision, and harmonize time periods in this Article with Articles 6.2.2 and 6.4.3.*

*JAPAN - Japan reserves its position.*

2. With respect to any [Can: State or Intergovernmental Organization][AUS: member of either organization identified in Article 6.1.1] not covered by paragraph (1), this Agreement shall enter into force Can: three months][AUS: 90 days] after the date on which that [Can: State of Intergovernmental Organization][AUS: member of either organization identified in Article 6.1.1] has deposited its instrument of ratification, acceptance, approval or accession.

*AUS - Australia proposes to remove the reference to intergovernmental organisations, and replace it with a reference to members of either organization identified in Article 6.1.1. Australia also proposes to replace 'three months' with '90 days,' as noted for Article 6.2.1.*

#### ARTICLE 6.3: WITHDRAWAL

A Party may withdraw from this Agreement by means of a written notification to the Depository. Such withdrawal shall take effect [Can: one year][US/CH: six months] after the notification was received by the Depository.

*SING - We propose that the withdrawal of a Party take effect 6 months after notification, in be consistent with the practice of WTO.*

*JAPAN - Japan reserves its position.*

#### ARTICLE 6.4: AMENDMENTS

1. [J: Any Party may initiate a proposal to amend the provisions of this Agreement by submitting such proposal [to the Oversight Committee]]. This Agreement may be amended by the Parties on the basis of a [MEX: previous] text adopted by the [Can: Oversight][CH: ACTA][MEX: Steering] Committee [CH: Each Party may propose amendments to the Agreement to the Committee. The Committee shall decide upon the proposed amendments by consensus.]

*JAPAN - Provisions concerning eligibility for making proposals for amendment (e.g. Any party may propose an amendment to this Agreement.) and details of the decision making process regarding the proposed amendment is necessary. Please clarify the meaning of "on the basis of a text adopted by the Oversight Committee." Are any further discussions and modifications by the Parties on the text adopted by the Committee expected, or will this Agreement be amendment as written in the text?*

*KOREA - Korea proposes that Article 6.4 be articulated in terms of the mechanism for amendment procedures.*

2. The Parties shall deposit their respective instruments of ratification, acceptance or approval of any such amendment with the Depository.
3. Such amendment shall enter into force on the [Can: first day of the third month following] [AUS: 90 days after the date of] [US: three months after the date of] the deposit of the last of the instruments of ratification, acceptance or approval of all the Parties.

#### ARTICLE 6.5: TEXTS OF THE AGREEMENT

[Can/US/EU/J/KOR/MEX/MOR/NZ: This Agreement is established in [Can/US/J/KOR/MEX/MOR: a single original in the][Can/US/J/KOR/MEX/MOR/NZ: English][US/EU/J/KOR: language][Can: French], [MEX: Spanish][MOR: Arabic] ..... [Can/MEX/MOR: languages, all texts being equally authentic.] [CH: In case of any inconsistency between the texts, the English version shall prevail.]

*AUS - Australia only requires English text and would prefer that were more languages to be included, that English prevail.*

*NZ - As the proposed Agreement is being negotiated in English, New Zealand considers that English should be the only authentic version for the text. If the text is to be authenticated in other languages, we would prefer that this process be completed before signature of the Agreement.*

*JAPAN - Japan considers that the authentic language should be one language (namely English) in light of consistency and efficiency.*

*KOREA - Korea supports the choice of one language (English) as the authentic language in the interest of efficiency.*

#### ARTICLE 6.6: DEPOSITORY

[Name of [Can: State][EU: entity]] shall be the Depository of this Agreement.

*AUS - Australia is unable to nominate itself as the depository.*

*MEX - On what basis are Parties going to decide on the Depository?*

*JAPAN – The Depository of this Agreement should be decided after further discussions.*

ARTICLE 6.7: SIGNATURE

This Agreement shall be open for signature between [date] and [date] with the [Can: Government of] [EU: Government-of] ..... [the [Can: country]][EU: entity] that exercises the functions of Depository].

*AUS – Australia proposes that the ACTA be open to signature for a long period of time to provide potential members which are not participating in negotiations time to sign. Australia would suggest a period of 5 years would be appropriate.*

*JAPAN – Japan reserves the right to make comments on this Article.*

EU and Member States