

## **CHAPTER 14 INNOVATION**

### **Article 14.1 Definitions**

For the purposes of this Chapter:

**“innovation”** means the development or implementation of a new or improved product<sup>1</sup> or process, or combination thereof.

### **Article 14.2 Objective**

The objective of this Chapter is to support innovative processes and trade in innovative products, as well as economic growth between the Parties, by further enhancing collaboration on innovation, including through cooperation on the interaction between innovation and trade policy, consistent with the laws, regulations, and policies of each Party.

### **Article 14.3 General Provisions**

1. The Parties recognise the important role that innovation plays in their economies, including by stimulating competitiveness, increasing productivity, encouraging investment and promoting international trade.
2. The Parties confirm that their intention for this Chapter is to support innovation in their respective economies, including by fostering opportunities in innovation-intensive industries and encouraging trade in innovative products.
3. The Parties acknowledge that innovation may interact with a wide range of trade policy areas and will require appropriate coordination to ensure that economic growth opportunity is maximised.
4. The Parties acknowledge the existing collaboration on innovation between their governments, industries, universities, publicly funded research agencies and other non-governmental bodies, and confirm their commitment to further strengthening this collaboration through initiatives aimed at research and development, capacity building, technical cooperation, and the voluntary transfer and development of technology on mutually agreed fair and reasonable terms.

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<sup>1</sup> For the purposes of this Chapter, “product” means a good or service.

#### **Article 14.4**

##### **The Innovation Working Group**

1. The Parties hereby establish an Innovation Working Group, for the purposes of fostering innovation in their territories and furthering the objective of this Chapter. The Parties shall, through the Innovation Working Group, mutually identify areas of cooperation, which should be inclusive and tech-agnostic, to promote and facilitate innovation across diverse sectors and technologies. Examples of areas of cooperation may include:
  - (a) the commercial application of new technologies, including in economic sectors such as agriculture, health, education, advanced manufacturing, smart mobility and transportation, life sciences, aerospace, and clean energy;
  - (b) emerging and transformative technologies, including clean and low emissions technology, artificial intelligence, distributed ledger technologies, quantum technologies, immersive technologies, sensing technologies, digital twins, the Internet of Things, and robotics and autonomous systems;
  - (c) global value chain matters including supply chain resilience and the increased integration of goods and services;
  - (d) global innovation networks and collaboration among higher education and research institutes; and
  - (e) regulatory approaches that facilitate innovation, bilateral cooperation to identify and respond to future technologies and experimental testing of technologies across borders, including consideration of risk-based approaches, industry-led standards, and risk management best practices.
2. While undertaking cooperation pursuant to paragraph 1, the Innovation Working Group shall consider the potential impact of that cooperation on:
  - (a) gender equality and women's participation in innovation;
  - (b) enabling SMEs to engage in, and utilise, the benefits of innovation;
  - (c) facilitating trade in innovative products which support ambitions to tackle climate change; and
  - (d) the social and economic benefits created by innovation.
3. The Innovation Working Group shall, in order to further the objective of this Chapter:
  - (a) provide a forum for sharing best practice principles, and exploring opportunities in innovation policy across government, academia, research organisations, industry and business, including the start-up

- ecosystem, for example through participation in start-up exchange missions and platforms to allow nascent entities and start-ups of the Parties to engage with key customers and partners across geographies;
- (b) review existing relationships between the Parties for opportunities to strengthen bilateral engagement on the impacts of innovation on trade; and
  - (c) consider any other matter as the Parties may decide.
4. The Innovation Working Group may, in respect of any matter referred to under paragraph 1:
- (a) refer a matter, or make an appropriate recommendation, to the Joint Committee;
  - (b) develop and facilitate a cooperative activity between the Parties; and
  - (c) consult, engage with, or seek advice from, a non-governmental expert or stakeholder.
5. The Innovation Working Group may engage and cooperate with any other body established under this Agreement and shall ensure that its work does not duplicate the work of any other body established under this Agreement. The Innovation Working Group shall consider any matter that may be referred to it by the Joint Committee.
6. The Innovation Working Group shall be composed of government representatives of the Parties and shall be co-chaired by a representative of the government of each Party. The Innovation Working Group shall take its decisions and carry out its work by mutual agreement between the Parties and establish its own rules of procedure.
7. The Innovation Working Group shall meet at least once annually in the three years following the entry into force of this Agreement, and thereafter as agreed between the Parties. A meeting of the Innovation Working Group may be held by virtual means if the Parties agree. In the period between meetings, the Innovation Working Group may carry out its work through any means the Parties consider appropriate. The Innovation Working Group shall, subject to the protection of confidential information, publish a mutually agreed summary of discussions following each meeting, unless otherwise agreed by the Parties.

#### **Article 14.5**

##### **Reporting**

The Innovation Working Group shall decide on a work plan and may, as appropriate, submit a report to the Joint Committee on its activities. In any event, the Innovation Working Group shall submit a report to the Joint Committee within five years following its first meeting after entry into force of this Agreement.

**Article 14.6**  
**Relationship with Other Chapters**

Nothing in this Chapter shall be construed to impose any obligation or commitment with respect to other Chapters of this Agreement.

**Article 14.7**  
**Contact Point**

Each Party shall, within 30 days of the entry into force of this Agreement, designate a contact point to facilitate the implementation of this Chapter and notify the other Party of the contact details. A Party shall promptly notify the other Party of any change to those contact details.

**Article 14.8**  
**Non-Application of Dispute Settlement**

Neither Party shall have recourse to dispute settlement under Chapter 29 (Dispute Settlement) for any matter arising under this Chapter.