

INTELLECTUAL PROPERTY ANNEX

Pursuant to Section III of this Arrangement:

I. General Obligation

The Parties and their designated representatives shall ensure adequate and effective protection of intellectual property created or furnished under this Arrangement and relevant implementing arrangements. Rights to such intellectual property shall be allocated as provided in this Annex.

II. SCOPE

- A. This Annex is applicable to all cooperative activities undertaken pursuant to this Arrangement, except as otherwise specifically agreed by the Parties or their designated representatives.
- B. For purposes of this Arrangement, "intellectual property" shall mean the subject matter listed in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm, July 14, 1967, and may include other subject matter as agreed by the Parties or their designated representatives.
- C. Each Party and its designated representative shall ensure, through contracts or other legal means with its own participants, if necessary, that the other Party and its designated representative can obtain the rights to intellectual property allocated in accordance with this Annex. This Annex does not otherwise alter or prejudice the allocation between
 - TECRO and residents of the territory of the authorities represented by TECRO which shall be determined by the laws and practices applicable in that territory, or
 - AIT and residents of the territory of the authorities represented by AIT which shall be determined by the laws and practices applicable in that territory.
- D. Disputes concerning intellectual property arising under this Arrangement shall be resolved through discussions between TECRO and AIT and their designated representatives. Upon mutual agreement of the designated representatives of the Parties, a dispute shall be submitted to an arbitral tribunal for binding arbitration in accordance with the applicable rules of international law. Unless the Parties or their designated representatives agree otherwise in writing, the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) shall govern.
- E. Termination or expiration of this Arrangement shall not affect rights or obligations under this Annex.

III. ALLOCATION OF RIGHTS

- A. The Parties' designated representatives shall be entitled to a non-exclusive, irrevocable, royalty-free license in all countries to translate, reproduce, and publicly distribute scientific and technical journal articles, reports, and books directly arising from cooperation under this Arrangement. All publicly distributed copies of copyrighted work prepared under this provision shall indicate the names of the authors of the work unless an author explicitly declines to be named.

- B. Rights to all forms of intellectual property, other than those rights described in Section III.A., above, shall be allocated as follows:
 1. Visiting researchers shall receive rights, awards, bonuses, and royalties in accordance with the policies of the host institution.

 2.
 - (a) Any intellectual property created by persons employed or sponsored by one Party or its designated representative under cooperative activities other than those covered by paragraph III.B.1. shall be owned by that Party's designated representative. Intellectual property created by persons employed or sponsored by both Parties or their designated representatives shall be jointly owned by the Parties' designated representatives. In addition, each creator shall be entitled to awards, bonuses, and royalties in accordance with the policies of the institution employing or sponsoring that person.

 - (b) Unless otherwise agreed in an implementing or other arrangement, each Party's designated representative shall have within the territory of the authorities represented by its Party a right to exploit or license intellectual property created in the course of the cooperative activities.

 - (c) The rights of a Party's designated representative outside the territory of the authorities represented by that Party shall be determined by mutual agreement of the Parties' designated representatives, considering the relative contributions of the Parties' designated representatives and their participants to the cooperative activities, the degree of commitment in obtaining legal protection and licensing of the intellectual property, and such other factors deemed appropriate.

 - (d) Notwithstanding paragraphs III.B.2.(a) and (b) above, if either Party or its designated representative believes that a particular project is likely to lead to or has led to the creation of intellectual property not

protected by the laws of the territory of the authorities represented by the other Party, the Parties' designated representatives shall immediately hold discussions to determine the allocation of rights to the intellectual property. If an agreement cannot be reached within three months of the date of the initiation of the discussions, cooperation on the project in question shall be terminated at the request of either Party's designated representative. Creators of intellectual property shall nonetheless be entitled to awards, bonuses and royalties as provided in paragraph III.B.2.(a).

(e) For each invention made under any cooperative activity, the Party's designated representative employing or sponsoring the inventor(s) shall disclose the invention promptly to the other Party's designated representative together with any documentation and information necessary to enable the other Party's designated representative to establish any rights to which it may be entitled. Either Party's designated representative may ask the other Party's designated representative in writing to delay publication or public disclosure of such documentation or information for the purpose of protecting its rights in the invention. Unless otherwise agreed in writing, the delay shall not exceed a period of six months from the date of disclosure by the inventing designated representative of a Party to the other Party's designated representative.

IV. BUSINESS CONFIDENTIAL

In the event that information identified in a timely fashion as business confidential is furnished or created under this Arrangement, each Party and its designated representatives shall protect such information in accordance with applicable laws, regulations, and administrative practices. Information may be identified as "business confidential" if a person having the information may derive an economic benefit from it or may obtain a competitive advantage over those who do not have it, the information is not generally known or publicly available from other sources, and the owner has not previously made the information available without imposing in a timely manner an obligation to keep it confidential.