

AGREEMENT

On trade and economic cooperation between the Government of the Republic of Armenia and the Swiss Federal Council

The Government of the Republic of Armenia and the Swiss Federal Council hereinafter referred to as the Contracting Parties;

Aware of the particular importance of foreign trade and of different forms of economic cooperation for the economic development of both countries;

Expressing their preparedness to cooperate in seeking ways and means to expand trade and economic relations in accordance with the principles and conditions of the Final Act of the Conference on Security and Cooperation in Europe (CSCE) signed in Helsinki on August 1, 1975, and other CSCE/OSCE-documents, notably the Charter of Paris for a new Europe and the principles contained in the final document of the Bonn Conference on Economic Cooperation in Europe;

Reaffirming their commitment to pluralistic democracy based on the rule of law, human rights including the rights of persons belonging to minorities, fundamental freedoms and to market economy;

Desirous of creating favourable conditions for a substantial and harmonious development and diversification of trade between them and for the promotion of commercial and economic cooperation in areas of mutual interest;

Declaring their readiness to examine the possibilities of developing and deepening their relations and to extend them to fields not covered by this Agreement;

Resolved to develop their trade relations in accordance with the basic principles of the General Agreement on Tariffs and Trade (GATT) and the Agreement establishing the World Trade Organization (WTO);

Noting the status of the Swiss Confederation as a member of the WTO and the participation of the Republic of Armenia as an observer in the WTO framework;

Have decided, in pursuit of the above, to conclude this Agreement:

Article 1 Objective

The objective of this Agreement is to establish a framework of rules and disciplines for the conduct of mutual trade and economic relations between the Contracting Parties. The Contracting Parties undertake, within the framework of their internal legislation and international obligations, to harmoniously develop mutual trade as well as various forms of commercial and economic cooperation.

The Contracting Parties recognize that the principles established by the CSCE/OSCE process are essential for the achievement of the objective of this Agreement.

Article 2

GATT/WTO

The Contracting Parties shall make every effort to promote, expand and diversify their trade according to GATT/WTO principles.

Article 3 MFN-treatment

The Contracting Parties shall accord each other most-favoured-nation treatment with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation of goods or imposed on the international transfer of payments for importation or exportation as well as taxes and other charges levied directly or indirectly on imported goods, and with respect to the methods of levying such duties, taxes and charges, and with respect to all rules and formalities in connection with trade.

Paragraph 1 shall not be construed so as to oblige one Contracting Party to extend to the other Contracting Party advantages it accords in order to facilitate frontier trade;

with the aim of creating a customs union or a free trade area or pursuant to the creation of such an union or area in accordance with article XXIV of the GATT 1994;

to developing countries in accordance with GATT/WTO or other international arrangements.

Article 4 Non-discrimination

No prohibitions or quantitative restrictions, including licensing, on imports from or exports to the territory of the other Contracting Party shall be applied, unless the importation of the like product from third countries or the exportation of the like product to third countries is similarly prohibited or restricted. The Contracting Party, which introduces such measures, shall implement them in a manner, which causes minimum harm to the other Contracting Party.

Article 5 National treatment

The goods of the territory of one Contracting Party imported into the territory of the other Contracting Party shall be accorded treatment no less favourable than that accorded to like goods of national origin in respect of internal taxes and other internal charges and all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use.

Article 6

Payments

Payments in connection with the trade in goods and in services between the countries of the Contracting Parties shall be made in freely convertible currency.

Parties to individual transactions of either country shall not be treated less favourably than parties to individual transactions of any third State with respect to the access to and the transfer of freely convertible currency.

Article 7

Other business conditions

Goods shall be traded between the parties to individual transactions at market-related prices. In particular state agencies and state enterprises shall make any purchases of imports or sales of exports solely in accordance with commercial considerations including price, quality and availability; they shall, in accordance with customary business practice, accord to enterprises of the other Contracting Party adequate opportunity to compete for participation in such transactions.

Neither Contracting Parties will require parties to individual transactions to engage in barter or countertrade transactions, nor will they encourage them to do so.

Article 8

Transparency

The Contracting Parties shall make available their legislation, judicial decisions and administrative rulings related to commercial activities and inform each other of changes in their tariff or statistical nomenclature as well as changes in their internal legislation, which may affect the implementation of this Agreement.

Article 9

Market disruption

The Contracting Parties shall consult each other if any good is being imported into the territory of one of them in such increased quantities or on such conditions as to cause or threaten to cause serious injury to domestic producers of like or directly competing goods.

The consultations requested pursuant to paragraph 1 shall be held with a view to seeking mutually satisfactory solutions; they shall be completed not later than 30 days from the date of notification of the request by the Contracting Party concerned, unless the Contracting Parties agree otherwise.

If, following action under paragraphs 1 to 2, agreement is not reached between the Contracting Parties, the Contracting Party affected by the injury shall be free to restrict imports of the goods concerned to the extent and for such

time as is absolutely necessary to prevent or remedy the injury. In this event and after consultations within the Joint Committee, the other Contracting Party shall be free to deviate from its obligations under this Agreement.

In the selection of measures pursuant to paragraph 3, the Contracting Parties shall give priority to those, which cause the least disturbance to the functioning of this Agreement.

Article 10

Intellectual property

The Contracting Parties shall ensure in their national laws adequate, effective and non-discriminatory protection of intellectual property rights, including in particular adequate and effective protection of copyright (including computer programmes and databases) and neighbouring rights, trademarks for goods and services, geographical indications for goods and services, patents for inventions in all fields of technology, plant varieties, industrial designs, topographies of integrated circuits and undisclosed information.

Compulsory licensing of patents shall be non-exclusive, non-discriminatory, subject to compensation commensurate with the market value for the license of the patent and to judicial review. The scope and duration of such license shall be limited to the purpose for which it was granted. Licenses granted on the grounds of non-working shall be used only to the extent necessary to satisfy the domestic market on reasonable commercial terms.

The Contracting Parties shall provide for enforcement provisions under their national laws that are adequate, effective and non-discriminatory so as to guarantee full protection of intellectual property rights against infringement, in particular against counterfeiting and piracy. Such provisions shall include civil and criminal sanctions against infringements of any intellectual property rights. The relevant measures shall be fair and equitable. They shall not be unnecessarily complicated and costly, or entail unreasonable time limits or unwarranted delays. They shall include in particular injunctions, damages adequate to compensate for the injury suffered by the right holder, as well as provisional measures, including *inaudita altera parte* ones. Final administrative decisions in intellectual property matters shall be subject to review by a judicial or quasi-judicial authority.

If the domestic legislation of either Contracting Party does not provide for the protection referred to in paragraphs 1, 2 and 3 of this Article, it shall be adjusted not later than 01.01.2000.

The Contracting Parties shall take all measures to comply with the substantive provisions of the following multilateral agreements:

- (1) WTO Agreement, of 15 April 1994, on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement);
- (2) Paris Convention, of 20 March 1883, for the Protection of Industrial Property (Stockholm Act, 1967);
- (3) Berne Convention, of 9 September 1886, for the Protection of Literary and Artistic Work (Paris Act, 1971);

(4) International Convention, of 26 October 1961, for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention).

Furthermore, the Contracting Parties, which are not parties to one or more of the agreements listed above, shall undertake to obtain their adherence thereto not later than five years from the date of entry into force of this Agreement.

Where the acquisition of an intellectual property right is subject to the right being granted or registered, the Contracting Parties shall ensure that the procedures for grant or registration is of a high quality, non-discriminatory, fair and equitable. They shall not be unnecessarily complicated and costly, or entail unreasonable time limits or unwarranted delays.

A Contracting Party which is not party to one or more of the following agreements shall undertake to obtain their adherence to them not later than five years from the date of entry into force of this Agreement:

(1) Madrid Agreement, of 14 April 1891, concerning the International Registration of Marks (Stockholm Act, 1967);

(2) Protocol, of 27 June 1989, relating to the Madrid Agreement concerning the International Registration of Marks;

(3) The Hague Agreement, of 6 November 1925, concerning the International Deposit of Industrial Designs (Stockholm Act, 1967).

The Contracting Parties shall accord to each other's nationals' treatment no less favourable than that they accord to their own nationals. Exemptions from this obligation must be in accordance with the substantive provisions of Article 3 of the TRIPS Agreement.

The Contracting Parties shall grant to each other's nationals treatment no less favourable than that accorded to nationals of any other State.

In accordance with Article 4, paragraph (d) of the TRIPS Agreement, any advantage, favour, privilege or immunity deriving from international agreements in force for a Contracting Party at the entry into force of this Agreement and notified to the other Contracting Party at the latest six months after the entry into force of this Agreement, shall be exempted from this obligation, provided that it does not constitute an arbitrary or unjustifiable discrimination of nationals of the other Contracting Party. A Contracting Party, which is a WTO Member, shall be exempted from the notification if it has already made such notification to the TRIPS Council.

With a view to further improve protection levels and to avoid or remedy trade distortions related to intellectual property rights, reviews under Article 14 (Review and extension) may deal with the provisions of this Article.

If any Contracting Party considers that the other Party has failed to fulfill its obligations under this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 13 (Joint Committee) of this Agreement. The Committee shall promptly make arrangements for examining the matter not later than 30 days from the date of notification of the request by the Contracting Party concerned. The Joint Committee may make appropriate recommendations and decide about further

proceedings. If a mutually satisfactory solution is not found within 60 days from the date of notification, the Contracting Party affected by the injury may take measures necessary to remedy the injury.

Article 11 **Exceptions**

Subject to the requirement that such measures are not applied in a manner, which would constitute a means of arbitrary or unjustifiable discrimination of or a disguised restriction on trade between the Contracting Parties, this Agreement shall not preclude the Contracting Parties from taking measures justified on grounds of public morality;

protection of human, animal or plant life or health and the protection of the environment;

protection of intellectual property; or any other measure referred to in Article 20 of the GATT 1994

This Agreement shall not limit the right of either Contracting Party to take any action justified on grounds referred to in Article 21 of the GATT 1994.

Article 12 **Economic cooperation**

1. The Contracting Parties shall make efforts to encourage and promote economic cooperation in areas of mutual interest.

2. The objectives of such economic cooperation shall be, inter alia to reinforce and diversify economic links between the Contracting Parties; to contribute to the development of their economies; to open up new sources of supply and new markets;

to encourage cooperation between economic operators with a view to promoting joint ventures, licensing agreements and other forms of cooperation;

to enhance structural changes in their economies and to give support to the Republic of Armenia in trade policy matters;

to encourage the participation of small and medium-sized enterprises in trade and cooperation;

to further and deepen cooperation in the field of intellectual property, inter alia by developing appropriate modalities for technical assistance between the respective authorities of the Contracting Parties, to this end, they shall coordinate efforts with relevant international organizations.

Article 13 **Joint Committee**

A Joint Committee shall be set up in order to ensure the operation of this Agreement. It shall consist of representatives of the Contracting Parties, act by mutual agreement and meet whenever necessary and normally once a year in the

Republic of Armenia and in Switzerland alternately. It shall be chaired alternately by each of the Contracting Parties.

The Joint Committee shall:

keep under review the functioning of this Agreement in particular regarding the interpretation and application of its provisions and the possibility of broadening its scope;

examine favourably ways of improving conditions for the development of direct contacts between firms established in the territory of the Contracting Parties;

serve as forum for consultations with the aim of solving problems between the Contracting Parties;

consider matters related to and affecting trade between the Contracting Parties;

review progress towards expanding trade and cooperation between the Contracting Parties;

exchange trade-related information and forecasts, as well as information pursuant to Article 8 (Transparency);

serve as forum for consultations pursuant to Article 9 (Market disruption);

serve as forum to hold consultations concerning bilateral questions and international developments in the field of intellectual property rights; such consultations may also take place between experts of the Contracting Parties;

develop economic cooperation according to Article 12;

formulate and submit to the authorities of the Contracting Parties amendments to this Agreement in order to take account of new developments, as well as recommendations in relation with the operation and broadening of the scope of this Agreement pursuant to Article 14 (Review and extension).

Article 14

Review and extension

The Contracting Parties agree to review the provisions of this Agreement upon request of either of them.

The Contracting Parties declare their readiness to develop and deepen the relations established by this Agreement and to extend them to fields not covered thereby, such as services and investments. Each Contracting Party may submit reasoned requests to that effect in the Joint Committee.

Article 15

Territorial Application

This Agreement is extended to the Principality of Liechtenstein as long as the bilateral agreement of March 29, 1923 between the Swiss Confederation and the Principality of Liechtenstein is in force.

Article 16

Entry into force

This Agreement shall enter into force on the first day of the month following the day on which both Contracting Parties have notified each other through diplomatic channels that their constitutional requirements or other procedures provided for in their legislation for the entry into force of this Agreement have been fulfilled.

Article 17 Validity and denunciation

The present Agreement will be concluded for a period of five years. It will be automatically extended for a further period of five years, unless either Contracting Party notifies in writing to the other Contracting Party within a minimum of six months prior to the expiration of the current period of validity, its intentions to terminate the present Agreement.

Each Contracting Party reserves the right to suspend this Agreement in whole or in part with immediate effect in case the basic principles underlying this Agreement are not respected or if a serious violation of the essential provisions of this Agreement occurs.

In witness whereof the undersigned plenipotentiaries, being duly authorized thereto, have signed this Agreement.

Done at Bern on 19th November 1998 in two originals in the Armenian, French and English languages, each text being equally authentic. In case of divergence the English text shall prevail.

The Agreement has entered into force on January 1, 2000.