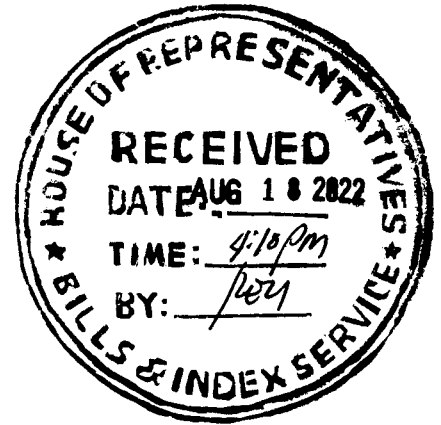


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3838



Introduced by REP. LEX ANTHONY CRIS A. COLADA

EXPLANATORY NOTE

The 1987 Philippine Constitution Article XIV Section 13 provides the State shall protect and secure the exclusive rights of scientists, inventors, artists, and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people, for such period as may be provided by law.

Anent to such State's duty is to protect, secure and promote the intellectual property rights of the people, and to recognize the vital role that an efficient and balanced intellectual property system plays in the economic, technological and sociocultural development of a country.

This bill proposes the passing of a new Intellectual Property Act with the ultimate goal of ensuring that scientists, inventors, artists, and other gifted citizens are encouraged to continue creating and innovating so that both citizens and consumers can benefit from innovative and creative products. In addition, the new and amended provisions contained in the new Intellectual Property Act, as proposed, are designed to ensure a balance between the interests of both the owners/ holders and users of the products protected by these rights.


Innovation and creativity are important factors and drivers of economic growth. By protecting their intellectual property rights, it helps to ensure that individuals who innovate and use their creativity and skills are properly rewarded and their rights over their creations protected.

The proposed new Intellectual Property Act endeavors to accomplish, among others, the following:

- Increase the capacity of IPOPHL to provide assistance to stakeholders, the general public, and specific sectors like the academe, the industries and the MSMEs
- Have a more entrenched IP System that will nurture a culture of creativity and innovation

- Widen the scope of public engagement and facilitate the delivery of IP services all over the country with a focus on regional development
- Clarify and fill the gap created by Personal Property Security Act
- Institutionalize the NCIPR and the Powers of a Sub-Committee on Enforcement of Intellectual Property Rights in the Digital Environment
- Allow Provisional Patent Applications to encourage Philippine investors to file applications while the invention has to be perfected
- Streamline administrative procedures relating to intellectual property rights to liberalize the registration on the transfer of technology, enhance the enforcement of intellectual property rights in the Philippines, and promote the use of relevant, emerging, advanced, and state-of-the-art technologies in providing a more efficient and higher quality service to the stakeholders and the public.

In line with this view, the passage of this measure is earnestly sought.



LEX ANTHONY CRIS A. COLADA
Aambis-OWA, Partylist

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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NINETEENTH CONGRESS
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HOUSE BILL NO. 3838

Introduced by REP. LEX ANTHONY CRIS A. COLADA

AN ACT
PROVIDING FOR THE REVISED INTELLECTUAL PROPERTY CODE
OF THE PHILIPPINES

1 *Be it enacted by the Senate and the House of Representatives of the Philippines*
2 *Congress assembled:*

3

4 **SECTION 1. Short Title.** – This Act shall be known as the “Revised
5 Intellectual Property Code of the Philippines”.

6 **SEC. 2. Declaration of Policy.** - The State recognizes that an effective and
7 efficient intellectual property system is vital to the development of domestic, and
8 creative industries, facilitates transfer of technology, attracts foreign investments,
9 promotes business confidence and ensures market access for our products.
10 Towards this end, the State shall:

11 (a) modernize and improve certain aspects of the law on intellectual
12 property to ensure that the intellectual property system operates more
13 efficiently and is more accessible for all scientists, inventors, creators,
14 artists and other gifted citizens including the indigenous peoples and
15 local communities;

16 (b) streamline administrative procedures relating to intellectual property
17 rights, liberalize the registration on the transfer of technology enhance
18 the enforcement of intellectual property rights in the Philippines; and
19 promote the use of relevant, emerging, advanced, and state-of-the-art
20 technologies to provide more efficient and higher quality service to the
21 public; and

22 (c) recognize, protect, and promote the rights of the indigenous peoples
23 and communities to their intellectual and cultural rights under the
24 principles of free and prior informed consent and benefit sharing. Thus,
25 the State shall implement appropriate measures to prevent misuse and
26 misappropriation of the indigenous peoples’ and communities’
27 intellectual and cultural properties.

1 **SEC. 3. *Applicability of International Conventions and Agreements.*** - Any
2 person who is a national or who is domiciled or has a real and effective industrial
3 establishment in a country which is a party to any convention, treaty or agreement
4 relating to intellectual property rights or the repression of unfair competition, to which
5 the Philippines is also a party, or extends reciprocal rights to nationals of the
6 Philippines by law, shall be entitled to benefits to the extent necessary to give effect
7 to any provision of such convention, treaty or reciprocal law, in addition to the rights
8 to which any owner of an intellectual property right is otherwise entitled by this Act.

9 **SEC. 4. *Definitions of Terms.*** – As used in this Act:

- 10 (a) “Counterfeit goods” refer to any goods or materials including packaging
11 bearing without authorization a trademark which is identical to a
12 trademark validly registered with the Intellectual Property Office of the
13 Philippines (IPOPHL) or already declared as a well-known mark
14 internationally or in the Philippines by a competent authority in respect
15 of such goods or which cannot be distinguished in its essential aspects
16 from such a trademark and which thereby violates the rights of the
17 owner of the trademark in question;
- 18 (b) “Innovation” refers to the creation of new ideas that results in the
19 development of new or improved products, processes, or services,
20 which are then spread or transferred across the market;
- 21 (c) “Intellectual property” or “intellectual property rights” refer to the
22 following:
- 23 (1) Copyright and Related Rights;
- 24 (2) Geographical Indications;
- 25 (3) Industrial Designs;
- 26 (4) Layout-Designs (Topographies) of Integrated Circuits;
- 27 (5) Patents;
- 28 (6) Protected Undisclosed Information;
- 29 (7) Trademarks and Service Marks; and
- 30 (8) Utility Models.
- 31 (d) “IPOPHL Gazette” or “E-Gazette” refers to the printed or electronic
32 publication of the Office under this Act;
- 33 (e) “Office” refers to the Intellectual Property Office of the Philippines
34 (IPOPHL);

1 (f) "Pirated goods" refer to any goods or materials which are made,
2 produced, or replicated without the consent of the right holder or
3 person duly authorized by the right holder and which are made,
4 produced, or replicated directly or indirectly from an article where the
5 making of that copy would have constituted an infringement of
6 copyright or related rights; and

7 (g) "Technology transfer arrangements" refer to contracts or agreements
8 involving intellectual property rights with the transfer of systematic
9 knowledge or technology for the manufacture of a product, the
10 application of a process, or rendering of a service including
11 management contracts; and the transfer, assignment or licensing of all
12 forms of intellectual property rights, including licensing of computer
13 software except computer software developed for mass market.

14 **PART I**
15 **THE INTELLECTUAL PROPERTY OFFICE**

16 **SEC. 5. Functions of the Intellectual Property Office of the Philippines**
17 **(IPOPHL).** - 5.1. The Office is mandated to administer and implement the State
18 policies declared in this Act and shall have the following functions:

19 (a) Examine applications and grant letters patent for inventions and
20 register utility models, industrial designs, layout-designs (topographies)
21 of integrated circuits, trademarks and other marks of ownership;

22 (b) Provide protection for geographical indications;

23 (c) Register technology transfer arrangements and settle disputes on
24 payments involving the same and develop and implement strategies to
25 promote and facilitate technology transfer;

26 (d) Register copyright, issue certificates of deposit or registration and
27 promote the use of copyright and related rights as a tool to foster a
28 culture of creativity and respect for artistic creation;

29 (e) Promote the use of patent information as a tool for policy making and
30 technology development;

31 (f) Publish regularly in its own publication the patents, marks, copyright,
32 utility models and industrial designs, issued and approved, and the
33 technology transfer arrangements registered;

34 (g) Administratively adjudicate disputes involving intellectual property
35 rights;

36 (h) Undertake enforcement functions supported by concerned agencies;

37 (i) Coordinate with and enter into partnerships with other government
38 agencies, institutions, and the private sector efforts to formulate and

1 implement plans and policies to strengthen the creation, promotion,
2 protection, utilization, and enforcement of intellectual property rights in
3 the country;

4 (j) Secure and receive bilateral and international grants and endowments
5 to support its programs and projects; and

6 (k) Formulate policies to promote creativity, innovation, and respect for
7 intellectual property.

8 5.2. The Office shall have custody of all records, books, drawings,
9 specifications, documents, and other papers and things relating to intellectual
10 property rights applications filed with the Office.

11 5.3. The Office shall have the authority to establish and collect fees and
12 other charges in the exercise of its functions and rendering of services including the
13 holding of trainings and seminars. In relation to and in the performance of its
14 functions and promotion of intellectual property, the Office shall have the authority to
15 sell educational and promotional materials, and import and accept donations
16 consisting of equipment or similar items to be exclusively used for official purposes.

17 5.4. The Office shall promulgate rules and procedures, including reasonable
18 timelines consistent with international agreements and best practices. The Office
19 shall adhere as closely as possible to the mandated timelines for processing
20 transactions under Republic Act No. 11032, otherwise known as the "Ease of Doing
21 Business and Efficient Government Service Delivery Act of 2018": *Provided*, That for
22 specific transactions and procedures stipulated under this Act, the prescribed
23 timeline shall commence from the time of the submission of all the requirements and
24 completion of all the stages of the prescribed processes, including post grant
25 publications, *inter partes* and intellectual property rights violations and proceedings.

26 The rules of procedure shall include the grant of letters patents, registration of
27 utility models, industrial designs, layout-designs (topographies) of integrated circuits,
28 marks of ownership, the adjudication of intellectual property disputes, and other
29 similar or related services.

30 **SEC. 6. The Organizational Structure of the IPOPHL.** – 6.1. The Office
31 shall be headed by a Director General who shall be assisted by two (2) Deputies
32 Director General.

33 6.2. The Office shall be divided into seven (7) Bureaus, each of which shall be
34 headed by a Director and assisted by an Assistant Director. These Bureaus are:

35 (a) The Bureau of Patents;

36 (b) The Bureau of Trademarks;

37 (c) The Bureau of Legal Affairs;

38 (d) The Bureau of Innovation Support and Business Development;

- 1 (e) The Information Technology Management Service;
- 2 (f) The Finance, Administrative, and Human Resource Development
- 3 Services; and
- 4 (g) The Bureau of Copyright and Related Rights

5 6.3. The Director General, Deputies Director General, Directors and Assistant
6 Directors shall be appointed by the President. The other officers and employees of
7 the Office shall be appointed by the Secretary of Trade and Industry, conformably
8 with and under the Civil Service Law: *Provided*, That such power may be delegated
9 to the Director General.

10 **SEC. 7. The Offices of the Director General and Deputies Director**
11 **General.** – 7.1 *Composition.* - The Office of the Director General shall consist of the
12 Director General and the Deputies Director General, their immediate staff and such
13 Offices and Services that the Director General will set up to support the plans and
14 programs of the Director General such as, but not limited to :

- 15 (a) Strategy Management and Planning;
- 16 (b) Intellectual Property Academy (IP Academy);
- 17 (c) Intellectual Property Rights Enforcement;
- 18 (d) Intellectual Property Field Operations;
- 19 (e) Legal and Appeals;
- 20 (f) Policy Research and International Affairs; and
- 21 (g) Internal Audit and Quality Management.

22 7.2. *Powers and Functions.* - The Director General shall exercise the
23 following powers and functions:

- 24 (a) Manage and direct all functions and activities of the Office, including
- 25 the promulgation of rules and regulations to implement its mandates,
- 26 objectives, policies, plans, programs and projects, and the recognition
- 27 of individuals representing applicants or other parties before the Office
- 28 or handling services related to intellectual property: *Provided*, That for
- 29 recognition of lawyers, such rules and regulations shall be subject to
- 30 Rule 138 of the Rules of Court of the Philippines.

31 In the exercise of the authority to propose policies and standards in
32 relation to the following:

- 33 (1) The effective, efficient, and economical operations of the Office
- 34 requiring statutory enactment;

- 1 (2) Coordination with other agencies of government in relation to
2 the enforcement of intellectual property rights; and
- 3 (3) The establishment of fees for the filing and processing of an
4 application for a patent and registration of utility model or
5 industrial design, layout-design (topography) of an integrated
6 circuit, or mark or a collective mark and other marks of
7 ownership, and for all other services performed and materials
8 furnished by the Office,

9 The Director General shall be subject to the supervision of the
10 Secretary of Trade and Industry.

11 (b) Exercise

- 12 (1) exclusive original jurisdiction over petitions for the grant of
13 compulsory licenses or special compulsory licenses. The
14 decisions of the Office of the Director General over
15 compulsory licensing cases shall be appealable to the
16 Court of Appeals in accordance with the Rules of Court;
- 17 (2) exclusive appellate jurisdiction over all decisions rendered
18 by the Director of Bureau of Legal Affairs, Director of the
19 Bureau of Patents, Director of the Bureau of Trademarks,
20 Director of the Bureau of Copyright and Related Rights,
21 and Director of the Bureau of Innovation Support and
22 Business Development in the performance of their quasi-
23 judicial functions.

24 The decisions of the Director General in the exercise of his
25 appellate jurisdiction in respect of the decisions of the Director of
26 the Bureau of Legal Affairs, Director of the Bureau of Patents,
27 Director of the Bureau of Trademarks, Director of the Bureau of
28 Copyright and Related Rights shall be appealable to the Court of
29 Appeals in accordance with the Rules of Court: *Provided*, That the
30 decisions of the Director of the Bureau of Innovation Support and
31 Business Development on technology transfer arrangements shall
32 be appealable to the Secretary of Trade and Industry;

33 (c) Undertake enforcement functions supported by concerned agencies
34 such as:

- 35 (1) Issue visitorial orders in relation to violations of intellectual
36 property rights involving counterfeit and pirated goods and
37 materials, and if necessary issue provisional cease and
38 desist and preventive custody orders: *Provided*, That the
39 issuance of such orders are in accordance with the
40 procedure under this Act: *Provided however*, That the
41 complainant shall post a bond sufficient to answer for any

1 and all damages that the respondent may suffer because of
2 the wrongful order.

3 For purposes of the issuance of the orders under this Section,
4 the following shall be strictly complied with:

5 (1.1) *Issuance of Visitorial Orders*

6 The visitorial order shall be issued in relation to violations of
7 intellectual property rights involving counterfeit and pirated
8 goods and materials, and only upon filing of a verified complaint
9 by the owner(s) or holder(s) of intellectual property rights or their
10 authorized representatives, accompanied by (a) a certificate of
11 registration or sworn statement of ownership, (b) a sample of the
12 authentic and counterfeit or pirated goods and materials subject
13 of the complaint, and (c) a sworn statement by the complainant
14 or its expert on the lack of authenticity of the product or lack of
15 authority of the respondent to sell, offer for sale, display or make
16 available to the public the said goods and materials. Any
17 visitorial order shall be issued only upon showing of reasonable
18 cause by the complainant and any visit shall only be conducted
19 during reasonable hours to open establishments and businesses
20 where the counterfeiting or piracy is alleged to be taking place or
21 counterfeit goods or pirated goods or materials are alleged to be
22 sold, offered for sale, displayed or made available to the public.

23 During the visit, the Director General, or any officer authorized in
24 writing by the Director General, shall give the respondent
25 reasonable time and opportunity to provide evidence of
26 authenticity or authority for the goods sold, offered for sale,
27 displayed or made available to the public, or kept in storage.

28 (1.2) *Cease and Desist Order; Preventive Custody Order*

29 A cease-and-desist order may be issued after due notice and
30 hearing, and only if the respondent fails to produce such
31 evidence of authenticity or authority, in which case, the subject
32 goods may be placed in preventive custody. Goods placed in
33 preventive custody shall be subject to inventory, appropriately
34 marked, and segregated from the rest of the products in the
35 establishment but shall physically remain in the establishment of
36 the respondent or in a place mutually agreed upon by the
37 complainant, the respondent, and the Director General or any
38 officer authorized in writing by the Director General. The
39 inventory shall be witnessed and accepted by the respondent.

40 (1.3) *Compliance to Cease-and-Desist and Preventive Custody*

41 The preventive custody of the goods shall be effective for a
42 maximum period of five (5) days which may be extendible for a
43 maximum of another five (5) days upon reasonable ground.

1 Within this period, the respondent should be able to show cause
2 why the preventive custody should be revoked, amended or not
3 made permanent, and the Director General shall make a
4 determination thereof.

5 If the goods are determined to be not counterfeit or pirated, the
6 preventive custody shall be revoked within twenty-four (24)
7 hours and an Order for Release of the goods subject of
8 preventive custody shall be issued within the said period.

9 Should the Director General determine that the goods are
10 counterfeit or pirated, the Director General, after due notice and
11 hearing, shall issue an Order of Confiscation and the goods
12 shall be confiscated and removed from the establishment of the
13 respondent and subjected to forfeiture, destruction, or disposal
14 proceedings in accordance with law.

15 The Office shall issue the necessary implementing rules and
16 regulations (IRR) for the proper implementation of the visitorial
17 powers of the Director General consistent with the Rules of the
18 Supreme Court and the Rules of Court of the Philippines.

- 19 (2) After due notice and hearing, issue temporary and permanent
20 blocking orders, take down orders, cease-and-desist, or disable
21 access orders, to the intermediary service providers, domain
22 name registries and registrars, website owners, online
23 intermediaries, online platforms, social media platforms, or any
24 similar medium in relation to an online violation of intellectual
25 property rights involving counterfeit goods, copyright infringing
26 or pirated goods, materials, and content, infringement of
27 copyright, and other violations of intellectual property rights and
28 this Act, upon filing of a verified complaint by the owner(s) or
29 holder(s) of the intellectual property rights or their authorized
30 representative accompanied by a certificate of registration or
31 sworn statement of ownership, and a sworn statement by the
32 complainant or its expert on the lack of authenticity of the
33 product or lack of authority to sell, offer for sale, display or make
34 available to the public the counterfeit or pirated goods and
35 materials. In the case of online platforms, the take down or
36 cease and desist orders may, as the Director General may
37 deem appropriate, be limited to directing the online platform or
38 the persons operating them to (i) take down, or compel the
39 sellers on the platform to take down, infringing products or
40 listings from the platform as identified in the complaint; or (ii)
41 block specific sellers from the platform when such sellers have
42 been found to infringe intellectual property rights pursuant to at
43 least three (3) verified complaints filed with the IPOPHL.

44 The temporary blocking, takedown, cease and desist or other
45 orders or measures shall be issued only upon showing of grave
46 injury on the part of the applicant and shall only be effective for

1 forty-eight (48) hours and in no case longer than seventy-two
2 (72) hours. Within this period, the Director General shall conduct
3 a hearing and order the respondent to show cause why the
4 temporary order or measure should be revoked, amended or not
5 made permanent. The Director General shall determine within
6 the same period whether the temporary order or measure
7 should be amended, revoked or made permanent.

8 The Director General shall issue fair and equitable procedures
9 to implement its enforcement powers, which procedures shall be
10 applied in a manner as to avoid the creation of barriers to
11 legitimate trade and to provide for safeguards against their
12 abuse.

13 (d) The power to hold in contempt, in accordance with the procedure
14 provided in the implementing rules and regulations of the Office, on all
15 those who disregard orders or writs issued in the exercise of the
16 powers and functions provided for in this Section, and to impose a fine
17 of not less than Twenty thousand pesos (P 20,000.00) but not more
18 than Three hundred thousand pesos (P 300,000.00); and

19 (e) Such other functions in furtherance of the objectives of this Act.

20 **7.3. Qualifications.** - The Director General and the Deputies Director General
21 must be natural born citizens of the Philippines, at least thirty-five (35) years of age
22 on the day of their appointment, holders of a college degree, and of proven
23 competence, integrity, probity and independence: *Provided*, That the Director
24 General and at least one (1) Deputy Director General shall be members of the
25 Philippine Bar who have engaged in the practice of law for at least ten (10) years:
26 *Provided further*, That in the selection of the Director General and the Deputies
27 Director General, consideration shall be given to such qualifications as would result,
28 as far as practicable, in the balanced representation in the Directorate General of the
29 various fields of intellectual property.

30 **7.4. Term of Office.** - The Director General and the Deputies Director General
31 shall be appointed by the President for a term of five (5) years and shall hold office
32 until the successor is appointed and qualified. The Director General and each of the
33 Deputies Director General shall be eligible for reappointment only once. Appointment
34 to any vacancy shall be only for the unexpired term of the predecessor.

35 **SEC. 8. Strategy Management and Planning.** - The Strategy Management
36 and Planning under the Office of the Director General shall have the following
37 functions:

38 (a) Provide efficient and effective services related to the formulation of
39 data-driven plans and programs, monitoring of organizational
40 performance, and review of strategic priorities;

41 (b) Drive IPOPHL's strategic planning process by enhancing its knowledge
42 of the driving forces in its operating environment; and

- 1 (c) Identify and develop future-ready capabilities to improve IPOPHL's
2 work.

3 **SEC. 9. Intellectual Property (IP) Academy.** – The IP Academy shall have
4 the following functions:

- 5 (a) Support the agent accreditation process of the Office by facilitating or
6 conducting the accreditation training, examination, registration, and
7 other supporting activities to accredit and register intellectual property
8 agents, and representatives;

- 9 (b) Build high-level understanding, competence and expertise in the fields
10 of intellectual property and other related areas through the conduct of
11 certification programs, advanced highly-technical courses, learning
12 tracks system, continuing professional development programs and
13 other similar activities;

- 14 (c) Create and formulate the training and learning outlines, methods,
15 curricula, modules, programs, and instructional materials for the
16 training, learning, education programs, and other similar activities on
17 intellectual property and other relevant disciplines;

- 18 (d) Assist and support the capacity building programs of Bureaus and
19 offices in relation to learning management, learning evaluation
20 processes, as well as research initiatives and knowledge-building
21 programs of intellectual property and other relevant disciplines;

- 22 (e) Support and establish the creation of scientific, interdisciplinary,
23 evidence-based and other related research and studies on intellectual
24 property and related disciplines through the conduct of conferences,
25 conventions, publications, and other similar activities on research and
26 knowledge-creation; and

- 27 (f) Enhance and integrate intellectual property in the learning system of
28 the country through the establishment of partnerships and cooperation
29 with local or foreign educational, learning and research institutions,
30 government agencies, private sectors, and other professional
31 organizations.

32 **SEC. 10. Intellectual Property Rights Enforcement.**– The Intellectual
33 Property Rights Enforcement under the Office of the Director General shall have the
34 following powers and functions:

- 35 (a) Gather intelligence information related to the violations of this Act,
36 conduct inquiries and investigation and develop effective
37 countermeasures to deter counterfeit and pirated goods or content;

- 38 (b) Conduct visits during reasonable hours to establishments and

- 1 businesses where activities suspected to be in violation of this Act are
2 being performed in accordance with the procedure provided for under
3 Section 7.2 of this Act;
- 4 (c) Develop a database of pending cases involving violations of this Act;
- 5 (d) Undertake any or all of the following enforcement actions:
- 6 (1) Serve and execute the administrative orders duly issued by the
7 Office of the Director General in accordance with its powers
8 granted in Section 7 of this Act, such as visitorial order on
9 premises, confiscation orders against counterfeit and pirated
10 goods, enforcement orders, and take down or blocking orders
11 against websites or online platforms in coordination with the
12 appropriate agency or intermediary service provider;
- 13 (2) Issue notice or warning to the respondent or respondents;
- 14 (3) Recommend that the concerned local government unit or other
15 government agency cancel licenses and business permits for
16 engaging in selling or making available to the public counterfeit
17 and pirated goods or file charges against the respondents for
18 violation of their respective laws, rules or regulations;
- 19 (4) Request the concerned local government unit concerned or
20 other government agencies to implement the decisions of the
21 Intellectual Property Rights Enforcement pursuant to their
22 respective mandates;
- 23 (5) Report the result of service and execution of administrative
24 orders; and
- 25 (6) Such other orders or actions necessary to ensure compliance
26 with the provisions of this Act.
- 27 (e) Coordinate with other government agencies and the private sector
28 efforts on matters related to intellectual property rights enforcement;
- 29 (f) Assist in the enforcement of orders, writs, and processes issued by the
30 Bureau of Legal Affairs and the Office of the Director General;
- 31 (g) Conduct monitoring activities related or relevant to intellectual property
32 rights enforcement;
- 33 (h) Exercise inter-agency special enforcement coordination functions; and
- 34 (i) Such other powers and functions as may be necessary or incidental to
35 the attainment of the purposes and objectives of this Act or as may be
36 assigned by the Director General or the Deputy Director General-in-
37 charge.

1 **SEC. 11. Intellectual Property Field Operations.** – The Intellectual Property
2 Field Operations under the Office of the Director General shall have the following
3 functions:
4

5 (a) Implement programs and render intellectual property-related services
6 to promote the effective use and respect of intellectual property, and
7 foster an intellectual property-inspired culture of innovation and
8 creativity in the regions of the country;

9 (b) Develop linkages and partnerships with regional offices of other
10 government agencies, local government units and local academic
11 institutions to advance intellectual property-focused programs in the
12 regions;

13 (c) Perform such other functions that will promote the mandate of the
14 Office.

15 **SEC. 12. Bureau of Patents.** - The Bureau of Patents shall have the
16 following functions:

17 (a) Search and examination of patent applications and the grant of
18 patents;

19 (b) Registration of utility models and integrated circuits;

20 (c) Conduct studies and researches in the field of patents in order to assist
21 the Director General in formulating policies on the administration and
22 examination of patents; and

23 (d) Provide other administrative support services related to the foregoing
24 and charge reasonable fees therefor.

25 **SEC. 13. Bureau of Trademarks.** - The Bureau of Trademarks shall have the
26 following functions:

27 (a) Search and examination of the applications for the registration of
28 marks, geographical indications and other marks of ownership and the
29 issuance of the certificates of registration;

30 (b) Registration of industrial designs;

31 (c) Conduct studies and researches in the field of trademarks in order to
32 assist the Director General in formulating policies on the administration
33 and examination thereof;

34 (d) Establish and maintain registers of trademarks, well-known marks, and
35 other marks of ownership; and

- 1 (e) Provide other administrative support services related to the foregoing
2 and charge reasonable fees therefor.

3 **SEC. 14. *Bureau of Copyright and Related Rights.***- The Bureau of
4 Copyright and Related Rights shall have the following functions:

- 5 (a) Exercise original jurisdiction to resolve disputes relating to copyright
6 and related rights, except for copyright infringement cases, cancellation
7 of copyright registration, and those other cases which are within the
8 jurisdiction of the Bureau of Legal Affairs under Section 15 of this Act;
- 9 (b) Accept and review applications for the accreditation of collective
10 management organizations or similar entities, and within twenty (20)
11 days from the submission of complete application documents and
12 observation of interested parties, decide on the said applications for
13 accreditation. The Bureau of Copyright and Related Rights recognizes
14 the importance of the role of collective management organizations and
15 shall encourage accreditation thereof.
- 16 (c) Formulate and implement plans and projects to promote the use of
17 copyright and related rights as a tool to foster a culture of creativity and
18 respect for artistic creations;
- 19 (d) Receive, evaluate and allow the voluntary registration and deposit of
20 works as provided for under Section 214 of this Act;
- 21 (e) Establish and maintain registries or databases involving copyright and
22 related rights in coordination with other government agencies, entities
23 and private stakeholders;
- 24 (f) Conduct researches and education activities, to enhance public
25 awareness on copyright and of fair use of works;
- 26 (g) Approve, after careful deliberation or public consultation, matters
27 concerning the rate or amount of fees and royalties of collective
28 management organizations mentioned in Section 203 of this Act; and
- 29 (h) Perform other functions to the foregoing and charge reasonable fees
30 therefor.

31 The Director General may, by regulations, establish the procedure to govern
32 the implementation of this Section.

33 **SEC. 15. *Bureau of Legal Affairs.*** - The Bureau of Legal Affairs shall have
34 the following functions:

- 35 (a) Adjudicate on the following:
- 36 (1) Opposition to the application for registration of trademarks and
37 other marks of ownership;

- 1 (2) Cancellation of trademarks, geographical indications
2 registration, copyright registration, other marks of ownership and
3 subject to the provisions of Section 70 of this Act, cancellation of
4 patents, utility models, industrial designs, and layout-designs
5 (topographies) of integrated circuits;
- 6 (3) Opposition to application or request for, and revocation of, the
7 declaration of well-known marks by the Bureau of Trademarks;
- 8 (4) Petition for declaration as true and actual inventor; and
9
- 10 (5) Revocation of declaration as true and actual inventor.

11 *Provided, That decisions of the adjudication officers are appealable to the*
12 *Director.*

13 (b) Exercise jurisdiction in the following manner:

- 14 (1) Exercise original and exclusive jurisdiction in administrative
15 complaints for violations of laws involving intellectual property
16 rights: *Provided, That* availment of the provisional remedies may
17 be granted in accordance with the Rules of Court. The Bureau
18 shall, after notice and hearing, have the power to impose fines
19 of not less than not less than fifty thousand pesos (P 50,000.00)
20 but not more than Three hundred thousand pesos (P
21 300,000.00) for all those who disregard orders or writs issued in
22 the course of the proceedings, and recommend or pursue
23 contempt actions as provided for under Section 7.2 (d) of this
24 Act, or the revocation or suspension of the relevant business
25 permit, license or authority as provided for under Section 255 of
26 this Act, or both.
- 27 (2) After formal investigation, the Bureau may impose one (1) or
28 more of the following administrative penalties:
- 29 (i) The issuance of a cease and desist order which shall
30 specify the acts that the respondent shall cease and
31 desist from and to require the submission of a compliance
32 report within a reasonable time which shall be fixed in the
33 order;
- 34 (ii) The acceptance of a voluntary assurance of compliance
35 or discontinuance as may be imposed. Such voluntary
36 assurance may include one or more of the following:
- 37 (1) An assurance to comply with the provisions of the
38 intellectual property law violated;

- 1 (2) An assurance to refrain from engaging in unlawful
2 and unfair acts and practices subject of the formal
3 investigation;
- 4 (3) An assurance to recall, replace, repair, or refund
5 the money value of defective goods distributed in
6 commerce; and
- 7 (4) An assurance to reimburse the complainant the
8 expenses and costs incurred in prosecuting the
9 case in the Bureau of Legal Affairs.
- 10 The Bureau may also require the respondent to submit
11 periodic compliance report and file a bond to guarantee
12 such compliance of undertaking;
- 13 (iii) The condemnation or seizure of products which are
14 subject of the offense. The goods seized hereunder shall
15 be disposed of in such manner as may be deemed
16 appropriate by the Bureau, such as by destruction, sale,
17 donation to distressed local governments or to charitable
18 or relief institutions, exportation, recycling into other
19 goods, or any combination thereof, under such guidelines
20 as the Bureau may provide;
- 21 (iv) The forfeiture of paraphernalia, machines, equipment and
22 personal properties used primarily or predominantly in the
23 violation of intellectual property rights;
- 24 (v) The imposition of administrative fines, which shall in no
25 case be less than One hundred thousand pesos (P
26 100,000.00) nor more than One million pesos (P
27 1,000,000.00). In addition, an additional fine of not less
28 than Ten thousand pesos (P10,000.00) shall be imposed
29 for each day of continuing violation;
- 30 (vi) The cancellation of any license, authority, or registration
31 which may have been granted by the Office, or the
32 suspension of the validity thereof for such period as the
33 Bureau may deem reasonable which shall not exceed
34 one (1) year;
- 35 (vii) The withholding of any license, authority, or registration
36 which is being secured by the respondent from the Office;
- 37 (viii) The assessment and award of damages, including such
38 profits the infringer may have made due to such
39 infringement and advertising revenues; and when
40 appropriate, exemplary, nominal or moral damages,
41 attorney's fees, and costs of litigation;

1 (ix) Censure; and

2 (x) Other analogous penalties or sanctions.

3 *Provided*, that decisions of the adjudication officers are
4 appealable to the Director.

5 (c) Establish and administer alternative dispute resolution mechanisms;
6 and

7 (d) Provide assistance to other bureaus and offices of the IPOPHL,
8 including legal review, study, and similar tasks.

9 The Director General may, by regulations, establish the procedure to govern
10 the implementation of this Section.

11 **SEC. 16. Bureau of Innovation Support and Business Development.** - The
12 Bureau of Innovation, Support and Business Development shall have the following
13 functions:

14 (a) Foster creativity, innovation, and business development by
15 implementing policies, programs, and activities therefor, through the
16 following:

17 (1) Promote and provide assistance on the utilization and
18 commercialization of intellectual property through various modes
19 in coordination and collaboration with other government
20 agencies and the relevant private institutions;

21 (2) Promote the use of intellectual property information as a
22 strategic tool to facilitate the development of technology in the
23 country;

24 (3) Perform patent searches, analytics mapping and similar
25 activities;

26 (4) Register technology transfer arrangements, and settle disputes
27 involving technology transfer payments;

28 (5) Adapt and package intellectual property information; and

29 (6) Provide advisory services for the determination of search
30 patterns;

31 (b) Build public awareness on intellectual property through information
32 dissemination and the conduct of seminars, lectures, capacity building
33 exercises and other similar activities; and

- 1 (c) Support advocacy programs and initiatives of the Office through
2 marketing of services, and external communications.

3 The Director General may, by implementing rules and regulations, establish
4 the procedure to govern the implementation of this Section.

5 **SEC. 17. Information Technology Management Service.** - The Information
6 Technology Management Service shall:

7 (a) Plan, develop, and implement information technology (IT) strategies
8 and policies in collaboration with all offices and bureaus to ensure the
9 optimal application and utilization of IT resources and services; and

10 (b) Develop and maintain databases, application systems, and network
11 infrastructure systems to support all office and bureau operations.

12 **SEC. 18. Finance, Administrative and Human Resource Development**
13 **Services.** - 18.1. The Finance Service shall:

14 (a) Formulate and manage a financial program to ensure availability and
15 proper utilization of funds; and

16 (b) Provide for an effective monitoring system of the financial operations
17 of the Office;

18 18.2. The Administrative Service shall:

19 (a) Provide services relative to procurement and allocation of supplies and
20 equipment, transportation, messengerial work, cashiering, payment of
21 salaries and other obligations of the Office, maintenance, and proper
22 safety and security of the Office, as well as other utility services; and

23 (b) Receive all applications filed with the Office and collect fees therefor.

24 18.3. The Human Resource Development Service shall:

25 (a) Design and implement human resource development plans and
26 programs for the personnel of the Office;

27 (b) Provide for present and future manpower needs of the organization;
28 and

29 (c) Maintain high morale and favorable employee attitudes towards the
30 organization through the continuing design and implementation of
31 employee development programs.

32 **SEC. 19. The National Committee on Intellectual Property Rights.** – 19.1.
33 *Composition.* – The composition of the National Committee on Intellectual Property
34 Rights (NCIPR), created under Executive Order No. 736, series of 2008, entitled
35 “Institutionalizing Permanent Units to Promote, Protect and Enforce Intellectual

1 Property Rights (IPR) in Different Law Enforcement and Other Agencies under the
2 Coordination of the National Committee on Intellectual Property Rights (NCIPR)", is
3 hereby expanded to include the following member agencies:

- 4 (a) Department of Trade and Industry (DTI);
- 5 (b) Intellectual Property Office of the Philippines (IPOPHL);
- 6 (c) Department of Justice (DOJ);
- 7 (d) Department of Interior and Local Government (DILG);
- 8 (e) Department of Information and Communications Technology (DICT);
- 9 (f) Bureau of Customs (BOC);
- 10 (g) National Telecommunications Commission (NTC);
- 11 (h) Optical Media Board (OMB);
- 12 (i) National Bureau of Investigation (NBI);
- 13 (j) Philippine National Police (PNP);
- 14 (k) Food and Drug Administration (FDA);
- 15 (l) National Book Development Board (NBDB);
- 16 (m) Bureau of Internal Revenue (BIR);
- 17 (n) National Commission on Indigenous People (NCIP);
- 18 (o) Office of the Special Envoy for Transnational Crimes;
- 19 (p) Such other agencies as may be called upon by the NCIPR; and
- 20 (q) A representative from the private sector to be appointed by the
21 Secretary of Trade and Industry upon the recommendation of the
22 Director General, and who shall have a term of two (2) years, without
23 reappointment.

24 The NCIPR shall be co-chaired by the Secretary of Trade and Industry and by
25 the Director General. Each member shall designate a permanent representative with
26 the rank of Undersecretary or Assistant Secretary. The Office shall provide
27 secretariat services to the NCIPR.

28 19.2. *Functions.* – The NCIPR shall act as the primary inter-agency body on
29 efforts against intellectual property rights violations and shall have the following
30 functions:

- 1 (a) Formulate strategic plans and programs;
- 2 (b) Assist in the public information and education campaign on the
3 importance of intellectual property rights;
- 4 (c) Facilitate and assist in the effective enforcement and prosecution of
5 violators of intellectual property rights;
- 6 (d) Recommend measures to the legislative, executive, and judicial
7 departments to ensure timely and effective enforcement and
8 adjudication of intellectual property rights cases;
- 9 (e) Maintain a database and enforcement monitoring system, consolidated
10 information and reports from other agencies, and submit periodic
11 reports; and
- 12 (f) Coordinate with other government agencies and the private sector
13 efforts on matters related to intellectual property rights enforcement.

14 To perform these functions, all NCIPR member-agencies shall establish and
15 maintain a permanent intellectual property unit with regular and adequate resources,
16 personnel, and budgetary support allocated from their respective funds.

17 **SEC. 20. Use of Intellectual Property Rights Fees by the IPOPHL.** – 20.1.
18 For a more effective and expeditious implementation of this Act, the Director General
19 shall be authorized to retain, without need of a separate approval from any
20 government agency, and subject only to the existing accounting and auditing rules
21 and regulations, all the fees, fines, royalties and other charges, collected by the
22 Office under this Act and the other laws that the Office will be mandated to
23 administer, for use in its operations, such as upgrading of its facilities, equipment
24 outlay, human resource development, and the acquisition of the appropriate office
25 space, among others, to improve the delivery of its services to the public. This
26 amount, which shall be in addition to the Office's annual budget, shall be deposited
27 and maintained in a separate account or fund, which may be used or disbursed
28 directly by the Director General.

29 20.2. The Director General shall, subject to the approval of the Secretary of
30 the DTI, determine if the fees and charges mentioned in Section 20.1 hereof are
31 sufficient to meet its budgetary requirements. If so, it shall retain all the fees and
32 charges it shall collect under the same conditions indicated in Section 20.1 hereof,
33 but shall forthwith cease to receive any funds from the annual budget of the National
34 Government.

35 **SEC. 21. Special Technical and Scientific Assistance.** - The Director
36 General is empowered to obtain the assistance of technical, scientific or other
37 qualified officers and employees of other departments, bureaus, offices, agencies
38 and instrumentalities of the Government, including corporations owned, controlled or
39 operated by the Government, when deemed necessary in the consideration of any
40 matter submitted to the Office relative to the enforcement of the provisions of this
41 Act.

1 **SEC. 22. Seal of Office.** - The Office shall have a seal, the form and design
2 of which shall be approved by the Director General.

3 **SEC. 23. Publication of Laws and Regulations.** - The Director General shall
4 cause to be printed and make available for distribution, pamphlet copies of this Act,
5 other pertinent laws, executive orders and information circulars relating to matters
6 within the jurisdiction of the Office.

7 **SEC. 24. The IPOPHL Gazette.** – All matters required to be published under
8 this Act shall be published in the Office's own publication to be known as the
9 IPOPHL Gazette.

10 **SEC. 25. Disqualification of Officers and Employees of the Office.** – All
11 officers and employees of the Office shall not apply or act as an attorney or agent of
12 an application for a grant of patent, for the registration of a utility model, industrial
13 design, layout-design (topographies) of an integrated circuit, mark, other marks of
14 ownership, nor acquire, except by hereditary succession, any patent or utility model,
15 design registration, or mark or any right, title or interest therein during their
16 employment and for one (1) year thereafter.

17 **PART II**
18 **THE LAW ON PATENTS**

19 **Chapter I**
20 **GENERAL PROVISIONS**

21 **SEC. 26. Definition of Terms.** – As used in Part II of this Act, the following
22 terms shall mean:

- 23 (a) "Bureau" means the Bureau of Patents;
- 24 (b) "Director" means the Director of the Bureau of Patents;
- 25 (c) "Examiner" means the patent examiner;
- 26 (d) "Patent application" or "application" means an application for a patent
27 for an invention except in Chapters IX and X, where application means
28 an application for a utility model and layout-design (topography) of
29 integrated circuit, respectively;
- 30 (e) "Priority date" means the date of filing of the foreign application for the
31 same invention referred to in Section 37 of this Act;
- 32 (f) "Provisional Patent Application" means a temporary patent application
33 that complies with Section 39.2 of this Act and filed for purposes of
34 establishing an early filing date; and
- 35 (g) "Regulations" mean the Rules of Practice in Patent Cases formulated
36 by the Director of the Bureau of Patents and promulgated by the
37 Director General.

1 Chapter II
2 PATENTABILITY

3 **SEC. 27. Patentable Inventions.** - Any technical solution of a problem in any
4 field of human activity which is new, involves an inventive step and is industrially
5 applicable shall be patentable. It may be, or may relate to, a product, or process, or
6 an improvement of any of the foregoing.

7 **SEC. 28. Non-Patentable Inventions.** - The following shall be excluded from
8 patent protection:

- 9 (a) Discoveries, scientific theories and mathematical methods, and in the
10 case of drugs and medicines, the mere discovery of a new form or new
11 property of a known substance which does not result in the
12 enhancement of the known efficacy of that substance, or the mere
13 discovery of any new property or new use for a known substance, or
14 the mere use of a known process unless such known process results in
15 a new product that employs at least one new reactant.

16 For the purpose of this clause, salts, esters, ethers, polymorphs, metabolites,
17 pure form, particle size, isomers, mixtures of isomers, complexes,
18 combinations, and other derivatives of a known substance shall be considered
19 to be the same substance, unless they differ significantly in properties with
20 regard to efficacy;

- 21 (b) Schemes, rules and methods of performing mental acts, playing games
22 or doing business, and programs for computers;

- 23 (c) Methods for treatment of the human or animal body by surgery or
24 therapy and diagnostic methods practiced on the human or animal
25 body. This provision shall not apply to products and composition for
26 use in any of these methods;

- 27 (d) Plant varieties or animal breeds or essentially biological process for the
28 production of plants or animals. This provision shall not apply to micro-
29 organisms and non-biological and microbiological processes.

30 Provisions under this Section shall not preclude Congress to consider the
31 enactment of a law providing *sui generis* protection of plant varieties and
32 animal breeds and a system of community intellectual rights protection;

- 33 (e) Aesthetic creations; and

- 34 (f) Anything which is contrary to public order or morality.

35 **SEC. 29. Novelty.** - An invention shall not be considered new if it forms part
36 of a prior art.

37 **SEC. 30. Prior Art.** - Prior art shall consist of:

1 (a) Everything which has been made available to the public anywhere in
2 the world, before the filing date or the priority date of the application
3 claiming the invention: *Provided*, That an undisclosed provisional
4 patent application shall not be considered as prior art; and

5 (b) The whole contents of an application for a patent, utility model, or
6 industrial design registration, published in accordance with this Act,
7 filed or effective in the Philippines, with a filing or priority date that is
8 earlier than the filing or priority date of the application: *Provided*, That
9 the application which has validly claimed the filing date of an earlier
10 application under Section 38 of this Act, shall be prior art with effect as
11 of the filing date of such earlier application: *Provided further*, That the
12 applicant or the inventor identified in both applications are not one and
13 the same.

14 **SEC. 31. Non-Prejudicial Disclosure.** - 31.1. The disclosure of information
15 contained in the application during the twelve (12) months preceding the filing date
16 or the priority date of the application shall not prejudice the applicant on the ground
17 of lack of novelty if such disclosure was made by:

18 (a) The inventor;

19 (b) A patent office, and the information was contained (a) in another
20 application filed by the inventor and should not have been disclosed by
21 the office, or (b) in an application filed without the knowledge or
22 consent of the inventor by a third party which obtained the information
23 directly or indirectly from the inventor; or

24 (c) A third party which obtained the information directly or indirectly from
25 the inventor.

26 31.2. For the purposes of Section 31.1 hereof, "inventor" also means any
27 person who, at the filing date of the application, had the right to the patent.

28 **SEC. 32. Inventive Step.** - 32.1. An invention involves an inventive step if,
29 having regard to prior art, it is not obvious to a person skilled in the art at the time of
30 the filing date or priority date of the application claiming the invention.

31 32.2. In the case of drugs and medicines, there is no inventive step if the
32 invention results from the mere discovery of a new form or new property of a known
33 substance which does not result in the enhancement of the known efficacy of that
34 substance, or the mere discovery of any new property or new use for a known
35 substance, or the mere use of a known process unless such known process results
36 in a new product that employs at least one new reactant.

37 **SEC. 33. Industrial Applicability.** - An invention that can be produced and
38 used in any industry shall be industrially applicable.

39 **Chapter III**
40 **RIGHT TO A PATENT**

SEC. 34. Right to a Patent. - The right to a patent belongs to the inventor, his heirs, or assigns. When two (2) or more persons have jointly made an invention, the right to a patent shall belong to them jointly.

SEC. 35. First to File Rule. - If two (2) or more persons have made the invention separately and independently of each other, the right to the patent shall belong to the person who filed an application for such invention, or where two or more applications are filed for the same invention, to the applicant who has the earliest filing date or, the earliest priority date.

SEC. 36. Inventions Created Pursuant to a Commission. - 36.1. The person who commissions the work shall own the patent, unless otherwise provided in the contract.

36.2. In case the employee made the invention in the course of his employment contract, the patent shall belong to:

(a) The employee, if the inventive activity is not a part of his regular duties even if the employee uses the time, facilities and materials of the employer.

(b) The employer, if the invention is the result of the performance of his regularly-assigned duties, unless there is an agreement, express or implied, to the contrary.

SEC. 37. Right of Priority. – 37.1. An application for patent filed by any person who has previously applied for the same invention in another country which by treaty, convention, or law affords similar privileges to Filipino citizens, shall be considered as filed as of the date of filing the foreign application: *Provided, That:* (a) the local application expressly claims priority; (b) it is filed within twelve (12) months from the date the earliest foreign application was filed; and (c) a certified copy of the foreign application together with an English translation is filed within six (6) months from the date of filing in the Philippines.

37.2. The date of filing of a provisional patent application may be claimed as the priority date of the patent application: *Provided*, That such patent application was filed within twelve (12) months and in accordance with the requirements of Section 38.1 hereof.

Chapter IV

PATENT APPLICATION

SEC. 38. *The Application.* - 38.1. The patent application shall be in Filipino or English and shall contain the following:

(a) A request for the grant of a patent;

(b) A description of the invention;

- 1 (c) Drawings necessary for the understanding of the invention;
- 2 (d) At least one (1) claim;
- 3 (e) An abstract;
- 4 (f) Payment of required fees at the time of filing; and
- 5 (g) If the applicant is not domiciled in the Philippines, the appointment of
- 6 an agent or representative upon whom notice or process for judicial or
- 7 administrative procedure relating to the application for patent or the
- 8 patent may be served.

9 38.2. No patent may be granted unless the application identifies the inventor.
10 If the applicant is not the inventor, the Office may require him to submit said
11 authority.

12 **Section 39. Provisional Patent Application.** – 39.1. A provisional patent
13 application shall be replaced by a patent application that complies with Section 39.2
14 hereof: *Provided*, That such patent application is filed within twelve (12) months
15 from the filing date of the provisional patent application: *Provided further*, That if new
16 matter not included in the provisional application is introduced, the filing date shall be
17 when the regular application is filed, otherwise such provisional patent application
18 shall be considered forfeited.

19 39.2. A provisional patent application shall contain the following:

- 20 (a) Request Form for Provisional Application;
- 21 (b) Provisional description of the invention;
- 22 (c) Provisional drawings or sequence listings, if applicable;
- 23 (d) At least one (1) provisional claim;
- 24 (e) Provisional abstract;
- 25 (f) Payment of required fees at the time of filing; and
- 26 (g) If the applicant is not domiciled in the Philippines, the appointment of
- 27 an agent or representative upon whom notice or process for judicial or
- 28 administrative procedure relating to the application for patent or the
- 29 patent may be served.

30 39.3. The benefits of filing a provisional patent application refer only to the
31 right of claiming priority date under Section 37.2 hereof and for establishing novelty
32 under Section 29 hereof. The protection period referred to in Section 60 of this Act
33 shall be reckoned from the filing date of the provisional patent application.

1 **SEC. 40. The Request.** - The request shall contain a petition for the grant of
2 the patent, the name and other data of the applicant, the inventor and the agent and
3 the title of the invention.

4 **SEC. 41. Disclosure and Description of the Invention.** – 41.1. The
5 application shall disclose the invention in a manner sufficiently clear and complete
6 for it to be carried out by a person skilled in the art. Where the application concerns a
7 microbiological process or the product thereof and involves the use of a micro-
8 organism which cannot be sufficiently disclosed in the application in such a way as to
9 enable the invention to be carried out by a person skilled in the art, and such
10 material is not available to the public, the application shall be supplemented by a
11 deposit of such material with an international depository institution.

12 41.2. The Regulations shall prescribe the contents of the description and the
13 order of presentation.

14 **SEC. 42. The Claims.** - 42.1. The application shall contain one (1) or more
15 claims which shall define the matter for which protection is sought. Each claim shall
16 be clear and concise, and shall be supported by the description.

17 42.2. The Regulations shall prescribe the manner of the presentation of
18 claims.

19 **SEC. 43. The Abstract.** - The abstract shall consist of a concise summary of
20 the disclosure of the invention as contained in the description, claims and drawings
21 in preferably not more than one hundred fifty (150) words. It must be drafted in a way
22 which allows the clear understanding of the technical problem, the gist of the solution
23 of that problem through the invention, and the principal use or uses of the invention.
24 The abstract shall merely serve for technical information.

25 **SEC. 44. Unity of Invention.** - 44.1. The application shall relate to one
26 invention only or to a group of inventions forming a single general inventive concept.

27 44.2. If several independent inventions which do not form a single general
28 inventive concept are claimed in one application, the Director may require that the
29 application be restricted to a single invention. A later application filed for an invention
30 divided out shall be considered as having been filed on the same day as the first
31 application: *Provided*, That the later application is filed within four (4) months after
32 the requirement to divide becomes final, or within such additional time, not
33 exceeding four (4) months, as may be granted: *Provided however*, That each
34 divisional application shall not go beyond the disclosure in the initial application.

35 44.3. The fact that a patent has been granted on an application that did not
36 comply with the requirement of unity of invention shall not be a ground to cancel the
37 patent.

38 **SEC. 45. Information Concerning Corresponding Foreign Application for**
39 **Patents.** - The applicant shall, at the request of the Director, furnish the date and
40 number of any application for a patent filed abroad, hereafter referred to as the
41 "foreign application," relating to the same or essentially the same invention as that

1 claimed in the application filed with the Office and other documents relating to the
2 foreign application.

3 Chapter V 4 PROCEDURE FOR GRANT OF PATENT

5 **SEC. 46. *Filing Date Requirements.*** - 46.1. The filing date of a patent
6 application shall be the date of receipt by the Office of at least the following
7 elements:

8 (a) An express or implicit indication that a Philippine patent is sought;

9 (b) Information identifying the applicant; and

10 (c) Description of the invention and one (1) or more claims in Filipino or
11 English.

12 46.2. In the case of the provisional patent application, the filing date shall be
13 the date of receipt by the Office of all of the requirements in Section 39.2 of this Act.

14 46.3. If any of these elements is not submitted within the period set by the
15 Regulations, the application shall be considered withdrawn.

16 **SEC. 47. *According a Filing Date.*** - The Office shall examine whether the
17 patent application or a provisional patent application satisfies the requirements for
18 the grant of date of filing as provided for under Section 46 of this Act. If the date of
19 filing cannot be accorded, the applicant shall be given an opportunity to correct the
20 deficiencies in accordance with the implementing Regulations. If the application does
21 not contain all the elements indicated in Section 46 of this Act, the filing date should
22 be that date when all the elements are received. If the deficiencies are not remedied
23 within the prescribed time limit, the application shall be considered withdrawn.

24 **SEC. 48. *Formality Examination.*** - 48.1. After the patent application has
25 been accorded a filing date and the required fees have been paid on time in
26 accordance with the Regulations, the applicant shall comply with the formal
27 requirements specified by Section 38 of this Act and the Regulations within the
28 prescribed period; otherwise the application shall be considered withdrawn.

29 48.2. The Regulations shall determine the procedure for the re- examination
30 and revival of an application as well as the appeal to the Director from any final
31 action by the examiner.

32 **SEC. 49. *Classification and Search.*** - An application that has complied with
33 the formal requirements shall be classified and a search conducted to determine the
34 prior art.

35 **SEC. 50. *Publication of Patent Application.*** - 50.1. The patent application
36 shall be published in the IPOP HL Gazette together with a search document
37 established by or on behalf of the Office citing any documents that reflect prior art,
38 after the expiration of eighteen (18) months from the filing date or priority date.

1 50.2. After publication of a patent application, any interested party may
2 inspect the application documents filed with the Office.

3 50.3. The Director General, subject to the approval of the Secretary of the
4 DTI, may prohibit or restrict the publication of an application, if in the Director
5 General's opinion, to do so would be prejudicial to the national security and interests
6 of the Republic of the Philippines.

7 **SEC. 51. Confidentiality Before Publication.** - 51.1. A patent application,
8 which has not yet been published, and all related documents, shall not be made
9 available for inspection without the consent of the applicant.

10 51.2. *Confidentiality of Provisional Patent Application.* – A provisional patent
11 application that has complied with the requirements in Sections 41 and 42 of this Act
12 shall be kept in confidence by the Office and as such, will not be published in the
13 IPOPHL Gazette or in any other means of publication. Provisional patent
14 applications that are forfeited shall be destroyed or permanently deleted and no
15 records of which shall be kept by the Office.

16 **SEC. 52. Rights Conferred by a Patent Application After Publication.** -
17 The applicant shall have all the rights of a patentee under Section 82 of this Act
18 against any person who, without his authorization, exercised any of the rights
19 conferred under Section 77 of this Act in relation to the invention claimed in the
20 published patent application, as if a patent had been granted for that invention:
21 *Provided, That* the said person had:

22 (a) Actual knowledge that the invention that he was using was the subject
23 matter of a published application; or

24 (b) Received written notice that the invention that he was using was the
25 subject matter of a published application being identified in the said
26 notice by its serial number: *Provided, That* the action may not be filed
27 until after the grant of a patent on the published application and within
28 four (4) years from the commission of the acts complained of.

29 **SEC. 53. Observation by Third Parties.** - Following the publication of the
30 patent application, any person may present observations in writing concerning the
31 patentability of the invention. Such observations shall be communicated to the
32 applicant who may comment on them. The Office shall acknowledge and put such
33 observations and comment in the file of the application to which it relates.

34 **SEC. 54. Request for Substantive Examination.** - 54.1. The application
35 shall be deemed withdrawn unless within six (6) months from the date of publication
36 under Section 47 of this Act, a written request is filed to determine whether a patent
37 application meets the requirements of Sections 27 to 33 and Sections 38 to 45 of this
38 Act and that the corresponding fees have been paid on time.

39 54.2. Withdrawal of the request for examination shall be irrevocable and shall
40 not authorize the refund of any fee.

1 **SEC. 55. Amendment of Application.** - An applicant may amend the patent
2 application during examination: *Provided*, That such amendment shall not include
3 new matter outside the scope of the disclosure contained in the application as filed.

4 **SEC. 56. Grant of Patent.** - 56.1. If the application meets the requirements of
5 this Act, the Office shall grant the patent: *Provided*, That all the fees are paid on
6 time.

7 56.2. If the required fees for grant and printing are not paid in due time, the
8 application shall be deemed to be withdrawn.

9 56.3. A patent shall take effect on the date of the publication of the grant of the
10 patent in the IPOPHL Gazette.

11 **SEC. 57. Refusal of the Application.** - 57.1. The final order of refusal of the
12 examiner to grant the patent shall be appealable to the Director in accordance with
13 this Act.

14 57.2. The Regulations shall provide for the procedure by which an appeal
15 from the order of refusal from the Director shall be undertaken.

16 **SEC. 58. Publication Upon Grant of Patent.** - 58.1. The grant of the patent
17 together with other related information shall be published in the IPOPHL Gazette
18 within the time prescribed by the Regulations.

19 58.2. Any interested party may inspect the complete description, claims, and
20 drawings of the patent on file with the Office.

21 **SEC. 59. Contents of Patent.** - The patent shall be issued in the name of the
22 Republic of the Philippines under the seal of the Office and shall be signed by the
23 Director, and registered together with the description, claims, and drawings, if any, in
24 books and records of the Office.

25 **SEC 60. Term of Patent.** - The term of a patent shall be twenty (20) years
26 from the filing date of the application. For a patent which was originally filed under a
27 provisional patent application, the protection period shall be reckoned from the filing
28 date of the provisional patent application.

29 **SEC. 61. Annual Fees.** - 61.1. To maintain the patent application or patent,
30 an annual fee shall be paid upon the expiration of four (4) years from the date the
31 application was published pursuant to Section 50 of this Act, and on each
32 subsequent anniversary of such date. Payment may be made within three (3)
33 months before the due date. The obligation to pay the annual fees shall terminate
34 should the application be withdrawn, refused, or cancelled.

35 61.2. If the annual fee is not paid, the patent application shall be deemed
36 withdrawn or the patent considered as lapsed from the day following the expiration of
37 the period within which the annual fees were due. A notice that the application is
38 deemed withdrawn or the lapse of a patent for non-payment of any annual fee shall

1 be published in the IPOPHL Gazette and the lapse shall be recorded in the Register
2 of the Office.

3 61.3. A grace period of six (6) months shall be granted for the payment of the
4 annual fee, upon payment of the prescribed surcharge for delayed payment.

5 **SEC. 62. Surrender of Patent.** - 62.1. The owner of the patent, with the
6 consent of all persons having grants or licenses or other right, title or interest in and
7 to the patent and the invention covered thereby, which have been recorded in the
8 Office, may surrender his patent or any claim or claims forming part thereof to the
9 Office for cancellation.

10 62.2. A person may give notice to the Office of his opposition to the surrender
11 of a patent under this Section, and if he does so, the Bureau shall notify the
12 proprietor of the patent and determine the question.

13 62.3. If the Office is satisfied that the patent may properly be surrendered, he
14 may accept the offer and, as from the day when notice of his acceptance is
15 published in the IPOPHL Gazette, the patent shall cease to have effect, but no action
16 for infringement shall lie and no right compensation shall accrue for any use of the
17 patented invention before that day for the services of the government.

18 **SEC. 63. Correction of Mistakes of the Office.** - The Director shall have the
19 power to correct, without fee, any mistake in a patent incurred through the fault of the
20 Office when clearly disclosed in the records thereof, to make the patent conform to
21 the records.

22 **SEC. 64. Correction of Mistake in the Application.** - On request of any
23 interested person and payment of the prescribed fee, the Director is authorized to
24 correct any mistake in a patent of a formal and clerical nature, not incurred through
25 the fault of the Office.

26 **SEC. 65. Changes in Patents.** - 65.1. The owner of a patent shall have the
27 right to request the Bureau to make the changes in the patent in order to:

- 28 (a) Limit the extent of the protection conferred by it;
- 29 (b) Correct obvious mistakes or to correct clerical errors; and
- 30 (c) Correct mistakes or errors, other than those referred to in Section 65.1
31 (b) hereof made in good faith: *Provided*, That where the change would
32 result in a broadening of the extent of protection conferred by the
33 patent, no request may be made after the expiration of two (2) years
34 from the grant of a patent and the change shall not affect the rights of
35 any third party which has relied on the patent, as published.

36 65.2. No change in the patent shall be permitted under this Section, where the
37 change would result in the disclosure contained in the patent going beyond the
38 disclosure contained in the application filed.

65.3. If, and to the extent to which the Office changes the patent according to this Section, it shall publish the same.

SEC. 66. Form and Publication of Amendment. - An amendment or correction of a patent shall be accomplished by a certificate of such amendment or correction, authenticated by the seal of the Office and signed by the Director, which certificate shall be attached to the patent. Notice of such amendment or correction shall be published in the IPOPHL Gazette and copies of the patent kept or furnished by the Office shall include a copy of the certificate of amendment or correction.

Chapter VI

CANCELLATION OF PATENTS AND SUBSTITUTION OF PATENTEE

SEC. 67. Cancellation of Patents. – 67.1. Any interested person may, upon payment of the required fee, petition to cancel the patent or any claim thereof, or parts of the claim, on any of the following grounds:

- (a) That the invention is non-patentable pursuant to Section 28 of this Act;
- (b) That what is claimed as the invention is not new, does not involve an inventive step, or is not industrially applicable; or
- (c) That the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by any person skilled in the art.

67.2. Where the grounds for cancellation relate to some of the claims or parts of the claim, cancellation may be effected to such extent only.

SEC. 68. Requirement of the Petition. - The petition for cancellation shall be in writing, verified by the petitioner or by any person in his behalf who knows the facts, specify the grounds upon which it is based, include a statement of the facts to be relied upon, and filed with the Office. Copies of printed publications or of patents of other countries, and other supporting documents mentioned in the petition shall be attached thereto, together with the translation thereof in English, if not in the English language.

SEC. 69. Notice of Hearing. - Upon filing of a petition for cancellation, the Director of the Bureau of Legal Affairs shall forthwith serve notice of the filing thereof upon the patentee and all persons having grants or licenses, or any other right, title or interest in and to the patent and the invention covered thereby, as appears of record in the Office, and of notice of the date of hearing thereon on such persons and the petitioner. Notice of the filing of the petition shall be published in the IPOPHL Gazette.

SEC. 70. Committee of Three. - In cases involving highly technical issues, on motion of any party, the Director of the Bureau of Legal Affairs may order that the petition be heard and decided by a committee composed of the Director of the Bureau of Legal Affairs as chairman and two (2) members who have the experience

1 or expertise in the field of technology to which the patent sought to be cancelled
2 relates. The decision of the committee shall be appealable to the Director General.

3 **SEC. 71. Cancellation of the Patent.** - 71.1. If the Committee finds that a
4 case for cancellation has been proved, it shall order the patent or any specified claim
5 or claims thereof cancelled.

6 71.2. If the Committee finds that, taking into consideration the amendment
7 made by the patentee during the cancellation proceedings, the patent and the
8 invention to which it relates meet the requirement of this Act, it may decide to
9 maintain the patent as amended: *Provided*, That the fee for printing of a new patent
10 is paid within the time limit prescribed in the Regulations.

11 71.3. If the fee for the printing of a new patent is not paid in due time, the
12 patent should be revoked.

13 71.4. If the patent is amended under Section 71.2 hereof, the Bureau shall, at
14 the same time as it publishes the mention of the cancellation decision, publish the
15 abstract, representative claims and drawings indicating clearly what the amendments
16 consist of.

17 **SEC. 72. Effect of Cancellation of Patent or Claim.** - The rights conferred
18 by the patent or any specified claim or claims cancelled shall terminate. Notice of the
19 cancellation shall be published in the IPOP HL Gazette. Unless restrained by the
20 Director General, the decision or order to cancel by the Director of the Bureau of
21 Legal Affairs shall be immediately executory even pending appeal.

22 Chapter VII 23 REMEDIES OF A PERSON WITH A RIGHT TO A PATENT

24 **SEC. 73. Effect of Declaration as the True and Actual Inventor or a**
25 **Person Having the Right to a Patent.** - A person declared by final order or
26 decision of the court or by the Bureau of Legal Affairs to be the true and actual
27 inventor or to have the right to the patent or to file a patent application may, within
28 three (3) months after the decision has become final and executory, notify the
29 Bureau of Patents of any or more applicable options, namely:

- 30 (a) Prosecute the application as his own in place of the applicant;
- 31 (b) File a new patent application in respect of the same invention:
32 *Provided*, That the filing or priority date of the old application is
33 retained;
- 34 (c) Request that the application be rejected; or
- 35 (d) Seek cancellation of the patent, or to be substituted as patentee, if one
36 has already been issued.

1 In case of fraud, the court or Bureau of Legal Affairs may, when appropriate
2 and necessary, award actual and other damages in favor of the true and actual
3 inventor or person having the right to a patent.

4 **SEC. 74. Remedy of the True and Actual Inventor or a Person Having the**
5 **Right to a Patent.** - A person who was deprived of the patent or the right to file a
6 patent application may file with the court or with the Bureau of Legal Affairs, an
7 action for a declaration as the true and actual inventor or as a person having the
8 right to a patent or to file a patent application, or raise the same as a defense in an
9 action for patent infringement .

10 **SEC . 75. Publication of the Court Order.** - The court shall furnish the Office
11 a copy of the order or decision referred to in Sections 73 and 74 of this Act, which
12 shall be published in the IPOPHL Gazette within three (3) months from the date such
13 order or decision became final and executory, and shall be recorded in the register of
14 the Office.

15 **SEC. 76. Time to File Action.** - The actions indicated in Sections 73 and 74
16 of this Act may be filed at any time but not later than one (1) year from the date of
17 publication of the grant.

18 **Chapter VIII**
19 **RIGHTS OF PATENTEES AND INFRINGEMENT OF PATENTS**

20 **SEC. 77. Rights Conferred by Patent.** - 77.1. A patent shall confer on its
21 owner the following exclusive rights:

22 (a) Where the subject matter of a patent is a product, to restrain, prohibit
23 and prevent any unauthorized person or entity from making, using,
24 offering for sale, selling or importing that product;

25 (b) Where the subject matter of a patent is a process, to restrain, prevent
26 or prohibit any unauthorized person or entity from using the process,
27 and from manufacturing, dealing in, using, selling or offering for sale, or
28 importing any product obtained directly or indirectly from such process.

29 77.2. Patent owners shall also have the right to assign, or transfer by
30 succession the patent, and to conclude licensing contracts for the same.

31 **SEC. 78. Limitations of Patent Rights.** - The owner of a patent has no right
32 to prevent third parties from performing, without his authorization, the acts referred to
33 in Section 77 of this Act in the following circumstances:

34 78.1. Using a patented product which has been put on the market in the
35 Philippines by the owner of the product, or with his express consent, insofar as such
36 use is performed after that product has been so put on the said market: *Provided,*
37 That with regard to drugs and medicines, the limitation on patent rights shall apply
38 after a drug or medicine has been introduced in the Philippines or anywhere else in
39 the world by the patent owner, or by any party authorized to use the invention:

1 *Provided further*, That the right to import the drugs and medicines contemplated in
2 this Section shall be available to any government agency or any private third party;

3 78.2. Where the act is done privately and on a non-commercial scale or for a
4 non-commercial purpose: *Provided*, That it does not significantly prejudice the
5 economic interests of the owner of the patent;

6 78.3. Where the act consists of making or using the invention exclusively for
7 experiments for scientific or educational purposes, and such other activities directly
8 related to such scientific or educational experimental use;

9 78.4. In the case of drugs and medicines, where the act includes testing,
10 using, making or selling the invention including any data related thereto, solely for
11 purposes reasonably related to the development and submission of information and
12 issuance of approvals by government regulatory agencies required under any law of
13 the Philippines or of another country that regulates the manufacture, construction,
14 use or sale of any product without prejudice to the protection of the data submitted
15 by the original patent holder from unfair commercial use as provided for under
16 Article 39.3 of the Agreement on Trade-Related Aspects of Intellectual Property
17 Rights (TRIPS Agreement) and the appropriate rules and regulations;

18 78.5. Where the act consists of the preparation for individual cases, in a
19 pharmacy or by a medical professional, of a medicine in accordance with a medical
20 prescription or acts concerning the medicine so prepared; and

21 78.6. Where the invention is used in any ship, vessel, aircraft, or land vehicle
22 of any other country entering the territory of the Philippines temporarily or
23 accidentally: *Provided*, That such invention is used exclusively for the needs of the
24 ship, vessel, aircraft, or land vehicle and not used for the manufacturing of anything
25 to be sold within the Philippines.

26 **SEC. 79. Prior User.** - 79.1. Notwithstanding Section 78 of this Act, any prior
27 user, who, in good faith was using the invention or has undertaken serious
28 preparations to use the invention in his enterprise or business, before the filing date
29 or priority date of the application on which a patent is granted, shall have the right to
30 continue the use thereof as envisaged in such preparations within the territory where
31 the patent produces its effect.

32 79.2. The right of the prior user may only be transferred or assigned together
33 with his enterprise or business, or with that part of his enterprise or business in which
34 the use or preparations for use have been made.

35 **SEC. 80. Use of Invention by Government.** - 80.1. A government agency or
36 third person authorized by the Government may exploit the invention even without
37 agreement of the patent owner under any of the following:

- 38 (a) The public interest, in particular, national security, nutrition, health or the
39 development of other sectors, as determined by the appropriate
40 agency of the government, so requires;

- 1 (b) A judicial or administrative body has determined that the manner of
2 exploitation, by the owner of the patent or his licensee, is anti-
3 competitive;
- 4 (c) In the case of drugs and medicines, there is a national emergency or
5 other circumstance of extreme urgency requiring the use of the
6 invention;
- 7 (d) In the case of drugs and medicines, there is a public non- commercial
8 use of the patent by the patentee, without satisfactory reason;
- 9 (e) In the case of drugs and medicines, the demand for the patented article
10 in the Philippines is not being met to an adequate extent and on
11 reasonable terms, as determined by the Secretary of the Department of
12 Health (DOH).

13 80.2. Unless otherwise provided herein, the use by the Government, or third
14 person authorized by the Government shall be subject, where applicable, to the
15 following provisions:

- 16 (a) In situations of national emergency or other circumstances of extreme
17 urgency as provided for under Section 80.1(c) hereof, the right holder
18 shall be notified as soon as reasonably practicable;
- 19 (b) In the case of public non-commercial use of the patent by the patentee,
20 without satisfactory reason, as provided for under Section 80.1(d)
21 hereof, the right holder shall be informed promptly: *Provided, That*, the
22 Government or third person authorized by the Government, without
23 making a patent search, knows or has demonstrable ground to know
24 that a valid patent is or will be used by or for the Government;
- 25 (c) If the demand for the patented article in the Philippines is not being met
26 to an adequate extent and on reasonable terms as provided for under
27 Section 80.1(e) hereof , the right holder shall be informed promptly;
- 28 (d) The scope and duration of such use shall be limited to the purpose for
29 which it was authorized;
- 30 (e) Such use shall be non-exclusive;
- 31 (f) The right holder shall be paid adequate remuneration in the
32 circumstances of each case, taking into account the economic value of
33 the authorization; and
- 34 (g) The existence of a national emergency or other circumstances of
35 extreme urgency, referred to under Section 80.1(c) hereof, shall be
36 subject to the determination of the President of the Philippines for the
37 purpose of determining the need for such use or other exploitation,
38 which shall be immediately executory.

1 80.3. All cases arising from the implementation of this provision shall be
2 cognizable by courts with appropriate jurisdiction provided by law.

3 No court, except the Supreme Court of the Philippines, shall issue any
4 temporary restraining order or preliminary injunction or such other provisional
5 remedies that will prevent its immediate execution.

6 80.4. The IPOPHL, in consultation with the appropriate government agencies,
7 shall issue the appropriate implementing rules and regulations for the use or
8 exploitation of patented inventions as contemplated in this Section within one
9 hundred twenty (120) days after the effectivity of this law.

10 **SEC. 81. *Extent of Protection and Interpretation of Claims.*** - 81.1. The
11 extent of protection conferred by the patent shall be determined by the claims, which
12 are to be interpreted in the light of the description and drawings.

13 81.2. For the purpose of determining the extent of protection conferred by the
14 patent, due account shall be taken of elements which are equivalent to the elements
15 expressed in the claims, so that a claim shall be considered to cover not only all the
16 elements as expressed therein, but also equivalents.

17 **SEC. 82. *Civil Action for Infringement.*** - 82.1. The making, using, offering
18 for sale, selling, or importing a patented product or a product obtained directly or
19 indirectly from a patented process, or the use of a patented process without the
20 authorization of the patentee constitutes patent infringement: *Provided*, That, this
21 shall not apply to instances covered by Sections 78.1 and 78.4 (Limitations of Patent
22 Rights); Section 80 (Use of Invention by Government); Section 118 (f) (Compulsory
23 Licensing); and Section 119 (Procedures on Issuance of a Special Compulsory
24 License under the TRIPS Agreement) of this Act.

25 82.2. Any patentee, or anyone possessing any right, title or interest in and to
26 the patented invention, whose rights have been infringed, may bring a civil action
27 before the appropriate Regional Trial Court to recover from the infringer such
28 damages sustained thereby, plus attorney's fees and other expenses of litigation,
29 and to secure an injunction for the protection of his or her rights.

30 82.3. If the damages are inadequate or cannot be readily ascertained with
31 reasonable certainty, the court may award by way of damages a sum equivalent to
32 reasonable royalty.

33 82.4. The court may, according to the circumstances of the case, award
34 damages in a sum above the amount found as actual damages sustained: *Provided*,
35 That the award does not exceed three (3) times the amount of such actual damages.

36 82.5. The court may, in its discretion, order that the infringing goods, materials
37 and implements predominantly used in the infringement be disposed of outside the
38 channels of commerce or destroyed, without compensation; and

39 82.6. Anyone who actively induces the infringement of a patent or provides
40 the infringer with a component of a patented product or of a product produced

1 because of a patented process knowing it to be especially adopted for infringing the
2 patented invention and not suitable for substantial non-infringing use shall be liable
3 as a contributory infringer and shall be jointly and severally liable with the infringer.

4 **SEC. 83. *Infringement Action by a Foreign National.*** - Any foreign national
5 or juridical entity who meets the requirements of Section 3 of this Act and not
6 engaged in business in the Philippines, to which a patent has been granted or
7 assigned under this Act, may bring an action for infringement of patent, whether or
8 not it is licensed to do business in the Philippines under existing law.

9 **SEC. 84. *Process Patents; Burden of Proof.*** - If the subject matter of a
10 patent is a process for obtaining a product, any identical product shall be presumed
11 to have been obtained through the use of the patented process if the product is new
12 or there is substantial likelihood that the identical product was made by the process
13 and the owner of the patent has been unable despite reasonable efforts, to
14 determine the process actually used. In ordering the defendant to prove that the
15 process to obtain the identical product is different from the patented process, the
16 court shall adopt measures to protect, as far as practicable, his manufacturing and
17 business secrets.

18 **SEC. 85. *Limitation of Action for Damages.*** - No damages can be
19 recovered for acts of infringement committed more than four (4) years before the
20 institution of the action for infringement.

21 **SEC. 86. *Damages; Requirement of Notice.*** - Damages cannot be
22 recovered for acts of infringement committed before the infringer had known, or had
23 reasonable grounds to know of the patent. It is presumed that the infringer had
24 known of the patent if on the patented product, or on the container or package in
25 which the article is supplied to the public, or on the advertising material relating to
26 the patented product or process, are placed the words "Philippine Patent" with the
27 number of the patent.

28 **SEC. 87. *Defenses in Action for Infringement.*** - In an action for
29 infringement, the defendant, in addition to other defenses available to him, may show
30 the invalidity of the patent, or any claim thereof, on any of the grounds on which a
31 petition of cancellation can be brought under Section 67 of this Act.

32 **SEC. 88. *Patent Found Invalid May be Cancelled.*** - In an action for
33 infringement, if the court shall find the patent or any claim to be invalid, it shall cancel
34 the same, and the Director of the Bureau of Legal Affairs upon receipt of the final
35 judgment of cancellation by the court, shall record that fact in the register of the
36 Office and shall publish a notice to that effect in the IPOPHL Gazette.

37 **SEC. 89. *Assessor in Infringement Action.*** - 89.1. Two (2) or more
38 assessors may be appointed by the court. The assessors shall be possessed of the
39 necessary scientific and technical knowledge required by the subject matter in
40 litigation. Either party may challenge the fitness of any assessor proposed for
41 appointment.

89.2. Each assessor shall receive a compensation in an amount to be fixed by the court and advanced by the complaining party, which shall be awarded as part of his costs should he prevail in the action.

SEC. 90. Criminal Action and Penalties. – Independent of the civil and administrative remedies, persons liable for infringement shall, upon conviction, be penalized as follows:

(a) *Repetition of Utility Model Infringement.* – If infringement of utility model is repeated by the infringer or by anyone in connivance with him after finality of the judgment of the court against the infringer, the offender shall suffer imprisonment for a period of not less than six (6) months but not more than three (3) years or a fine of not less than Five hundred thousand pesos (P 500,000.00) for individual offender, and not less than One million pesos (P1,000,000.00) for a corporate offender, or both, at the discretion of the court.

(b) ***Repetition of Patent Infringement.*** - If infringement of invention patents or layout of integrated circuits is repeated by the infringer or by anyone in connivance with him after finality of the judgment of the court against the infringer, the offender shall suffer imprisonment for a period of not less than three (3) years but not more than five (5) years or a fine of not less than One Million pesos (P 1,000,000.00) but not more than Five million pesos (P 5,000,000.00) if the infringer is an individual, and a fine of not less than Five Million pesos (P 5,000,000.00) but not more than Twenty million pesos (P 20,000,000.00) if the infringer is a corporation, or both, at the discretion of the court.

Chapter IX

REGISTRATION OF UTILITY MODELS

SEC. 91. Applicability of Provisions Relating to Patents. - 91.1. Subject to Section 92 of this Act, the provisions governing patents shall apply, *mutatis mutandis*, to the registration of utility models.

91.2. Where the right to a patent conflicts with the right to a utility model registration in the case referred to in Section 35 of this Act, the said provision shall apply as if the word "patent" were replaced by the words "patent or utility model registration".

SEC. 92. *Special Provisions Relating to Utility Models.* —92.1. An invention qualifies for registration as a utility model if it is new and industrially applicable. Section 27 of this Act, "Patentable Inventions", shall apply except the reference to inventive step as a condition of protection.

92.2. Sections 49 to 55 of this Act shall not apply in the case of applications for registration of a utility model: *Provided*, That applications for registration shall be published in the IPOPHL Gazette. Within thirty (30) days from publication, third parties may file with the Director a sworn adverse information citing grounds or information that the utility model is non-registrable. The Director shall decide whether

1 or not to register the utility model application based on information or registrability
2 report that the application does not comply with Section 91 of this Act.

3 92.3. A utility model registration shall expire, without any possibility of
4 renewal, after seven years from the filing date of the application.

5 92.4. In proceedings under Sections 67 to 70 of this Act, the utility model
6 registration shall be cancelled on any of the following grounds:

7 (a) That the claimed invention does not qualify for registration as a utility
8 model and does not meet the requirements of registrability, in particular
9 having regard to Section 92.1 and Sections 28, 29, 30 and 33 of this
10 Act;

11 (b) That the description and the claims do not comply with the prescribed
12 requirements;

13 (c) That any drawing which is necessary for the understanding of the
14 invention has not been furnished; or

15 (d) That the owner of the utility model registration is not the inventor or his
16 successor in title.

17 92.5. Any utility model registrant, or anyone possessing any right, title or
18 interest in and to the utility model invention, whose rights have been infringed, may
19 bring a civil action before the appropriate Regional Trial Court, to recover from the
20 infringer such damages sustained thereby, plus attorney's fees and other expenses
21 of litigation, and to secure an injunction for the protection of his or her rights:
22 *Provided, That the complaint shall include a registrability report.*

23 **SEC. 93. Conversion of Patent Applications or Applications for Utility**
24 **Model Registration.** – 93.1. At any time before the grant of a patent, an applicant
25 may, upon payment of the prescribed fee, convert his application into an application
26 for registration of a utility model, which shall be accorded the filing date of the initial
27 application. An application may be converted only once.

28 93.2. At any time before the grant or refusal of a utility model registration, an
29 applicant for a utility model registration may, upon payment of the prescribed fee,
30 convert his application into a patent application, which shall be accorded the filing
31 date of the initial application.

32 **SEC. 94. Parallel Applications.** – 94.1. An applicant may file two (2)
33 applications for the same subject, one for utility model registration and the other for
34 the grant of an invention patent, whether simultaneously or consecutively.

35 94.2. If the utility model application is granted registration, a certificate shall
36 be issued to the applicant and it shall be protected as a registered utility model. The
37 invention application shall be deemed withdrawn unless the applicant confirms and
38 proceeds with the invention application within fifteen (15) days from the utility model
39 registration.

94.3. If the applicant confirms and proceeds with the invention patent application, the utility model registration shall be deemed cancelled upon the date of grant of the corresponding patent application. If the patent application is denied, the utility model registration remains valid unless the denial is due to the lack of novelty of the invention.

94.4. There shall only be one protection granted at any given time and in case of infringement, only one cause of action shall be invoked regardless of the presence of two (2) applications.

94.5. For applications involving drugs and medicines subject of parallel applications, the early working provision under Section 78.4 of this Act shall not be prejudiced.

Chapter X

LAYOUT-DESIGNS (TOPOGRAPHIES) OF INTEGRATED CIRCUITS

SEC. 95. Definition of Terms. - 95.1. An Integrated Circuit is a product, in its final form, or an intermediate form, in which the elements, at least one of which is an active element and some or all of the interconnections are integrally formed in or on a piece of material, and which is intended to perform an electronic function; and

95.2. A Layout-Design is synonymous with 'Topography' and is the three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture.

SEC. 96. *Conditions for Protection.* – 96.1 Only layout-designs of integrated circuits that are original shall benefit from protection under this Act. A layout-design shall be considered original if it is the result of its creator's own intellectual effort and is not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of its creation.

96.2 A layout-design consisting of a combination of elements and interconnections that are commonplace shall be protected only if the combination, taken as a whole, is original.

SEC. 97. Contents of the Application. - 97.1. Every application for registration of a layout-design shall contain:

- (a) A request for registration of the layout-design;
- (b) Information identifying the applicant;
- (c) An indication of the kind of article of manufacture or handicraft to which the layout-design shall be applied;

- 1 (d) A representation of the article of manufacture or handicraft by way of
2 drawings, photographs or other adequate graphic representation of the
3 layout-design as applied to the article of manufacture or handicraft
4 which clearly and fully discloses those features for which protection is
5 claimed; and
- 6 (e) The name and address of the creator, or where the applicant is not the
7 creator, a statement indicating the origin of the right to layout-design
8 registration.

9 97.2. The application may be accompanied by a specimen of the article
10 embodying the layout-design and shall be subject to the payment of the prescribed
11 fee.

12 **SEC. 98. Formality Examination.** – 98.1. The Office shall accord as the filing
13 date the date of receipt of the application containing indications allowing the identity
14 of the applicant to be established and a representation of the article embodying the
15 layout-design or a pictorial representation thereof.

16 98.2. If the application does not meet these requirements, the filing date
17 should be that date when all the elements specified in Section 97 of this Act are filed
18 or the mistakes corrected. Otherwise, if the requirements are not complied within the
19 prescribed period, the application shall be considered withdrawn.

20 98.3. After the conduct of a formality examination and upon full compliance
21 with the prescribed formality requirements, the application for registration shall be
22 published in the IPOPHL Gazette. Within thirty (30) days from the date of publication,
23 third parties may file with the Director adverse information citing grounds or
24 information that the design is not new or not registrable. The Director shall decide
25 whether or not to grant the layout-design registration based on such information.

26 An applicant has the option to file a request for deferred publication
27 simultaneously with the filing of the application or at any time prior to publication
28 date. The maximum period allowed for the deferred publication of a layout-design
29 application shall be thirty (30) months from the filing date or priority date of the
30 application. In case the request for the deferred publication is made after the filing of
31 the application, the allowable period for the deferred publication shall be the
32 remaining time from the allowed thirty (30) months deferred publication period. The
33 applicant or applicants may request for a specific time for the Office to publish the
34 application: *Provided*, That it does not go beyond the allowed deferment period of
35 thirty (30) months.

36 **SEC. 99. Registration.** – 99.1. The conditions referred to in Section 96 of this
37 Act are deemed fulfilled in the absence of adverse information or where an adverse
38 information was resolved by the Director in favor of the applicant, the Director shall
39 issue the registration of the layout-design; otherwise, it shall refuse the application.

40 The Director may decide whether or not to register the layout-design
41 application based on information or registrability report that the application does not
42 comply with Section 96 of this Act.

1 99.2. The form and contents of a layout-design certificate shall be established
2 by the Regulations: *Provided*, That the name and address of the creator shall be
3 mentioned in every case.

4 99.3. Registration shall be published in the form and within the period fixed by
5 the Regulations.

6 99.4. The Office shall record in the register any change in the identity of the
7 proprietor of the layout-design or its representative, if proof thereof is furnished to it.
8 A fee shall be paid, with the request to record the change in the identity of the
9 proprietor. If the fee is not paid, the request shall be deemed not to have been filed.
10 In such case, the former proprietor and the former representative shall remain.

11 99.5. Anyone may inspect the Register and the files of registered layout-
12 designs including the files of cancellation proceedings.

13 **SEC. 100. *Term of Layout-Design.*** - Registration of a layout-design shall be
14 valid for a period of ten (10) years, without renewal, and such validity to be counted
15 from the date of commencement of the protection accorded to the layout-design. The
16 protection of a layout-design under this Act shall commence:

17 (a) on the date of the first commercial exploitation, anywhere in the world,
18 of the layout-design by or with the consent of the right holder: *Provided*,
19 That an application for registration is filed with the Intellectual Property
20 Office within two (2) years from such date of first commercial
21 exploitation; or

22 (b) on the filing date accorded to the application for the registration of the
23 layout-design if the layout-design has not been previously exploited
24 commercially anywhere in the world.

25 **SEC. 101. *Application of Other Sections and Chapters.*** - 101.1. The
26 following provisions relating to patents shall apply *mutatis mutandis* to layout-design
27 of integrated circuits registration:

28 Section 34 - Right to A Patent;

29 Section 35- First to File Rule;

30 Section 36- Inventions Created Pursuant to a Commission;

31 Section 38.1(g)- Appointment of Agent or Representative;

32 Section 62- Surrender of Patent;

33 Section 63- Correction of Mistakes of Office;

34 Section 64- Correction of Mistakes in the Application;

1	Section 65-	Changes in Patent;
2	Section 66-	Form and Publication of Amendment;
3	Chapter VII-	Remedies of a Person with a Right to Patent;
4	Chapter VIII –	Rights of Patentees and Infringement of Patents:
5		<i>Provided</i> , That the lay-out design rights and limitation of
6		lay-out design rights stipulated hereunder shall govern;
7	Part III, Chapter III-	Compulsory Licensing; and
8	Chapter XI –	Assignment and Transmission of Rights
9	101.2. <i>Rights Conferred to the Owner of a Layout-Design Registration.</i> - The	
10	owner of a layout-design registration shall enjoy the following rights:	
11	(a)	to reproduce, whether by incorporation in an integrated circuit or
12		otherwise, the registered layout-design in its entirety or any part
13		thereof, except the act of reproducing any part that does not comply
14		with the requirement of originality; and
15	(b)	to sell or otherwise distribute for commercial purposes the registered
16		layout-design, an article or an integrated circuit in which the registered
17		layout-design is incorporated.
18	101.3. The owner of a layout design has no right to prevent third parties from	
19	reproducing, selling or otherwise distributing for commercial purposes the registered	
20	layout-design in the following circumstances:	
21	(a)	Reproduction of the registered layout-design for private purposes or for
22		the sole purpose of evaluation, analysis, research or teaching;
23	(b)	Where the act is performed in respect of a layout-design created on the
24		basis of such analysis or evaluation and which is itself original in the
25		meaning as provided herein;
26	(c)	Where the act is performed in respect of a registered lay-out- design,
27		or in respect of an integrated circuit in which such a layout-design is
28		incorporated, that has been put on the market by or with the consent of
29		the right holder;
30	(d)	In respect of an integrated circuit where the person performing or
31		ordering such an act did not know and had no reasonable ground to
32		know when acquiring the integrated circuit or the article incorporating
33		such an integrated circuit, that it incorporated an unlawfully reproduced
34		layout- design: <i>Provided, however</i> , That after the time that such person
35		has received sufficient notice that the layout-design was unlawfully
36		reproduced, that person may perform any of the said acts only with
37		respect to the stock on hand or ordered before such time and shall be

liable to pay to the right holder a sum equivalent to at least 5% of net sales or such other reasonable royalty as would be payable under a freely negotiated license in respect of such layout-design; or

(e) Where the act is performed in respect of an identical layout-design which is original and has been created independently by a third party.

SEC. 102. Cancellation of Layout-Design Registration. – Any interested person may petition that the registration of a layout-design be cancelled on the ground that:

(1) the layout-design is not protectable under this Act;

(2) the right holder is not entitled to protection under this Act; or

(3) where the application for registration of the layout-design, was not filed within two (2) years from its first commercial exploitation anywhere in the world.

Where the grounds for cancellation are established with respect only to a part of the layout-design, only the corresponding part of the registration shall be cancelled.

Any cancelled layout-design registration or part thereof, shall be regarded as null and void from the beginning and may be expunged from the records of the IPOPHL. Reference to all cancelled layout-design registration shall be published in the IPOPHL Gazette.

Chapter XI

ASSIGNMENT AND TRANSMISSION OF RIGHTS

SEC. 103. *Transmission of Rights.* - 103.1. Patents or applications for patents and invention to which they relate, shall be protected in the same way as the rights of other property under the New Civil Code of the Philippines.

103.2. Inventions and any right, title or interest in and to patents and inventions covered thereby, may be assigned or transmitted by inheritance or bequest or may be the subject of a license contract.

SEC. 104. *Assignment of Inventions.* - An assignment may be of the entire right, title or interest in and to the patent and the invention covered thereby, or of an undivided share of the entire patent and invention, in which event the parties become joint owners thereof. An assignment may be limited to a specified territory.

SEC. 105. *Form of Assignment.* - The assignment must be in writing, acknowledged before a notary public or other officer authorized to administer oath or perform notarial acts, and certified under the hand and official seal of the notary or such other officer.

SEC. 106. Recording. - 106.1. The Office shall record assignments, licenses and other instruments relating to the transmission of any right, title or interest in and to inventions, and patents or application for patents or inventions to which they relate, which are presented in due form to the Office for registration, in books and records kept for the purpose. The original documents together with a signed duplicate thereof shall be filed, and the contents thereof should be kept confidential. If the original is not available, an authenticated copy thereof in duplicate may be filed. Upon recording, the Office shall retain the duplicate, return the original or the authenticated copy to the party who filed the same and notice of the recording shall be published in the IPOPHL Gazette.

106.2. Such instruments shall be void as against any subsequent purchaser or mortgagee for valuable consideration and without notice, unless, it is so recorded in the Office, within three (3) months from the date of said instrument, or prior to the subsequent purchase or mortgage.

SEC. 107. Rights of Joint Owners. - If two (2) or more persons jointly own a patent and the invention covered thereby, either by the issuance of the patent in their joint favor or by reason of the assignment of an undivided share in the patent and invention or by reason of the succession in title to such share, each of the joint owners shall be entitled to personally make, use, sell, or import the invention for his own profit: *Provided however,* That neither of the joint owners shall be entitled to grant licenses or to assign his right, title or interest or part thereof without the consent of the other owner or owners, or without proportionally dividing the proceeds with such other owner or owners.

PART III INNOVATION SUPPORT AND LICENSING

Chapter I GENERAL PROVISIONS

SEC. 108. Definition of Terms. – As used in Part III:

- (a) “Bureau” means the Bureau of Innovation Support and Business Development;
- (b) “Commercialization” as a form of utilization, means the process of deriving economic gain from a technology, such as but not limited to the creation of a spin-off company, or through licensing, or the sale of the technology or intellectual property rights;
- (c) “Licensing” means the act of engaging in a contract or agreement wherein an intellectual property rights owner authorizes another to use such rights in exchange for an agreed payment, fee, or royalty;
- (d) “Neutral Country” means a country other than the Philippines without legal ties to any of the parties to a technology transfer arrangement; and

- 1 (e) "Utilization" means the use of intellectual property or intellectual
2 property rights, whether or not for commercial use.

3 **SEC. 109. Supporting Innovation.** – The Bureau shall implement policies
4 and programs to promote and support innovation through, but not limited to the
5 following:

6 109.1. Capacity building on intellectual property management and
7 commercialization and valuation of intellectual property;

8 109.2. Assistance to inventors and micro, small, and medium enterprises in
9 getting support for research and development, management, and commercialization
10 of their intellectual property; and

11 109.3. Establishment of network in research and development institutions,
12 state universities and colleges, other higher educational institutions, technical-
13 vocational institutions, and other relevant public or private institutions.

14 **Chapter II**
15 **VOLUNTARY LICENSING**

16 **SEC. 110. Voluntary License Contract.** - To encourage the transfer and
17 dissemination of technology, prevent or control practices and conditions that may in
18 particular cases constitute an abuse of intellectual property rights, or will
19 substantially prevent, restrict or lessen competition in the market and have adverse
20 effect on trade, all technology transfer arrangements shall comply with the provisions
21 of this Chapter.

22 **SEC. 111. Jurisdiction to Settle Disputes on Royalties.** - The Director of
23 the Bureau of Innovation Support and Business Development shall exercise quasi-
24 judicial jurisdiction in the settlement of disputes between parties to a technology
25 transfer arrangement arising from technology transfer payments, including the fixing
26 of the appropriate amount or rate of royalty.

27 **SEC. 112. Prohibited Clauses.** - Except in cases under Section 116 of this
28 Act, the following provisions are prohibited from inclusion in Technology Transfer
29 Arrangements:

- 30 (a) Those which impose upon the licensee the obligation to acquire from a
31 specific source capital goods, intermediate products, raw materials,
32 and other technologies, or of permanently employing personnel
33 indicated by the licensor, except if these will be sourced locally when
34 comparable alternatives are locally available and such imposition is
35 essential for maintaining the quality of the products or services
36 produced or rendered under the agreements;
- 37 (b) Those pursuant to which the licensor reserves the right to fix the sale
38 or resale prices of the products manufactured on the basis of the
39 license;

- 1 (c) Those that contain restrictions regarding the volume and structure of
2 production;
- 3 (d) Those that prohibit the use of competitive technologies in a non-
4 exclusive technology transfer agreement;
- 5 (e) Those that establish a full or partial purchase option in favor of the
6 licensor;
- 7 (f) Those that obligate the licensee to transfer for free to the licensor the
8 inventions or improvements that may be obtained through the use of
9 the licensed technology;
- 10 (g) Those that require payment of royalties to the owners of patents for
11 patents which are not used;
- 12 (h) Those that prohibit the licensee to export the licensed product unless
13 justified for the protection of the legitimate interest of the licensor such
14 as exports to countries where exclusive licenses to manufacture or
15 distribute the licensed product(s) have already been granted;
- 16 (i) Those which restrict the use of the technology supplied after the
17 expiration of the technology transfer arrangement, except in cases of
18 early termination of the technology transfer arrangement due to
19 reason(s) attributable to the licensee;
- 20 (j) Those which require payments for patents and other industrial property
21 rights after their expiration, termination arrangement;
- 22 (k) Those which require that the technology recipient shall not contest the
23 validity of any of the patents of the technology supplier;
- 24 (l) Those which restrict the research and development activities of the
25 licensee designed to absorb and adapt the transferred technology to
26 local conditions or to initiate research and development programs in
27 connection with new products, processes or equipment;
- 28 (m) Those which prevent the licensee from adapting the imported
29 technology to local conditions, or introducing innovation to it, as long as
30 it does not impair the quality standards prescribed by the licensor;
- 31 (n) Those which exempt the licensor for liability for non- fulfillment of his
32 responsibilities under the technology transfer arrangement or liability
33 arising from third party suits brought about by the use of the licensed
34 product or the licensed technology; and
- 35 (o) Other clauses with equivalent effects, such as those which impose
36 upon the licensee unreasonable post-termination non-compete
37 covenants surviving more than one (1) year after termination of the
38 technology transfer arrangement.

1 The Bureau's findings and decision on the above may serve as *prima facie*
2 evidence before the Philippine Competition Commission that the subject technology
3 transfer arrangement does not violate Philippine competition laws.

4 **SEC. 113. *Mandatory Provisions.*** - The following provisions shall be
5 included in voluntary license contracts:

6 (a) That the laws of the Philippines shall govern the interpretation of the
7 same and in the event of litigation, the venue shall be the proper court
8 in the place where the licensee has its principal office;

9 (b) Continued access to improvements in techniques and processes
10 related to the technology shall be made available during the period of
11 the technology transfer arrangement;

12 (c) In the event the technology transfer arrangement shall provide for
13 arbitration, the venue of arbitration shall be the Philippines or any
14 neutral country; and

15 (d) The Philippine taxes on all payments relating to the technology transfer
16 arrangement shall be borne by the licensor.

17 **SEC. 114. *Rights of Licensor.*** - In the absence of any provision to the
18 contrary in the technology transfer arrangement, the grant of a license shall not
19 prevent the licensor from granting further licenses to third person nor from exploiting
20 the subject matter of the technology transfer arrangement himself.

21 **SEC. 115. *Rights of Licensee.*** - The licensee shall be entitled to exploit the
22 subject matter of the technology transfer arrangement during the whole term of the
23 technology transfer arrangement.

24 **SEC. 116. *Exceptional Cases.*** - In exceptional or meritorious cases where
25 substantial benefits will accrue to the economy, such as high technology content,
26 increase in foreign exchange earnings, employment generation, regional dispersal of
27 industries or substitution with or use of local raw materials, or in the case of
28 companies with pioneer status registered with the Board of Investments, exemption
29 from any of the above requirements may be allowed by the Bureau of Innovation
30 Support and Business Development after evaluation thereof on a case by case
31 basis.

32 **SEC. 117. *Non-Registration with the Bureau of Innovation Support and***
33 ***Business Development.*** - Technology transfer arrangements that conform with the
34 provisions of Sections 112 and 113 of this Act need not be registered with the
35 Bureau of Innovation Support and Business Development.

36 Non-conformance with any of the provisions of Sections 112 and 113 of this
37 Act, however, shall automatically render the technology transfer arrangement
38 unenforceable, unless said technology transfer arrangement is approved and

1 registered with the Bureau of Innovation Support and Business Development under
2 the provisions of Section 116 of this Act on exceptional cases.

3 Chapter III 4 COMPULSORY LICENSING

5 **SEC. 118. Grounds for Compulsory Licensing.** - The Director General of
6 the IPOPHL may grant a license to exploit a patented invention, even without the
7 agreement of the patent owner, in favor of any person who has shown his capability
8 to exploit the invention, under any of the following circumstances:

- 9 (a) National emergency or other circumstances of extreme urgency;
- 10 (b) Where the public interest, in particular, national security, nutrition,
11 health or the development of other vital sectors of the national
12 economy as determined by the appropriate agency of the Government,
13 so requires;
- 14 (c) Where a judicial or administrative body has determined that the
15 manner of exploitation by the owner of the patent or his licensee is anti-
16 competitive;
- 17 (d) In case of public non-commercial use of the patent by the patentee,
18 without satisfactory reason;
- 19 (e) If the patented invention is not being worked in the Philippines on a
20 commercial scale, although capable of being worked, without
21 satisfactory reason: *Provided*, That the importation of the patented
22 article shall constitute working or using the patent; or.
- 23 (f) When the demand for patented drugs and medicines is not being met
24 to an adequate extent and on reasonable terms, as determined by the
25 Secretary of the DOH.

26 **SEC. 119. Procedures on Issuance of a Special Compulsory License**
27 **under the TRIPS Agreement.** - 119.1. The Director General of the IPOPHL, upon
28 the written recommendation of the Secretary of the DOH, shall, upon filing of a
29 petition, grant a special compulsory license for the importation of patented drugs and
30 medicines. The special compulsory license for the importation contemplated under
31 this provision shall be an additional special alternative procedure to ensure access to
32 quality affordable medicines and shall be primarily for domestic consumption:
33 *Provided*, That adequate remuneration shall be paid to the patent owner either by
34 the exporting or importing country. The compulsory license shall also contain a
35 provision directing the grantee the license to exercise reasonable measures to
36 prevent the re-exportation of the products imported under this provision.

37 The grant of a special compulsory license under this provision shall be an
38 exception to Sections 125 (d) and 125 (f) of this Act and shall be immediately
39 executory.

1 No court, except the Supreme Court of the Philippines, shall issue any
2 temporary restraining order or preliminary injunction or such other provisional
3 remedies that will prevent the grant of the special compulsory license.

4 119.2. A compulsory license shall also be available for the manufacture and
5 export of drugs and medicines to any country having insufficient or no manufacturing
6 capacity in the pharmaceutical sector to address public health problems: *Provided,*
7 That, a compulsory license has been granted by such country or such country has,
8 by notification or otherwise, allowed importation into its jurisdiction of the patented
9 drugs and medicines from the Philippines in compliance with the TRIPS Agreement.

10 119.3. The right to grant a special compulsory license under this Section shall
11 not limit or prejudice the rights, obligations and flexibilities provided under the TRIPS
12 Agreement and under Philippine laws, particularly Section 73.1 and Section 75 this
13 Act. It is also without prejudice to the extent to which drugs and medicines produced
14 under a compulsory license can be exported as allowed in the TRIPS Agreement
15 and applicable laws.

16 **SEC. 120. Requirement to Obtain a License on Reasonable Commercial**
17 **Terms.** - 120.1. The license will only be granted after the petitioner has made efforts
18 to obtain authorization from the patent owner on reasonable commercial terms and
19 conditions but such efforts have not been successful within a reasonable period of
20 time.

21 120.2. The requirement under Section 120.1 hereof shall not apply in any of
22 the following cases:

- 23 (a) Where the petition for compulsory license seeks to remedy a practice
24 determined after judicial or administrative process to be anti-
25 competitive;
- 26 (b) In situations of national emergency or other circumstances of extreme
27 urgency;
- 28 (c) In cases of public non-commercial use; or
- 29 (d) In cases where the demand for the patented drugs and medicines in
30 the Philippines is not being met to an adequate extent and on
31 reasonable terms, as determined by the Secretary of the DOH.

32 120.3. In situations of national emergency or other circumstances of extreme
33 urgency, the right holder shall be notified as soon as reasonably practicable.

34 120.4. In the case of public non-commercial use, where the government or
35 contractor, without making a patent search, knows or has demonstrable grounds to
36 know that a valid patent is or will be used by or for the government, the right holder
37 shall be informed promptly.

120.5. Where the demand for the patented drugs and medicines in the Philippines is not being met to an adequate extent and on reasonable terms, as determined by the Secretary of the DOH, the right holder shall be informed promptly.

SEC. 121. Compulsory Licensing of Patents Involving Semi-Conductor Technology. - In the case of compulsory licensing of patents involving semiconductor technology, the license may only be granted in case of public non-commercial use or to remedy a practice determined after judicial or administrative process to be anti-competitive.

SEC. 122. Compulsory License Based on Interdependence of Patents.- If the invention protected by a patent, hereafter referred to as the "second patent," within the country cannot be worked without infringing another patent, hereafter referred to as the "first patent," granted on a prior application or benefiting from an earlier priority, a compulsory license may be granted to the owner of the second patent to the extent necessary for the working of his invention, subject to the following conditions:

122.1. The invention claimed in the second patent involves an important technical advance of considerable economic significance in relation to the first patent;

122.2. The owner of the first patent shall be entitled to a cross-license on reasonable terms to use the invention claimed in the second patent;

122.3. The use authorized in respect of the first patent shall be non-assignable except with the assignment of the second patent; and

122.4. The terms and conditions of Sections 120, 121, and 123 to 125 of this Act are complied with.

SEC. 123. Form and Contents of Petition. - The petition for compulsory licensing must be in writing, verified by the petitioner and accompanied by payment of the required filing fee. It shall contain the name and address of the petitioner as well as those of the respondents, the number and date of issue of the patent in connection with which compulsory license is sought, the name of the patentee, the title of the invention, the statutory grounds upon which compulsory license is sought, the ultimate facts constituting the petitioner's cause of action, and the relief prayed for.

SEC. 124. Notice of Hearing. - 124.1. Upon filing of a petition, the Director General shall forthwith serve notice of the filing thereof upon the patent owner and all persons having grants or licenses, or any other right, title or interest in and to the patent and invention covered thereby as appears of record in the Office, and of notice of the date of hearing thereon, on such persons and petitioner. The resident agent or representative appointed in accordance with Section 38.1(g) of this Act shall be bound to accept service of notice of the filing of the petition within the meaning of this Section.

124.2. In every case, the notice shall be published by the said Office in a newspaper of general circulation, once a week for three (3) consecutive weeks and once in the IPOPHL Gazette at applicant's expense.

SEC. 125. Terms and Conditions of Compulsory License. – The basic terms and conditions including the rate of royalties of a compulsory license shall be fixed by the Director General subject to the following conditions:

- (a) The scope and duration of such license shall be limited to the purpose for which it was authorized;
- (b) The license shall be non-exclusive;
- (c) The license shall be non-assignable, except with that part of the enterprise or business with which the invention is being exploited;
- (d) Use of the subject matter of the license shall be devoted predominantly for the supply of the Philippine market: *Provided*, That this limitation shall not apply where the grant of the license is based on the ground that the patentee's manner of exploiting the patent is determined by judicial or administrative process, to be anti-competitive.
- (e) The license may be terminated upon proper showing that circumstances which led to its grant have ceased to exist and are unlikely to recur: *Provided*, That adequate protection shall be afforded to the legitimate interest of the licensee; and
- (f) The patentee shall be paid adequate remuneration taking into account the economic value of the grant or authorization, except that in cases where the license was granted to remedy a practice which was determined after judicial or administrative process, to be anti-competitive, the need to correct the anti-competitive practice may be taken into account in fixing the amount of remuneration.

SEC. 126. Amendment, Cancellation, Surrender of Compulsory License.
– 126.1. Upon the request of the patentee or the licensee, the Director General may amend the decision granting the compulsory license, upon proper showing of new facts or circumstances justifying such amendment.

126.2. Upon the request of the patentee, the Director General may cancel the compulsory license:

- (a) If the ground for the grant of the compulsory license no longer exists and is unlikely to recur;
- (b) If the licensee has neither begun to supply the domestic market nor made serious preparation therefor; or
- (c) If the licensee has not complied with the prescribed terms of the license.

126.3. The licensee may surrender the license by a written declaration submitted to the Office.

126.4. The Director General shall cause the amendment, surrender, or cancellation in the Register, notify the patentee or the licensee, and cause notice thereof to be published in the IPOPHL Gazette.

SEC. 127. Licensee's Exemption from Liability. - Any person who works a patented product, substance or process under a license granted under this Chapter, shall be free from any liability for infringement: *Provided however*, That in the case of voluntary licensing, no collusion with the licensor is proven. This is without prejudice to the right of the rightful owner of the patent to recover from the licensor whatever he may have received as royalties under the license.

PART IV

THE LAW ON TRADEMARKS, SERVICE MARKS AND TRADE NAMES

Chapter I

GENERAL PROVISIONS

SEC. 128. Definitions. - As used in Part IV:

- (a) "Bureau" means the Bureau of Trademarks;
- (b) "Collective mark" means any sign designated as such in the application for registration and capable of distinguishing the origin or any other common characteristic, including the quality of goods or services of different enterprises which use the sign under the control of the registered owner of the collective mark;
- (c) "Certification mark" means any sign, used or intended for use in commerce with the owner's permission by someone other than its owner, to certify regional or other geographic origin, material, mode of manufacture, quality, accuracy, or other characteristics of someone's goods or services, or that the work or labor on goods or services was performed by members of a group or associations;
- (d) "Director" means the Director of the Bureau of Trademarks;
- (e) "Examiner" means the trademark examiner;
- (f) "Mark" means any sign or any combination of signs as may be prescribed by the Regulations, capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and may include a stamped or marked container of goods;
- (g) "Trade name" means the name or designation identifying or distinguishing an enterprise; and

- 1 (h) "Regulations" mean the Rules of Practice in Trademarks and Service
2 Marks formulated by the Director and approved by the Director
3 General.

4 **SEC. 129. How Marks are Acquired.** - The rights in a mark shall be acquired
5 through registration made validly in accordance with the provisions of this law.

6 **SEC. 130. Registrability.** - 130.1. A mark cannot be registered if it:

7 (a) Consists of matter which:

8 (1) is deceptive or scandalous; or

9 (2) may disparage or falsely suggest a connection with living or
10 dead persons, institutions, entities, beliefs, customs, values or
11 national symbols, national identity, heritage or patrimony; or

12 (3) brings any of the foregoing into contempt, disrespect, or
13 disrepute;

14 (b) Consists of the flag, coat of arms or other insignia of the Philippines or
15 any of its political subdivisions, or of its agencies, or of any foreign
16 nation, or of any international intergovernmental organization, or any
17 simulation thereof;

18 (c) Consists of a name, portrait or signature identifying a particular living
19 individual except by his written consent, or the name, signature, or
20 portrait of a deceased President of the Philippines, during the life of the
21 surviving spouse, if any, except by written consent of the latter;

22 (d) Is identical with a registered mark belonging to a different proprietor or
23 a mark with an earlier filing or priority date, in respect of the same
24 goods or services, or closely related goods or services, or nearly
25 resembles a registered mark with an earlier filing or priority date as to
26 likely deceive or cause confusion;

27 (e) Is identical with, or confusingly similar to, or constitutes a translation of
28 a mark which is considered by a competent authority of the Philippines
29 to be well-known internationally or in the country following the criteria
30 prescribed in the Regulations, whether or not it is registered here, as
31 being already the mark of a person other than the applicant for
32 registration, and used for identical or similar goods or services:
33 *Provided*, That use of the mark in relation to those goods or services
34 which are not similar to those with respect to which registration is
35 applied for and that the use of such mark in those goods and services
36 would indicate a connection between those goods or services, and the
37 owner of the well-known mark and that the interests of the owner of the
38 well-known mark are likely to be damaged by such use: *Provided*
39 *further*, That in determining whether a mark is well-known, account
40 shall be taken of the knowledge of the relevant sector of the public,

- 1 rather than of the public at large, including knowledge in the Philippines
2 which has been obtained as a result of the promotion of the mark;
- 3 (f) Is likely to mislead the public, particularly as to the nature, quality,
4 characteristics or geographical origin of the goods or services;
- 5 (g) Consists exclusively of signs that are generic for the goods or services
6 that they seek to identify;
- 7 (h) Consists exclusively of signs or of indications that have become
8 customary or usual to designate the goods or services in everyday
9 language or in *bona fide* and established trade practice;
- 10 (i) Consists exclusively of signs or of indications that may serve in trade to
11 designate the kind, quality, quantity, intended purpose, value,
12 geographical origin, subject matter, time or production of the goods or
13 rendering of the services, or other characteristics of the goods or
14 services, except when the application for registration is for a
15 geographical indication either as a collective or certification mark.
- 16 (j) Consists of shapes that may be necessitated by technical factors or by
17 the nature of the goods themselves or factors that affect their intrinsic
18 value;
- 19 (k) Consists of color alone, unless defined by a given form;
- 20 (l) Lacks distinctiveness;
- 21 (m) Impairs or dilutes the distinctiveness, or harms the reputation of a well-
22 known mark, as declared by competent authority, whether registered or
23 not; or
- 24 (n) Is contrary to public order or public policy.

25 130.2. For the purpose of declaring a mark well-known as provided for under
26 paragraphs (e) and (m) hereof, the Director General, Director of the Bureau of Legal
27 Affairs, Director of the Bureau of Trademarks and judicial authorities are considered
28 competent authorities in relation to their respective functions or jurisdictions. The
29 Adjudication Officers are also considered competent authorities if an issue of well-
30 known status of a mark is raised before them.

31 130.3. As regards signs or devices mentioned in Section 130.1 (i), (k), and (l)
32 hereof or those where the shapes of the goods themselves or portion thereof, their
33 packaging, or containers are not necessitated by technical factors or those factors
34 only affect their intrinsic value, nothing shall prevent the registration of any such sign
35 or device which has become distinctive in relation to the goods for which registration
36 is requested as a result of the use that have been made of it in commerce in the
37 Philippines. The Office may accept as *prima facie* evidence that the mark has
38 become distinctive, as used in connection with the applicant's goods or services in
39 commerce, proof of substantially exclusive and continuous use thereof by the

1 applicant in commerce in the Philippines for three (3) years before the date on which
2 the claim of distinctiveness is made.

3 130.4. The nature of the goods to which the mark is applied will not constitute
4 an obstacle to registration.

5 **Chapter II**
6 **APPLICATION**

7 **SEC. 131. *Requirements of Application.*** - 131.1. The application for the
8 registration of the mark shall be in Filipino or in English and shall contain the
9 following:

- 10 (a) A request for registration;
- 11 (b) The name and address of the applicant;
- 12 (c) The name of a State of which the applicant is a national or where he
13 has domicile; and the name of a State in which the applicant has a real
14 and effective industrial or commercial establishment, if any;
- 15 (d) Where the applicant is a juridical entity, the law under which it is
16 organized and existing;
- 17 (e) The appointment of an agent or representative, if the applicant is not
18 domiciled in the Philippines;
- 19 (f) Where the applicant claims the priority of an earlier application, an
20 indication of:
- 21 (1) The name of the State with whose national office the earlier
22 application was filed or if filed with an office other than a national
23 office, the name of that office,
- 24 (2) The date on which the earlier application was filed, and
- 25 (3) Where available, the application number of the earlier
26 application;
- 27 (g) Where the applicant claims color as a distinctive feature of the mark, a
28 statement to that effect as well as the name or names of the color or
29 colors claimed and an indication, in respect of each color, of the
30 principal parts of the mark which are in that color;
- 31 (h) Where the mark is a three-dimensional mark, a statement to that effect;
- 32 (i) One or more reproductions of the mark or series marks, as prescribed
33 in the Regulations;

- 1 (j) A transliteration or translation of the mark or of some parts of the mark,
2 as prescribed in the Regulations;
- 3 (k) The names of the goods or services for which the registration is
4 sought, grouped according to the classes of the Nice Classification,
5 together with the number of the class of the said Classification to which
6 each group of goods or services belongs; and
- 7 (l) A signature or other self-identification of the applicant or his
8 representative.

9 131.2. To maintain the application or registration of the mark, it must be used
10 on goods or services covered in the registration. For this purpose, the applicant or
11 registrant shall file a declaration of actual use of the mark with evidence to that effect
12 within:

- 13 (a) Three (3) years and six (6) months from the filing date of the
14 application;
- 15 (b) One (1) year from the fifth (5th) anniversary of the registration;
- 16 (c) One (1) year from date of each renewal; and
- 17 (d) One (1) year from the fifth (5th) anniversary of each renewal.

18 Otherwise, the application shall be refused or the mark shall be removed from
19 the Register by the Director.

20 **SEC. 132. Representation; Address for Service.** - If the applicant is not
21 domiciled or has no real and effective commercial establishment in the Philippines,
22 he shall designate by a written document filed in the Office, the name and address of
23 a Philippine resident who may be served notices or process in proceedings affecting
24 the mark. Such notices or services may be served upon the person so designated by
25 leaving a copy thereof at the address specified in the last designation filed. If the
26 person so designated cannot be found at the address given in the last designation,
27 such notice or process may be served upon the Director.

28 **SEC. 133. Disclaimers.** - The Office may allow or require the applicant to
29 disclaim an unregistrable component of an otherwise registrable mark but such
30 disclaimer shall not prejudice or affect the applicant's or owner's rights then existing
31 or thereafter arising in the disclaimed matter, nor such shall disclaimer prejudice or
32 affect the applicant's or owner's right on another application of later date if the
33 disclaimed matter became distinctive of the applicant's or owner's goods, business
34 or services.

35 **SEC. 134. Filing Date.** - 134.1. Requirements. - The filing date of an application
36 shall be the date on which the Office received the following indications and elements
37 in English or Filipino:

- 38 (a) An express indication that the registration of a mark is sought;

- 1 (b) The identity of the applicant;
- 2 (c) Contact details of the applicant or his representative, if any;
- 3 (d) A reproduction of the mark to be registered; and
- 4 (e) The list of the goods or services covered by the mark to be registered.

5 134.2. Payment of the required filing fee on or immediately after the date of
6 filing of the above requirements shall confirm the filing date and application number
7 accorded to the application.

8 **SEC. 135. Single Registration for Goods or Services.** - Where goods or
9 services belonging to several classes of the Nice Classification have been included
10 in one (1) application, such an application shall result in one registration.

11 **SEC. 136. Division of Application.** - Any application referring to several
12 goods or services, hereafter referred to as the "initial application," may be divided by
13 the applicant into two (2) or more applications, hereafter referred to as the "divisional
14 applications," by distributing among the latter the goods or services referred to in the
15 initial application. The divisional applications shall preserve the filing date of the
16 initial application or the benefit of the right of priority.

17 **SEC. 137. Signature and Other Means of Self-Identification.** -137.1.
18 Where a signature is required, the Office shall accept:

- 19 (a) A hand-written signature; or
- 20 (b) The use of other forms of signature, such as an electronic, digital,
21 printed or stamped signature, or the use of a seal, instead of a hand-
22 written signature: *Provided*, That where a seal is used, it should be
23 accompanied by an indication in letters of the name of the signatory.

24 137.2. The Office shall accept communications to it by electronic means or
25 the latest technologies subject to the conditions or requirements that will be
26 prescribed by the Regulations.

27 137.3. No attestation, notarization, authentication, legalization or other
28 certification of any signature or other means of self-identification referred to in the
29 preceding paragraphs, shall be required. Where the signature concerns the
30 surrender of a registration, the request must be notarized and if notarized in another
31 country, apostilled.

32 **SEC. 138. Priority Right.** - 138.1. An application for registration of a mark
33 filed in the Philippines by a person referred to in Section 3 of this Act, and who
34 previously duly filed an application for registration of the same mark in one of those
35 countries, shall be considered as filed as of the day the application was first filed in
36 the foreign country: *Provided*, That the application in the Philippines is filed within six

1 (6) months from the date on which the application was first filed in the foreign
2 country.

3 138.2. Nothing in this Section shall entitle the owner of a registration granted
4 under this Section to sue for acts committed prior to the date on which his mark was
5 registered in this country: *Provided*, That, notwithstanding the foregoing, the owner
6 of a well-known mark as defined in Section 130.1(e) of this Act, that is not registered
7 in the Philippines, may, against an identical or confusingly similar mark, oppose its
8 registration, or petition the cancellation of its registration or sue for unfair
9 competition, without prejudice to availing himself of other remedies provided for
10 under the law.

11 138.3. In like manner and subject to the same conditions and requirements,
12 the right provided under this Section may be based upon a subsequent regularly filed
13 application in the same foreign country: *Provided*, That any foreign application filed
14 prior to such subsequent application has been withdrawn, abandoned, or otherwise
15 disposed of, without having been laid open to public inspection and without leaving
16 any rights outstanding, and has not served, nor thereafter shall serve, as a basis for
17 claiming a right of priority.

18 Chapter III 19 TRADEMARK REGISTRATION

20 **SEC. 139. Application Number and Filing Date.** – 139.1. The Office shall
21 examine whether the application satisfies the formalities and substantive
22 requirements for the grant of registration. If the application does not satisfy the
23 registration requirements, the applicant shall be given the opportunity to complete or
24 correct the application as required, otherwise, the application shall be considered
25 abandoned.

26 139.2. An abandoned application may be revived as a pending application
27 upon good cause shown and the payment of the required fee.

28 **SEC. 140. Examination and Publication.** – 140.1. Once the application
29 meets the filing requirements of Section 134 of this Act, the Office shall examine
30 whether the application meets the requirements of Section 131 hereof and the mark
31 as defined in Section 128 hereof is registrable under Section 130 of this Act.

32 140.2. Where the Office finds that the conditions referred to in Section 140.1
33 hereof are fulfilled, it shall, upon payment of the prescribed fee, forthwith cause the
34 application, as filed, to be published in the prescribed manner.

35 140.3. If after the examination, the applicant is not entitled to registration for
36 any reason, the Office shall advise the applicant thereof and the reasons therefor.
37 The applicant shall have a period of four (4) months in which to reply or amend his
38 application, which shall then be re-examined. The Regulations shall determine the
39 procedure for the re-examination or revival of an application as well as the appeal to
40 the Director from any final action by the Examiner.

140.4. An abandoned application may be revived as a pending application within three (3) months from the date of abandonment, upon good cause shown and the payment of the required fee.

140.5. The final decision of refusal of the Director shall be appealable to the Director General in accordance with the procedure fixed by the Regulations.

SEC. 141. Opposition. - Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication of the application, file with the Bureau of Legal Affairs an opposition thereto. For good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended by the Director of the Bureau of Legal Affairs, who shall notify the applicant of such extension.

SEC. 142. Notice and Hearing. - Upon the filing of an opposition, the Office shall serve notice of the filing on the applicant, and of the date of the hearing thereof upon the applicant and the oppositor and all other persons having any right, title or interest in the mark covered by the application, as appear of record in the Office.

SEC. 143. Remand of Application to the Examiner. - The Examiner may again exercise jurisdiction over the application upon remand of the Director on the ground of newly discovered information or objection to the registration of the mark prior to the registration thereof and subject to the jurisdiction of the Bureau of Legal Affairs. After remand of an application, the amendment(s) recommended by the Examiner, if any, may be approved by the Director and may be made without withdrawing the allowance. The Examiner may likewise issue a subsequent action on the basis of the newly discovered information or objection.

SEC. 144. Issuance and Publication of Certificate. - When the period for filing the opposition or appeal has expired or the decision or order granting the application has become final and executory, and upon payment by the applicant of the required fee, the Office shall issue the certificate of registration, with notice thereof published in the IPOPHL Gazette.

SEC. 145. Registration of Mark and Issuance of a Certificate to the Owner or His Assignee. - 145.1. The Office shall maintain a Register in which shall be registered marks, numbered in the order of their registration, and all transactions in respect of each mark, required to be recorded by virtue of this law.

145.2. The registration of a mark shall include a reproduction of the mark and shall mention: its number; the name and address of the registered owner and, if the registered owner's address is outside the country, his address for service within the country; the dates of application and registration; if priority is claimed, an indication of this fact, and the number, date and country of the application, basis of the priority claims; the list of goods or services in respect of which registration has been granted, with the indication of the corresponding class or classes; and such other data as the Regulations may prescribe from time to time.

145.3. A certificate of registration of a mark may be issued to the assignee of the applicant: *Provided*, That the assignment is recorded in the Office. In case of a

1 change of ownership, the Office shall at the written request signed by the owner, or
2 his representative, or by the new owner, or his representative and upon a proper
3 showing and the payment of the prescribed fee, issue to such assignee a new
4 certificate of registration of the said mark in the name of such assignee, and for the
5 unexpired part of the original period.

6 145.4. The Office shall record any change of address, or address for service,
7 which shall be notified to it by the registered owner.

8 145.5. In the absence of any provision to the contrary in this Act,
9 communications to be made to the registered owner by virtue of this Act shall be
10 sent to him at his last recorded address and, at the same, at his last recorded
11 address for service.

12 **SEC.146. Certificates of Registration.** - A certificate of registration of a mark
13 shall be *prima facie* evidence of the validity of the registration, the registrant's
14 ownership of the mark, and of the registrant's exclusive right to use the same in
15 connection with the goods or services and those that are related thereto specified in
16 the certificate.

17 **SEC. 147. Publication of Registered Marks; Inspection of Register.** -
18 147.1. The Office shall publish, in the form and within the period fixed by the
19 Regulations, the mark registered, in the order of their registration, reproducing all the
20 particulars referred to in Section 145.2 of this Act.

21 147.2 Notwithstanding the provisions of Republic Act No. 10173, otherwise
22 known as the "Data Privacy Act of 2012", and in accordance with the provisions of
23 Executive Order No. 2, series of 2016, entitled "Operationalizing in the Executive
24 Branch the People's Constitutional Right to Information and the State Policies to Full
25 Public Disclosure and Transparency in the Public Service and Providing Guidelines
26 Therefor", all official documents pertaining to a registered mark, including the
27 application, prosecution history and declaration of actual use, shall be open to the
28 public for inspection upon request and payment of the prescribed fee.

29 **SEC. 148. Cancellation upon Application by Registrant; Amendment or**
30 **Disclaimer of Registration.** - Upon application of the registrant, the Office may
31 permit any registration to be surrendered for cancellation, and upon cancellation the
32 appropriate entry shall be made in the records of the Office. Upon application of the
33 registrant and payment of the prescribed fee, the Office for good cause may permit
34 any registration to be amended or to be disclaimed in part.

35 **SEC. 149. Sealed and Certified Copies as Evidence.** - Copies of any
36 records, books, papers, or drawings belonging to the Office relating to marks, and
37 copies of registrations, when authenticated by the seal of the Office and certified by
38 the Director of the Bureau of Trademarks or in his name by an employee of the
39 Office duly authorized by said Director, shall be evidence in all cases wherein the
40 originals would be evidence; and any person who applies and pays the prescribed
41 fee shall secure such copies.

1 **SEC. 150. Correction of Mistakes Made by the Office.** - Certificate of
2 trademark registration may be cancelled or corrected in accordance with the
3 Regulations. All certificates of registration heretofore issued in accordance with the
4 Regulations and the registration to which they are attached shall have the same
5 force and effect as if such certificates and their issuance had been authorized by this
6 Act

7 **SEC. 151. Correction of Mistake in the Trademark Registrations.** - Upon
8 request of any interested person and payment of the prescribed fee, the Office is
9 authorized to correct any formal or clerical mistake in trademark registrations not
10 incurred through the fault of the Office.

11 **SEC. 152. Classification of Goods and Services.** - 152.1. Each registration,
12 and any publication of the Office which concerns an application or registration
13 effected by the Office shall indicate the goods or services by their names, grouped
14 according to the classes of the Nice Classification, and each group shall be
15 preceded by the number of the class of that Classification to which that group of
16 goods or services belongs, presented in the order of the classes of the said
17 Classification.

18 152.2. Goods or services that are in the same class are not necessarily
19 similar. On the other hand, goods or services that are in different classes are not
20 necessarily dissimilar.

21 **SEC. 153. Duration.** - A certificate of registration shall remain in force for ten
22 (10) years from the date of registration.

23 In case a motion for extension for the period to file an opposition is granted by
24 the Bureau of Legal Affairs but no opposition is filed, the mark is deemed registered
25 the day following the expiration of the publication period. When an opposition is filed,
26 a mark shall be considered registered on the date the decision or final order giving
27 due course to the application becomes final and executory.

28 **SEC. 154. Renewal.** – A certificate of registration may be renewed for periods
29 of ten (10) years at its expiration upon payment of the prescribed fee and upon filing
30 of a request in accordance with the Rules promulgated by the Office.

31 **SEC. 155. Rights Conferred.** - 155.1. Except in cases of importation of drugs
32 and medicines allowed under Section 78.1 of this Act and of off- patent drugs and
33 medicines, the owner of a registered mark shall have the exclusive right to prevent,
34 prohibit, and restrain all third parties not having the owner's consent from using in
35 the course of trade identical or similar signs or containers for goods or services
36 which are identical or similar to those in respect of which the trademark is registered
37 where such use would result in a likelihood of confusion. In case of the use of an
38 identical sign for identical goods or services, a likelihood of confusion shall be
39 presumed.

40 There shall be no infringement of trademarks or tradenames of imported or
41 sold patented drugs and medicines allowed under Section 78.1 of this Act, as well as
42 imported or sold off-patent drugs and medicines: *Provided*, That said drugs and

1 medicines bear the registered marks that have not been tampered, unlawfully
2 modified, or infringed upon, under Section 163 of this Act.

3 155.2. The exclusive right of the owner of a well-known mark defined in
4 Section 130.1(e) of this Act which is registered in the Philippines, shall extend to
5 goods and services which are not similar to those in respect of which the mark is
6 registered: *Provided*, That use of that mark in relation to those goods or services
7 would indicate a connection between those goods or services and the owner of the
8 registered mark: *Provided further*, That the interests of the owner of the registered
9 mark are likely to be damaged by such use.

10 **SEC. 156. Lawful Use of Indications by Third Parties.-** 156.1. *Use of*
11 *Indications of Third Parties for Purposes Other than Use of the Mark; Descriptive*
12 *Fair Use.* Registration of the mark shall not confer on the registered owner the right
13 to preclude third parties from using bona fide their names, addresses, pseudonyms,
14 a geographical name, or exact indications concerning the kind, quality, quantity,
15 destination, value, place of origin, or time of production or of supply, of their goods or
16 services: *Provided*, that such use is confined to the purposes of mere identification or
17 information and cannot mislead the public as to the source of the goods or services.

18 156.2. *Other Use of the Mark; Nominative Fair Use.* The registered owner of a
19 protectable trademark cannot preclude third parties from nominative use of a
20 registered mark: *Provided*, That the following requisites occur:

21 (a) The goods or service of the third party is not readily identifiable without
22 the use of indication;

23 (b) That only so much of the registered trademark as is reasonably
24 necessary to identify the product or service is used, and

25 (c) That such use does not suggest sponsorship, endorsement, or
26 affiliation with the trademark owner.

27 **SEC. 157. Assignment and Transfer of Application and Registration. -**
28 157.1. An application for registration of a mark, or its registration, may be assigned
29 or transferred with or without the transfer of the business using the mark.

30 157.2. Such assignment or transfer shall, however, be null and void if it is
31 liable to mislead the public, particularly as regards the nature, source, manufacturing
32 process, characteristics, or suitability for their purpose, of the goods or services to
33 which the mark is applied.

34 157.3. The assignment of the application for registration of a mark, or of its
35 registration, shall be in writing and require the signatures of the contracting parties.
36 Transfers by mergers or other forms of succession may be made by any document
37 supporting such transfer.

38 157.4. Assignments and transfers of registration of marks shall be recorded at
39 the Office on payment of the prescribed fee; assignment and transfers of
40 applications for registration shall, on payment of the same fee, be provisionally

1 recorded, and the mark, when registered, shall be in the name of the assignee or
2 transferee.

3 157.5. Assignments and transfers shall have no effect against third parties
4 until they are recorded at the Office.
5

6 **SEC. 158. License Contracts.** – 158.1. Any license contract concerning the
7 registration of a mark, or an application therefor, shall provide for effective control by
8 the licensor of the quality of the goods or services of the licensee in connection with
9 which the mark is used. If the license contract does not provide for such quality
10 control, or if such quality control is not effectively carried out, the license contract
11 shall not be valid.

12 158.2. A license contract shall be submitted to the Office which shall keep its
13 contents confidential but shall record it and publish a reference thereto. A license
14 contract shall have no effect against third parties until such recording is effected. The
15 Regulations shall fix the procedure for the recording of the license contract.

16 **SEC.159. Cancellation of Registration.** – 159.1. A petition to cancel a
17 registration of a mark under this Act may be filed with the Bureau of Legal Affairs by
18 any interested person at any time:

- 19 (a) If the registration was contrary to the provisions of this Act;
20 (b) If the registration was obtained fraudulently;
21 (c) If the registration was obtained in bad faith;
22 (d) If the mark has been abandoned;
23 (e) If the mark is being used to misrepresent the source of the goods or
24 services on or in connection with which the mark is used;
25 (f) If the registered owner of the mark without legitimate reason fails to
26 use the mark within the Philippines, or to cause it to be used in the
27 Philippines by virtue of a license during an uninterrupted period of forty-
28 two (42) months or longer; or
29 (g) if the mark has become generic.

30 If the registered mark becomes the generic name for less than all of the
31 goods or services for which it is registered, a petition to cancel the
32 registration for only those goods or services may be filed. A registered
33 mark shall not be deemed to be the generic name of goods or services
34 solely because such mark is also used as a name of or to identify a
35 unique product or service. The primary significance of the registered
36 mark to the relevant public rather than purchaser motivation shall be
37 the test for determining whether the registered mark has become the
38 generic name of goods or services on or in connection with which it has
39 been used.

159.2. Notwithstanding the foregoing provisions, the court or the administrative agency vested with jurisdiction to hear and adjudicate any action to enforce the rights to a registered mark shall likewise exercise jurisdiction to determine whether the registration of said mark may be cancelled in accordance with this Act. The filing of a suit to enforce the registered mark with the proper court or agency shall exclude any other court or agency from assuming jurisdiction over a subsequently filed petition to cancel the same mark. On the other hand, the earlier filing of petition to cancel the mark with the Bureau of Legal Affairs shall not constitute a prejudicial question that must be resolved before an action to enforce the rights to the same registered mark may be decided.

SEC. 160. Non-use of a Mark When Excused. - 160.1. Non-use of a mark may be excused if caused by circumstances arising independently of the will of the trademark owner. Lack of funds shall not excuse non-use of a mark.

160.2. The use of the mark in a form different from the form in which it is registered, which does not alter its distinctive character, shall not be ground for cancellation or removal of the mark and shall not diminish the protection granted to the mark.

160.3. The use of a mark in connection with one or more of the goods or services belonging to the class in respect of which the mark is registered shall prevent its cancellation or removal in respect of all other goods or services of the same class.

160.4. The use of a mark by a company related with the registrant or applicant shall inure to the latter's benefit, and such use shall not affect the validity of such mark or of its registration: *Provided*, That such mark is not used in such manner as to deceive the public. If use of a mark by a person is controlled by the registrant or applicant with respect to the nature and quality of the goods or services, such use shall inure to the benefit of the registrant or applicant.

SEC. 161. *Requirements of Petition; Notice and Hearing.* - Insofar as applicable, the petition for cancellation shall be in the same form as provided for under Section 141 of this Act, and notice and hearing shall be in the same manner provided for under Section 142 of this Act.

SEC. 162. Cancellation of Registration. - If the Bureau of Legal Affairs finds that a case for cancellation has been made out, it shall order the cancellation of the registration. When the order or judgment becomes final, any right conferred by such registration upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPOP^{HL} Gazette.

Chapter IV INFRINGEMENT

SEC. 163. *Infringing Acts.* – The following acts committed without the consent of the owner, shall constitute infringement:

1 (a) Use in commerce of any reproduction, counterfeit, copy, or colorable
2 imitation of a registered mark or container or a dominant feature
3 thereof in connection with the sale, offering for sale, distribution, or
4 advertising of any goods or services including other preparatory steps
5 necessary to carry out the sale of any goods or services on or in
6 connection with which such use is likely to cause confusion, or to
7 cause mistake, or to deceive;

8 (b) Reproduce, counterfeit, copy or colorably imitate a registered mark or a
9 dominant feature thereof and apply such reproduction, counterfeit,
10 copy or colorable imitation to labels, signs, prints, packages, wrappers,
11 receptacles or advertisements intended to be used in commerce upon
12 or in connection with the sale, offering for sale, distribution, or
13 advertising of goods or services on or in connection with which such
14 use is likely to cause confusion, or to cause mistake, or to deceive,
15 shall be liable in a civil action for infringement by the registrant for the
16 remedies hereinafter set forth: *Provided*, That the infringement takes
17 place at the moment any of the acts stated in Section 163 (a) hereof or
18 this Section are committed regardless of whether there is actual sale of
19 goods or services using the infringing material.

20 **SEC. 164 . Solidary Liability.** - The following shall be held solidarily liable
21 with the infringer only to the extent of civil damages suffered by the complainant:

22 (a) One who, for profit or benefit, permits the use of the latter's premises in
23 selling, offering for sale, manufacturing, or distribution of any infringing,
24 counterfeit or pirated goods or content, and has been proven to have
25 knowledge of such fact and participated in the infringing act of the
26 tenants;

27 (b) Internet service providers, domain name registries and registrars,
28 website owners, online intermediaries, online platforms, social media
29 platforms, or any similar entities engaged in selling, offering for sale,
30 or making available to the public any infringing, counterfeit or pirated
31 goods or content, who (i) fail to exercise due diligence in complying
32 with the minimum requirements set by law, or (ii) fail to take down or
33 block access to the infringing material or website within a reasonable
34 time or enforce their policy against infringement, counterfeiting or
35 piracy, after notice of the fact of infringement or counterfeiting has been
36 given.

37 The concerned entity referred to in this paragraph (b) shall not be held
38 liable if it is able to prove that it has exercise due diligence in
39 ascertaining the accuracy and reliability of the documents or
40 information submitted by the online merchant or exhibitor and that it
41 has no knowledge of such fact of infringement and counterfeiting and
42 no participation in the infringing and counterfeiting act.

43 **SEC. 165. Actions, Damages and Injunction for Infringement.** - 165.1. The
44 owner of a registered mark may recover damages from any person who infringes his

1 rights, and the measure of the damages suffered shall be either the reasonable profit
2 which the complaining party would have made, had the defendant not infringed his
3 rights, or the profit which the defendant actually made out of the infringement, or in
4 the event such measure of damages cannot be readily ascertained with reasonable
5 certainty, the court may award as damages a reasonable percentage based upon
6 the amount of gross sales of the defendant or the value of the services in connection
7 with which the mark or trade name was used in the infringement of the rights of the
8 complaining party.

9 165.2. On application of the complainant, the court may impound during the
10 pendency of the action, materials and implements primarily or predominantly used in
11 the act of infringement, sales invoices and other documents evidencing sales.

12 165.3. In cases where actual intent to mislead the public or to defraud the
13 complainant is shown, the damages may be doubled in the discretion of the court.

14 165.4. The complainant, upon proper showing, may also be granted
15 injunction.

16 **SEC. 166. Power of Court to Order Infringing Material Destroyed.** - 166.1.
17 In any action arising under this Act, in which a violation of any right of the owner of
18 the registered mark is established, the court may order that goods found to be
19 infringing be, without compensation of any sort, disposed of outside the channels of
20 commerce in such a manner as to avoid any harm caused to the right holder, or
21 destroyed; and all labels, signs, prints, packages, wrappers, receptacles and
22 advertisements in the possession of the defendant, bearing the registered mark or
23 trade name or any reproduction, counterfeit, copy or colorable imitation thereof, all
24 plates, molds, matrices and other means of making the same, shall be delivered up
25 and destroyed.

26 166.2. In regard to counterfeit goods, the simple removal of the trademark
27 affixed shall not be sufficient other than in exceptional cases which shall be
28 determined by the Regulations, to permit the release of the goods into the channels
29 of commerce.

30 **SEC. 167. Damages; Requirement of Notice.** - In any suit for infringement,
31 the owner of the registered mark shall not be entitled to recover profits or damages
32 unless the acts have been committed with knowledge that such imitation is likely to
33 cause confusion, or to cause mistake, or to deceive. Such knowledge is presumed if
34 the registrant gives notice that his mark is registered by displaying with the mark the
35 words "Registered Mark" or the letter R within a circle (®) or if the defendant had
36 otherwise actual notice of the registration.

37 **SEC. 168. Limitations to Actions for Infringement.** - Notwithstanding any
38 other provision of this Act, the remedies given to the owner of a right infringed under
39 this Act shall be limited as follows:

40 (a) Notwithstanding the provisions of Section 163 of this Act, a registered
41 mark shall have no effect against any person who, in good faith, before
42 the filing date or the priority date, was using the mark for the purposes

1 of his business or enterprise: *Provided*, That the right may only be
2 used in, or transferred or assigned together with the existing enterprise
3 or business or with that part of the enterprise or business in which the
4 mark is used.

5 (b) Where an infringer who is engaged solely in the business of printing
6 the mark or other infringing materials for others is an innocent infringer,
7 the owner of the right infringed shall be entitled as against such
8 infringer only to an injunction against future printing.

9 (c) Where the infringement complained of is contained in or is part of a
10 paid advertisement in a newspaper, magazine, or other similar
11 periodical or in an electronic communication, the remedies of the owner
12 of the right infringed as against the publisher or distributor of such
13 newspaper, magazine, or other similar periodical or electronic
14 communication shall be limited to an injunction against the presentation
15 of such advertising matter in future issues of such newspapers,
16 magazines, or other similar periodicals or in future transmissions of
17 such electronic communications. The limitations of this subparagraph
18 shall apply only to innocent infringers: *Provided*, That such injunctive
19 relief shall not be available to the owner of the right infringed with
20 respect to an issue of a newspaper, magazine, or other similar
21 periodical or an electronic communication containing infringing matter
22 where restraining the dissemination of such infringing matter in any
23 particular issue of such periodical or electronic communication would
24 delay the delivery of such issue or transmission of such electronic
25 communication customarily conducted in accordance with sound
26 business practice, and not due to any method or device adopted to
27 evade this Section or to prevent or delay the issuance of an injunction
28 or restraining order with respect to such infringing matter; and

29 (d) There shall be no infringement of trademarks or tradenames of
30 imported or sold drugs and medicines allowed under Section 78.1 of
31 this Act, as well as imported or sold off-patent drugs and medicines:
32 *Provided*, That said drugs and medicines bear the registered marks
33 that have not been tampered, unlawfully modified, or infringed upon as
34 defined under Section 163 of this Act.

35 **SEC. 169. Right of Foreign Corporation to Sue in Trademark or Service**
36 **Mark Enforcement Action.** - Any foreign national or juridical person who meets the
37 requirements of Section 3 of this Act and does not engage in business in the
38 Philippines may bring a civil or administrative action hereunder for opposition,
39 cancellation, infringement, unfair competition, or false designation of origin and false
40 description, whether or not it is licensed to do business in the Philippines under
41 existing laws.

42 **SEC. 170. Authority to Determine Right to Registration.** - In any action
43 involving a registered mark, the court or the Office may determine the right to
44 registration or ownership, and if applicable, order the cancellation of a registration, in
45 whole or in part, and otherwise rectify the register by the substitution of the rightful

owner as the registrant with respect to the registration of any party to the action in the exercise of this right. Where the determination was made by the court, the judgment or order shall be certified by the court to the Director General, who shall cause the entry of the appropriate annotation upon the records of the respective Bureau, and shall be controlled thereby.

SEC. 171. Action for False or Fraudulent Declaration. - Any person who shall procure registration in the Office of a mark by a false or fraudulent declaration or representation, whether oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby for any damages sustained in consequence thereof.

SEC. 172. Jurisdiction of Court. - All actions under Sections 158, 163, 173, and 175 to 178 of this Act shall be brought before the proper courts with appropriate jurisdiction under existing laws.

SEC. 173. Notice of Filing Suit Given to the Director. - It shall be the duty of the clerks of such courts within one (1) month after the filing of any action, suit, or proceeding involving a mark registered under the provisions of this Act, to notify the Director in writing setting forth: the names and addresses of the litigants and designating the number of the registration or registrations and within one (1) month after the judgment is entered or an appeal is taken, the clerk of court shall give notice thereof to the Office, and the latter shall endorse the same upon the file wrapper of the said registration or registrations and incorporate the same as a part of the contents of said file wrapper.

Chapter V

TRADE NAMES OR BUSINESS NAMES; COLLECTIVE MARKS

SEC. 174. Trade Names or Business Names. - 174.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

174.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

174.3. The remedies provided for under Sections 161 to 165, 175, and 176 of this Act shall apply *mutatis mutandis*.

174.4. Any change in the ownership of a trade name shall be made with the transfer of the enterprise or part thereof identified by that name. The provisions of Sections 157.2 to 157.4 of this Act shall apply *mutatis mutandis*.

SEC. 175. Goods Bearing Infringing Marks or Trade Names. – 175. 1. *Imported Goods.* Imported goods which shall copy or simulate the name of any domestic product, or manufacturer, or dealer, or which shall copy or simulate a mark registered in accordance with the provisions of this Act, or shall bear a mark or trade name calculated to induce the public to believe that the article is manufactured in the Philippines, or that it is manufactured in any foreign country or locality other than the country or locality where it is in fact manufactured, shall, upon notice and hearing, be seized and disposed of or destroyed. In order to aid the officers of the customs service in enforcing this prohibition, any person who is entitled to the benefits of this Act, may require that his name and residence, the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his mark or trade name, be recorded in books which shall be kept for this purpose in the Bureau of Customs, under such regulations as the Collector of Customs with the approval of the Secretary of Finance shall prescribe, and may furnish to the said Bureau facsimiles of his name, the name of the locality in which his goods are manufactured, or his registered mark or trade name, and thereupon the Collector of Customs shall cause one (1) or more copies of the same to be transmitted to each collector or to other proper officer of the Bureau of Customs.

175.2. *Exported Goods.* Exported goods, or goods intended to be exported, which shall copy or simulate the name of any domestic product, or manufacturer, or dealer, or which shall copy or simulate a mark registered in accordance with the provisions of this Act, or shall bear a mark or trade name calculated to induce the public to believe that the article is manufactured in the Philippines, or that it is manufactured in any foreign country or locality other than the country or locality where it is in fact manufactured, shall, upon notice and hearing, be seized and disposed of or destroyed.

SEC. 176. Collective Marks and Certification Marks. - 176.1. Subject to Sections 176.2 and 176.3 hereof, Sections 129 to 173 and 175 of this Act shall apply to collective marks and certification marks, except that references therein to "mark" shall be read as "collective mark" or "certification mark."

176.2. (a) An application for registration of a collective mark shall designate the mark as a collective mark and shall be accompanied by a copy of the agreement, if any, governing the use of the collective mark. An application for registration of a certification mark shall designate the mark as a certification mark and shall be accompanied by a copy of the standards set by the certifier governing the use of the certification mark.

(b) The registered owner of a collective mark or a certification mark shall notify the Director of any changes made in respect of the agreement referred to in Section 176.2 (a) of this Act.

176.3. In addition to the grounds provided for under Section 157 of this Act, the Office or the court shall cancel the registration of a collective mark or certification

1 mark if the person requesting the cancellation proves that the registered owner uses
2 the mark, or uses or permits its use in contravention of the agreements referred to in
3 Sections 176.2 of this Act or uses or permits its use in a manner liable to deceive
4 trade circles or the public as to the origin or any other common characteristics of the
5 goods or services concerned.

6 176.4. The registration of a collective mark or certification mark, or an
7 application therefor shall not be the subject of a license contract.

8 **SEC. 177. Unfair Competition, Rights, Regulation and Remedies. - 177.1.**

9 A person who has identified in the mind of the public the goods he manufactures or
10 deals in, his business or services from those of others, whether or not a registered
11 mark is employed, has a property right in the goodwill of the said goods, business or
12 services so identified, which will be protected in the same manner as other property
13 rights.

14 177.2. Any person who shall employ deception or any other means contrary to
15 good faith by which he shall pass off the goods manufactured by him or in which he
16 deals, or his business, or services for those of the one having established such
17 goodwill, or who shall commit any acts calculated to produce said result, shall be
18 guilty of unfair competition, and shall be subject to an action therefor.

19 177.3. In particular, and without in any way limiting the scope of protection
20 against unfair competition, the following shall be deemed guilty of unfair competition:

21 (a) Any person, who is selling his goods and gives them the general
22 appearance of goods of another manufacturer or dealer, either as to
23 the goods themselves or in the wrapping of the packages in which they
24 are contained, or the devices or words thereon, or in any other feature
25 of their appearance, which would be likely to influence purchasers to
26 believe that the goods offered are those of a manufacturer or dealer,
27 other than the actual manufacturer or dealer, or who otherwise clothes
28 the goods with such appearance as shall deceive the public and
29 defraud another of his legitimate trade, or any subsequent vendor of
30 such goods or any agent of any vendor engaged in selling such goods
31 with a like purpose;

32 (b) Any person who by any artifice, or device, or who employs any other
33 means calculated to induce the false belief that such person is offering
34 the services of another who has identified such services in the mind of
35 the public; or

36 (c) Any person who shall make any false statement in the course of trade
37 or who shall commit any other act contrary to good faith of a nature
38 calculated to discredit the goods, business or services of another.

39 177.4. The remedies provided for under Sections 165, 166 and 170 of this Act
40 shall apply *mutatis mutandis*.

SEC. 178. False Designations of Origin; False Description or Representation. - 178.1. Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which:

(a) Is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person; or

(b) In commercial advertising or promotion, misrepresents the nature, characteristics, sponsorship, qualities, or geographic origin of goods, services, or commercial activities, shall be liable to a civil action for damages and injunction provided for under Sections 165 and 166 of this Act by any interested person.

178.2. Any goods marked or labeled in contravention of the provisions of this Section shall not be imported into the Philippines or admitted entry at any customhouse of the Philippines. The owner, importer, or consignee of goods refused entry at any customhouse under this Section may have any recourse under the customs revenue laws or may have the remedy given by this Act in cases involving goods refused entry or seized.

Chapter VI CRIMINAL ACTIONS AND PENALTIES

SEC. 179. Penalties. - Independent of the civil and administrative remedies, persons liable for trademark infringement, unfair competition, false designations of origin, or false designation or representation shall, upon conviction, be punished by imprisonment or fine, or both, at the discretion of the court, as follows:

(a) Imprisonment from three (3) years to five (5) years, or a fine ranging from One hundred thousand pesos (P 100,000.00) to Four hundred thousand pesos (P 400,000.00), or both for the first offense;

(b) Imprisonment from five (5) years and one (1) day to seven (7) years, or a fine ranging from over Four hundred thousand pesos (P 400,000.00) to Two million pesos (P 2,000,000.00), or both for the second offense;

(c) Imprisonment from seven (7) years and one (1) day to ten (10) years, or a fine ranging from over Two million pesos (P 2,000,000.00) to Four million pesos (P 4,000,000.00), or both for the third and subsequent offenses;

(d) In cases of counterfeit goods that threaten life, public health and safety, the court shall impose the maximum penalty of ten (10) years of imprisonment or a fine of Four million pesos (P 4,000,000.00), or both.

Chapter VII

INDUSTRIAL DESIGN

SEC. 180. *Definition of Terms.* - An industrial design is any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors: *Provided*, That such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft.

Parts or components of such product or handicraft may be subject for industrial design registration independent of the protection given to industrial designs of such product or handicraft as a whole: *Provided*, That such parts or components meet the requirements for protection of industrial designs.

SEC. 181. *Conditions for Protection.* – 181.1. Only industrial designs that are new or original shall benefit from protection under this Act.

181.2. Industrial designs dictated essentially by technical or functional considerations to obtain a technical result or those that are contrary to public order, health or morals shall not be protected.

SEC. 182. Contents of the Application. - 182.1. Every application for registration of an industrial design shall contain:

- (a) A request for registration of the industrial design;
- (b) Information identifying the applicant;
- (c) An indication of the kind of article of manufacture or handicraft to which the industrial design shall be applied;
- (d) A representation of the article of manufacture or handicraft by way of drawings, photographs or other adequate graphic representation of the industrial design as applied to the article of manufacture or handicraft which clearly and fully discloses those features for which protection is claimed; and
- (e) The name and address of the creator, or where the applicant is not the creator, a statement indicating the origin of the right to the industrial design registration.

182.2. The application may be accompanied by a specimen of the article embodying the industrial design and shall be subject to the payment of the prescribed fee.

SEC. 183. *Several Industrial Designs in One Application.* - Two (2) or more industrial designs may be the subject of the same application: *Provided*, That they relate to the same sub-class of the International Classification or to the same set or composition of articles. For this purpose, a "set of articles" which is customarily sold or used together as a set may be made a proper subject matter in one

1 application for design registration, provided that each article is of, or has, the same
2 design or a substantially similar design.

3 **SEC.184. Formality Examination.** – 184.1. The Office shall accord as the
4 filing date the date of receipt of the application containing indications allowing the
5 identity of the applicant to be established and a representation of the article
6 embodying the industrial design or a pictorial representation thereof.

7 184.2. If the application does not meet these requirements, the filing date
8 should be that date when all the elements specified in Section 182 of this Act are
9 filed or the mistakes corrected. Otherwise, if the requirements are not complied
10 within the prescribed period, the application shall be considered withdrawn.

11 184.3. After the conduct of a formality examination and upon full compliance
12 with the prescribed formality requirements, the application for registration shall be
13 published in the IPOPHL Gazette. Within thirty (30) days from the date of publication,
14 third parties may file with the Director adverse information citing grounds or
15 information that the design is not new or not registrable. The Director shall decide
16 whether or not to grant the industrial design registration based on such information.

17 An applicant has the option to file a request for deferred publication
18 simultaneously with the filing of the application or at any time prior to publication
19 date. The maximum period allowed for the deferred publication of an industrial
20 design application shall be thirty (30) months from the filing date or priority date of
21 the application. In case the request for the deferred publication is made after the
22 filing of the application, the allowable period for the deferred publication shall be the
23 remaining time from the allowed thirty (30) months deferred publication period. The
24 applicant or applicants may request for a specific time for the Office to publish the
25 application: *Provided*, That it does not go beyond the allowed deferment period of
26 thirty (30) months.

27 **SEC. 185. Registration.** – 185.1. The conditions referred to in Section 182 of
28 this Act are deemed fulfilled in the absence of adverse information or where an
29 adverse information was resolved by the Director in favor of the applicant, the
30 Director shall issue the registration of the industrial design; otherwise, it shall refuse
31 the application.

32 The Director may decide whether or not to register the industrial design
33 application based on information or registrability report that the application does not
34 comply with Sections 180 or 181 of this Act.

35 185.2. The form and contents of an industrial design certificate shall be
36 established by the Regulations: *Provided*, That the name and address of the creator
37 shall be mentioned in every case.

38 185.3. Registration shall be published in the form and within the period fixed
39 by the Regulations.

40 185.4. The Office shall record in the register any change in the identity of the
41 proprietor of the industrial design or its representative, if proof thereof is furnished to

1 it. A fee shall be paid, with the request to record the change in the identity of the
2 proprietor. If the fee is not paid, the request shall be deemed not to have been filed.
3 In such case, the former proprietor and the former representative shall remain.

4 185.5. Anyone may inspect the Register and the files of registered industrial
5 designs including the files of cancellation proceedings.

6 **SEC. 186. *The Term of Industrial Design.*** - 186.1. The registration of an
7 industrial design shall be for a period of five (5) years from the filing date of the
8 application.

9 186.2. The registration of an industrial design may be renewed for not more
10 than two (2) consecutive periods of five (5) years each by paying the renewal fee.

11 186.3. The renewal fee shall be paid within twelve (12) months preceding the
12 expiration of the period of registration. However, a grace period of six (6) months
13 shall be granted for payment of the fees after such expiration, upon payment of a
14 surcharge.

15 186.4. The Regulations shall fix the amount of renewal fee, the surcharge and
16 other requirements regarding the recording of renewals of registration.

17 **SEC. 187. *Application of Other Sections and Chapters.*** - 187.1. The following
18 provisions relating to patents shall apply *mutatis mutandis* to an industrial design
19 registration:

20	Section 29 -	Novelty;
21	Section 30 -	Prior art; <i>Provided</i> , That the disclosure is contained in
22		printed documents or in any tangible form;
23	Section 31 -	Non- prejudicial Disclosure;
24	Section 34 -	Right to A Patent;
25	Section 35 -	First to File Rule;
26	Section 36-	Inventions Created Pursuant to a Commission;
27	Section 37	Right of Priority; <i>Provided</i> , That the application for
28		industrial design shall be filed within six (6) months from
29		the earliest filing date of the corresponding foreign
30		application;
31	Section 38.1 (g)-	Appointment of Agent or Representative;
32	Section 57-	Refusal of the Application;
33	Sections 62 to 65-	Surrender, Correction of and Changes in Patent;

- 1 Chapter VII- Remedies of a Person with a Right to Patent;
2 Chapter VIII- Rights of Patentees and Infringement of Patents; and
3 Chapter IX- Assignment and Transmission of Rights

4 187.2. If the essential elements of an industrial design which is the subject of
5 an application have been obtained from the creation of another person without his or
6 her consent, protection under this Chapter cannot be invoked against the injured
7 party.

8 187.3. Any industrial design registrant, or anyone possessing any right, title
9 or interest in and to the registered industrial design, whose rights have been
10 infringed, may bring a civil action before the appropriate Regional Trial Court, to
11 recover from the infringer such damages sustained thereby, plus attorney's fees and
12 other expenses of litigation, and to secure an injunction for the protection of his
13 rights: *Provided*, That the complaint shall include a registrability report.

14 **SEC. 188. Cancellation of Design Registration.** - 188.1. At any time during the
15 term of the industrial design registration, any person upon payment of the required
16 fee, may petition the Director of the Bureau of Legal Affairs to cancel the industrial
17 design on any of the following grounds:

- 18 (a) If the subject matter of the industrial design is not registrable within the
19 terms of Sections 180 or 181 of this Act;
20 (b) If the subject matter is not new; or
21 (c) If the subject matter of the industrial design extends beyond the
22 content of the application as originally filed.

23 188.2. Where the grounds for cancellation relate to a part of the industrial
24 design, cancellation may be effected to such extent only. The restriction may be
25 effected in the form of an alteration of the effected features of the design.

26 **SEC. 189. Industrial Design Infringement.** - The provisions of Section 90
27 (a) of this Act shall also apply to criminal actions and penalties for industrial design
28 infringement.

29 **PART V**
30 **COPYRIGHT AND RELATED RIGHTS**

31 **Chapter I**
32 **GENERAL PROVISIONS**

33 **SEC. 190. Definitions.** - For the purpose of this Act, the following terms have
34 the following meaning:

- 1 (a) "Author" is the natural person who has created the work;
- 2 (b) "Copyright" is the bundle of exclusive economic rights and moral rights;
- 3 (c) "Collective Management Organization" is any entity engaged in
4 collective management of copyright and related rights subject to the
5 rules and regulations of the Office.
- 6 (d) "Collective work" is a work which has been created by two (2) or more
7 natural persons at the initiative and under the direction of another with
8 the understanding that it will be disclosed by the latter under his own
9 name and that contributing natural persons will not be identified;
- 10 (e) "Communication to the public" or "communicate to the public" is any
11 communication to the public, including broadcasting, rebroadcasting,
12 retransmitting by cable, broadcasting and retransmitting by satellite,
13 and includes the making of a work available to the public by wire or
14 wireless means in such a way that members of the public may access
15 these works from a place and time individually chosen by them;
- 16 (f) "Computer" is an electronic or similar device having information-
17 processing capabilities;
- 18 (g) "Computer program" is a set of instructions expressed in words, codes,
19 schemes or in any other form, which is capable when incorporated in a
20 medium that the computer can read, or causing the computer to
21 perform or achieve a particular task or result;
- 22 (h) "Public lending" is the transfer of possession of the original or a copy of
23 a work or sound recording for a limited period, for non-profit purposes,
24 by an institution the services of which are available to the public, such
25 as a public library or archive;
- 26 (i) "Public performance," in the case of a work other than an audiovisual
27 work, is the recitation, playing, dancing, acting or otherwise performing
28 the work, either directly or by means of any device or process; in the
29 case of an audiovisual work, the showing of its images in sequence
30 and the making of the sounds accompanying it audible; and, in the
31 case of a sound recording, making the recorded sounds audible at a
32 place or at places where persons outside the normal circle of a family
33 and that family's closest social acquaintances are or can be present,
34 irrespective of whether they are or can be present at the same place
35 and at the same time, or at different places or at different times, and
36 where the performance can be perceived without the need for
37 communication within the meaning of Section 190 (e) of this Act;
- 38 (j) "Published works" are works, which, with the consent of the authors,
39 are made available to the public by wire or wireless means in such a
40 way that members of the public may access these works from a place
41 and time individually chosen by them: *Provided*, That availability of

1 such copies has been such, as to satisfy the reasonable requirements
2 of the public, having regard to the nature of the work;

3 (k) "Rental" is the transfer of the possession of the original or a copy of a
4 work or a sound recording for a limited period of time, for profit-making
5 purposes;

6 (l) "Reproduction" is the making of one (1) or more copies, temporary or
7 permanent, in whole or in part, of a work or a sound recording in any
8 manner or form without prejudice to the provisions of Section 204 of
9 this Act;

10 (m) "Rights management information" means information which identifies
11 the work, sound recording or performance; the author of the work,
12 producer of the sound recording or performer of the performance; the
13 owner of any right in the work, sound recording or performance; or
14 information about the terms and conditions of the use of the work,
15 sound recording or performance; and any number or code that
16 represent such information, when any of these items is attached to a
17 copy of the work, sound recording or fixation of performance or
18 appears in conjunction with the communication to the public of a work,
19 sound recording or performance;

20 (n) "Right holder" refers to a person or entity who owns a copyright or
21 related right;

22 (o) "Technological measure" is any technology, device or component that,
23 in the normal course of its operation, restricts acts in respect of a work,
24 performance or sound recording, which are not authorized by the
25 authors, performers or producers of sound recordings concerned or
26 permitted by law;

27 (p) A "work of applied art" is an artistic creation with utilitarian functions or
28 incorporated in a useful article, whether made by hand or produced on
29 an industrial scale; and

30 (q) A "work of the Government of the Philippines" is a work created by an
31 officer or employee of the Philippine Government or any of its
32 subdivisions and instrumentalities, including government-owned or
33 controlled corporations as part of his regularly prescribed official duties.

34 Chapter II 35 ORIGINAL WORKS

36 **SEC. 191. *Literary and Artistic Works.*** – 191.1. Literary and artistic works,
37 hereinafter referred to as "works", are original intellectual creations in the literary and
38 artistic domain protected from the moment of their creation. Originality means that
39 the work was independently created by the author. Literary and artistic works shall
40 include in particular:

- 1 (a) Books, pamphlets, articles and other writings;
- 2 (b) Periodicals and newspapers;
- 3 (c) Lectures, sermons, addresses, dissertations and other works of the
4 same nature;
- 5 (d) Letters and other private communications;
- 6 (e) Dramatic or dramatico-musical compositions; choreographic works and
7 entertainment in pantomimes;
- 8 (f) Musical compositions, with or without words;
- 9 (g) Works of drawing, painting, architecture, sculpture, engraving,
10 lithography or other works of art; models or designs for works of art;
- 11 (h) Original ornamental designs or models for articles of manufacture,
12 whether or not registrable as an industrial design, and other works of
13 applied art;
- 14 (i) Illustrations, maps, plans, sketches, charts and three-dimensional
15 works relative to geography, topography, architecture or science;
- 16 (j) Drawings or plastic works of a scientific or technical character;
- 17 (k) Photographic works including works produced by a process analogous
18 to photography; lantern slides;
- 19 (l) Audiovisual works and cinematographic works and works produced by
20 a process analogous to cinematography or any process for making
21 audio-visual recordings;
- 22 (m) Pictorial illustrations and advertisements;
- 23 (n) Computer programs and data bases; and
- 24 (o) Other literary, scholarly, scientific and artistic works.

25 191.2. Works are protected by the sole fact of their creation, without need of
26 any formality or registration, irrespective of their mode, medium, or form of
27 expression, as well as of their content, quality and purpose.

28 Chapter III 29 DERIVATIVE WORKS

30 **SEC. 192. *Derivative Works.*** – 192.1. The following derivative works shall
31 also be protected by copyright:

1 (a) Dramatizations, translations, adaptations, abridgments, arrangements,
2 and other alterations of literary or artistic works; and

3 (b) Collections of literary, scholarly or artistic works, and compilations of
4 data and other materials which are original by reason of the selection or coordination
5 or arrangement of their contents.

6 192.2. The works referred to in Section 192.1 (a) and (b) hereof shall be
7 protected as new works: *Provided however*, That such new work shall not affect the
8 force of any subsisting copyright upon the original works employed or any part
9 thereof, or be construed to imply any right to such use of the original works, or to
10 secure or extend copyright in such original works.

11 **SEC. 193. *Published Edition of Work.*** - In addition to the right to publish
12 granted by the author, his heirs or assigns, the publisher shall have a copyright
13 consisting merely of the right of reproduction of the typographical arrangement of the
14 published edition of the work.

15 **Chapter IV**
16 **WORKS NOT PROTECTED**

17 **SEC. 194. *Unprotected Subject Matter.*** - Notwithstanding the provisions of
18 Sections 191 and 192 hereof, no protection shall extend, under this Act, to any of the
19 following:

20 (a) Any idea, procedure, system, method of operation, concept, principle,
21 discovery or mere data as such, even if they are expressed, explained,
22 illustrated or embodied in a work;

23 (b) News of the day and other miscellaneous facts having the character of
24 mere items of press information; or

25 (c) Any official text of a legislative, administrative or legal nature, as well
26 as any official translation thereof.

27 **SEC.195. *Works of the Government.*** - 195.1. No copyright shall subsist in
28 any work of the Government of the Philippines. However, prior approval of the
29 government agency or office wherein the work is created shall be necessary for
30 exploitation of such work for profit. Such agency or office may, among other things,
31 impose as a condition the payment of royalties. No prior approval or conditions shall
32 be required for the use of any purpose of statutes, rules and regulations, and
33 speeches, lectures, sermons, addresses, and dissertations, pronounced, read or
34 rendered in courts of justice, before administrative agencies, in deliberative
35 assemblies and in meetings of public character.

36 195.2. The author of speeches, lectures, sermons, addresses, and
37 dissertations mentioned in the preceding paragraphs shall have the exclusive right of
38 making a collection of such works.

1 195.3. Notwithstanding the foregoing provisions, the Government is not
2 precluded from receiving and holding copyrights transferred to it by assignment,
3 bequest or otherwise; nor shall publication or republication by the government in a
4 public document of any work in which copyright is subsisting be taken to cause any
5 abridgment or annulment of the copyright or to authorize any use or appropriation of
6 such work without the consent of the copyright owner.

7 Chapter V 8 ECONOMIC RIGHTS

9 **SEC. 196. Economic Rights.** - Subject to the provisions of Chapter VIII of
10 this Act, economic rights shall consist of the exclusive right to carry out, authorize or
11 prevent the following acts:

- 12 (a) Reproduction of the work or substantial portion of the work;
- 13 (b) Dramatization, translation, adaptation, abridgment, arrangement or
14 other transformation of the work;
- 15 (c) The first public distribution of the original and each copy of the work by
16 sale or other forms of transfer of ownership;
- 17 (d) Rental of the original or a copy of an audiovisual or cinematographic
18 work, a work embodied in a sound recording, a computer program, a
19 compilation of data and other materials or a musical work in graphic
20 form, irrespective of the ownership of the original or the copy which is
21 the subject of the rental;
- 22 (e) Public display of the original or a copy of the work;
- 23 (f) Public performance of the work; and
- 24 (g) Other communication to the public of the work.

25 Chapter VI 26 OWNERSHIP OF COPYRIGHT

27 **SEC. 197. Rules on Copyright Ownership.** - 197.1. Copyright ownership
28 shall be governed by the following rules:

- 29 (a) Subject to the provisions of this Section, in the case of original literary
30 and artistic works, copyright shall belong to the author of the work.
- 31 (b) In the case of works of joint authorship, the co-authors shall be the
32 original owners of the copyright and in the absence of agreement, their
33 rights shall be governed by the rules on co-ownership. If, however, a
34 work of joint authorship consists of parts that can be used separately
35 and the author of each part can be identified, the author of each part
36 shall be the original owner of the copyright in the part that he has
37 created.

- 1 (c) In the case of work created by an author during and in the course of his
2 employment, the copyright shall belong to:
- 3 (1) The employee, if the creation of the object of copyright is not a
4 part of the employee's regular duties even if the employee uses
5 the time, facilities and materials of the employer.
- 6 (2) The employer, if the work is the result of the performance of the
7 employee's regularly-assigned duties, unless there is an
8 agreement, express or implied, to the contrary.
- 9 (d) In the case of a work commissioned by a person other than an
10 employer of the author and who pays for it and the work is made in
11 pursuance of the commission, the person who so commissioned the
12 work shall have ownership of the work, but the copyright thereto shall
13 remain with the creator, unless there is a written stipulation to the
14 contrary.

15 The foregoing notwithstanding, with respect to commissioned photographs,
16 films and paintings intended for private use, the following rights belong to the person
17 who commissioned the work:

- 18 (a) Distribution or issuance of the work to the public,
19 (b) Exhibition or display of the work in public, and
20 (c) Communication of the work in public.

21 197.2. In the case of audiovisual work, the copyright shall belong to the
22 producer, the author of the scenario, the composer of the music, the film director,
23 and the author of the work so adapted. However, subject to contrary or other
24 stipulations among the creators, the producer shall exercise the copyright to an
25 extent required for the exhibition of the work in any manner, except for the right to
26 collect performing license fees for the performance of musical compositions, with or
27 without words, which are incorporated into the work; and

28 197.3. In respect of letters, the copyright shall belong to the writer subject to
29 the provisions of Article 723 of the New Civil Code of the Philippines.

30 **SEC. 198. *Anonymous and Pseudonymous Works.*** - For purposes of this
31 Act, the publishers shall be deemed to represent the authors of articles and other
32 writings published without the names of the authors or under pseudonyms, unless
33 the contrary appears, or the pseudonyms or adopted name leaves no doubts as to
34 the author's identity, or if the author of the anonymous works discloses his identity.

35 **Chapter VII**
36 **TRANSFER, ASSIGNMENT AND LICENSING OF COPYRIGHT**

1 **SEC. 199. Rights of Assignee or Licensee.** - 199.1. The copyright may be
2 assigned or licensed in whole or in part. Within the scope of the assignment or
3 license, the assignee or licensee is entitled to all the rights and remedies which the
4 assignor or licensor had with respect to the copyright.

5 199.2. Copyright or related rights are not deemed assigned or licensed *inter*
6 *vivos*, in whole or in part, unless there is a written indication of such intention.

7 199.3. The submission of a literary, photographic or artistic work to a
8 newspaper, magazine or periodical for publication shall constitute only a license to
9 make a single publication unless a greater right is expressly granted. If two (2) or
10 more persons jointly own a copyright or any part thereof, neither of the owners shall
11 be entitled to grant licenses without the prior written consent of the other owner or
12 owners.

13 199.4. Any exclusivity in the economic rights in a work may be exclusively
14 licensed. Within the scope of the exclusive license, the licensee is entitled to all the
15 rights and remedies which the licensor had with respect to the copyright.

16 199.5. The copyright owner has the right to regular statements of accounts
17 from the assignee or the licensee with regard to assigned or licensed work.

18 **SEC. 200. Copyright and Material Object.** - The copyright is distinct from
19 the property in the material object subject to it. Consequently, the transfer,
20 assignment or licensing of the copyright shall not itself constitute a transfer of the
21 material object. Nor shall a transfer or assignment of the sole copy or of one or
22 several copies of the work imply transfer, assignment or licensing of the copyright.

23 **SEC. 201. Filing of Assignment or License.** - An assignment or exclusive
24 license may be filed with the Bureau of Copyright and Related Rights upon payment
25 of the prescribed fee for registration in books and records kept for the purpose. Upon
26 recording, a copy of the instrument shall be returned to the sender with a notation of
27 the fact of record. Notice of the record shall be published in the IPOPHL Gazette.

28 **SEC 202. Designation of Collective Management Organizations.** -
29 202.1. The owners of copyright and related rights or their heirs may designate a
30 society of artists, writers, composers and other right-holders to collectively manage
31 their economic or moral rights on their behalf, to be otherwise known as a Collective
32 Management Organization.

33 202.2. *Mandatory Accreditation with the Office.* For the said collective
34 management organizations to enforce or license the rights they administer, they shall
35 first secure the necessary accreditation from the Bureau of Copyright and Related
36 Rights. The accreditation regulation shall apply to local and foreign collective
37 management organizations and individuals or entities engaging, directly or indirectly,
38 in any of the activities in Section 202.3 hereof in behalf of more than one right holder,
39 but only organizations duly organized under the laws of the Philippines may be
40 accredited to operate as a collective management organization. The Bureau of
41 Copyright and Related Rights may impose such restrictions or limitations in the
42 accreditation regulations as may be necessary to serve public interest.

1 Any person may refuse the payment or remittance of royalties to a collective
2 management organization which is not accredited. Any person may also refuse
3 payment or remittance of royalties to a collective management organization for a
4 rights holder if the latter is not represented by a registered member of the collective
5 management organization. In addition, any such organization found functioning as a
6 collective management organization without said accreditation after due notice and
7 hearing shall be liable for an administrative fine equivalent to one hundred percent
8 (100%) of the gross revenue it earned for the Philippine territory, or which shall in no
9 case be less than Fifty thousand pesos (P 50,000.00) but shall not exceed One
10 million pesos (P1,000,000.00), whichever is higher.

11 The users who dealt with the non-accredited collective management
12 organization knowing that said collective management organization is not accredited
13 shall, after due notice and hearing, likewise be held solidarily liable for the
14 aforementioned fine equivalent to one hundred percent (100%) of the total payment
15 they have made to the said non-accredited collective management organization.

16 202.3. *Effect of Accreditation.* - Accreditation shall authorize a local collective
17 management organization to negotiate, grant licenses, collect and distribute
18 royalties, and other remuneration of its members.

19 Chapter VIII 20 LIMITATIONS ON COPYRIGHT

21 **SEC. 203. *Limitations on Copyright.*** – Notwithstanding the provisions of
22 Chapter V, the following acts shall not constitute infringement of copyright:

- 23 (a) The recitation or performance of a work, once it has been lawfully
24 made accessible to the public, if done privately and free of charge or if
25 made strictly for a charitable or religious institution or society;
- 26 (b) The making of quotations from a published work if they are compatible
27 with fair use and only to the extent justified for the purpose, including
28 quotations from newspaper articles and periodicals in the form of press
29 summaries: *Provided*, That the source and the name of the author, if
30 appearing on the work, are mentioned;
- 31 (c) The reproduction or communication to the public by mass media of
32 articles on current political, social, economic, scientific or religious
33 topic, lectures, addresses and other works of the same nature, which
34 are delivered in public if such use is for information purposes and has
35 not been expressly reserved: *Provided*, That the source is clearly
36 indicated;
- 37 (d) The reproduction and communication to the public of literary, scientific
38 or artistic works as part of reports of current events by means of
39 photography, cinematography or broadcasting to the extent necessary
40 for the purpose;

- 1 (e) The inclusion of a work in a publication, broadcast, or other
2 communication to the public, sound recording or film, if such inclusion
3 is made by way of illustration for teaching purposes and is compatible
4 with fair use: *Provided*, That the source and of the name of the author,
5 if appearing in the work, are mentioned;
- 6 (f) The recording made in schools, universities, or educational institutions
7 of a work included in a broadcast for the use of such schools,
8 universities or educational institutions: *Provided*, That such recording
9 must be deleted within a reasonable period after they were first
10 broadcast: *Provided further*, That such recording may not be made
11 from audiovisual works which are part of the general cinema repertoire
12 of feature films except for brief excerpts of the work;
- 13 (g) The making of ephemeral recordings by a broadcasting organization by
14 means of its own facilities and for use in its own broadcast;
- 15 (h) The use made of a work by or under the direction or control of the
16 Government, by the Bureau of Copyright and Related Rights, by the
17 National Library or by educational, scientific or professional institutions
18 where such use is in the public interest and is compatible with fair use;
- 19 (i) The public performance or the communication to the public of a work,
20 in a place where no admission fee is charged in respect of such public
21 performance or communication, by a club or institution for charitable or
22 educational purpose only, whose aim is not profit making, subject to
23 such other limitations as may be provided for under the Regulations;
- 24 (j) Public display of the original or a copy of the work not made by means
25 of a film, slide, television image or otherwise on screen or by means of
26 any other device or process: *Provided*, That either the work has been
27 published, or, that the original or the copy displayed has been sold,
28 given away or otherwise transferred to another person by the author or
29 his successor in title;
- 30 (k) Any use made of a work for the purpose of any judicial proceedings or
31 for the giving of professional advice by a legal practitioner; and
- 32 (l) The reproduction, distribution, and making available to the public or
33 works in an accessible format or copy for of published articles or
34 materials in a specialized format exclusively for the use of the blind, or
35 visually-impaired and those unable, through physical disability, to hold
36 or manipulate a book or to focus or move the eyes to the extent that
37 would be normally acceptable for reading. These limitations on
38 copyright cover the changes needed to make the work in accessible
39 format copies for the aforementioned beneficiaries: *Provided*, That
40 such copies and distribution shall be made on a nonprofit basis and
41 shall indicate the copyright owner and the date of the original
42 publication.

1 (m) The copyright in a work that is situated, otherwise than temporarily, in a
2 public place, or in premises open to the public, is not infringed by the
3 making of a painting, drawing, engraving or photograph of the work or
4 by the inclusion of the work in a cinematograph film or in a television
5 broadcast.

6 **SEC. 204. Fair Use of a Copyrighted Work.** –204.1. The fair use of a
7 copyrighted work for criticism, comment, news reporting, teaching including limited
8 number of copies for classroom use, scholarship, research, and similar purposes is
9 not an infringement of copyright.

10 Decompilation, which is understood here to be the reproduction of the code
11 and translation of the forms of a computer program to achieve the interoperability of
12 an independently created computer program with other programs, may also
13 constitute fair use under the criteria established by this Section, to the extent that
14 such decompilation is done for the purpose of obtaining the information necessary to
15 achieve such interoperability.

16 In determining whether the use made of a work in any particular case is fair
17 use, the factors to be considered shall include:

18 (a) The purpose and character of the use, including whether such use is of
19 a commercial nature or is for non-profit educational purposes;

20 (b) The nature of the copyrighted work;

21 (c) The amount and substantiality of the portion used in relation to the
22 copyrighted work as a whole; and

23 (d) The effect of the use upon the potential market for or value of the
24 copyrighted work.

25 204.2. The fact that a work is unpublished shall not by itself bar a finding of
26 fair use if such finding is made upon consideration of all the above factors.

27 **SEC. 205. Work of Architecture.** - Copyright in a work of architecture shall
28 include the right to control the erection of any building which reproduces the whole or
29 a substantial part of the work either in its original form or in any form recognizably
30 derived from the original: *Provided*, That the copyright in any such work shall not
31 include the right to control the reconstruction or rehabilitation in the same style as the
32 original of a building to which that copyright relates.

33 **SEC. 206. Reproduction for Research and Private Study.** – 206.1.
34 Notwithstanding the provisions of Section 196 (a) of this Act, and subject to the
35 provisions of Section 206.2 hereof, the reproduction, in a single copy, for research or
36 private study, of a work kept in a library, museum or other institution to which the
37 public has access, shall be permitted, without the authorization of the owner of
38 copyright in the work.

1 *Provided*, That where the identity of the author of any such work or, in the
2 case of a work of joint authorship, of any of the authors is known to the library,
3 museum or other institution, as the case may be, the above provisions shall apply
4 only if such reproduction is made at a time more than forty (40) years from the date
5 of the death of the author or, in the case of a work of joint authorship, from the death
6 of the last surviving author whose identity is known or, if the identity of more authors
7 than one is known from the death of such of those authors who dies last.

8 206.2. The permission granted under Section 206.1 hereof shall not extend to
9 the reproduction of:

10 (a) A work of architecture in the form of building or other construction;

11 (b) A compilation of data and other materials;

12 (c) A computer program except as provided for under Section 208 of this
13 Act; and

14 (d) Any work in cases where reproduction would unreasonably conflict with
15 a normal exploitation of the work or would otherwise unreasonably prejudice the
16 legitimate interests of the author.

17 **SEC. 207. Reprographic and Other Reproductions by Libraries.** – 207.1.
18 Notwithstanding the provisions of Section 196 (a) of this Act, any library or archive
19 whose activities are not for profit may, without the authorization of the author or
20 copyright owner, make a limited number of copies of the work, as may be necessary
21 for such institutions to fulfill their mandate, by reprographic reproduction:

22 (a) Where the work by reason of its fragile character or rarity cannot be
23 lent to user in its original form;

24 (b) Where the works are isolated articles contained in composite works or
25 brief portions of other published works and the reproduction is
26 necessary to supply them; when this is considered expedient, to
27 persons requesting their loan for purposes of research or study instead
28 of lending the volumes or booklets which contain them; and

29 (c) Where the making of such limited copies is in order to preserve and, if
30 necessary in the event that it is lost, destroyed or rendered unusable,
31 replace a copy, or to replace, in the permanent collection of another
32 similar library or archive, a copy which has been lost, destroyed or
33 rendered unusable and copies are not available with the publisher.

34 207.2. Notwithstanding the above provisions, it shall not be permissible to
35 produce a volume of a work published in several volumes or to produce missing
36 tomes or pages of magazines or similar works, unless the volume, tome or part is out
37 of stock: *Provided*, That every library which, by law, is entitled to receive copies of a
38 printed work, shall be entitled, when special reasons so require, to reproduce a copy
39 of a published work which is considered necessary for the collection of the library but
40 which is out of stock.

1 207.3. Notwithstanding Section 196 (a) of this Act, a library may create a
2 digital reproduction of a work and lend out the secured digital reproduction to one
3 valid user at a time: *Provided*, That the library shall -

- 4 (a) own a legal copy or copies of the work;
- 5 (b) maintain a corresponding ratio of legal copies of the work to the copies
6 of the work lent, such that, at any given time, it shall not lend more
7 physical and digital copies than the number of the copies it legally
8 owns; and
- 9 (c) use technological measures to ensure that the digital file cannot be
10 copied or redistributed.

11 **SEC. 208. *Reproduction of Computer Program.*** – 208.1. Notwithstanding
12 the provisions of Section 196 (a) of this Act, the reproduction in one (1) back-up copy
13 or adaptation of a computer program shall be permitted, without the authorization of
14 the author of, or other owner of copyright in a computer program, by the lawful owner
15 of that computer program: *Provided*, That the copy or adaptation is necessary for:

- 16 (a) The use of the computer program in conjunction with a computer for
17 the purpose, and to the extent, for which the computer program has
18 been obtained; and
- 19 (b) Archival purposes, and, for the replacement of the lawfully owned copy
20 of the computer program in the event that the lawfully obtained copy of
21 the computer program is lost, destroyed or rendered unusable.

22 208.2. No copy or adaptation mentioned in this Section shall be used for any
23 purpose other than the ones determined in this Section, and any such copy or
24 adaptation shall be destroyed in the event that continued possession of the copy of
25 the computer program ceases to be lawful.

26 208.3. This provision shall be without prejudice to the application of Section
27 204 of this Act whenever appropriate.

28 **SEC. 209. *Prohibition on Importation and Exportation of Copyrighted***
29 ***Works.*** – 209.1 Notwithstanding the provision of Section 196 (c) of this Act, but
30 subject to the limitation under Section 204.2 hereof and the provisions of Republic
31 Act No. 10863, otherwise known as the “Customs Modernization and Tariff Act”, the
32 importation or exportation of a copy of a work by an individual for personal purposes
33 shall be permitted without the authorization of the author of, or other owner of
34 copyright in, the work under the following circumstances:

- 35 (a) When copies of the work are not available in the Philippines: and
- 36 (1) Not more than one (1) copy at one time is imported for strictly
37 individual use only; or

1 (2) The importation is by authority of and for the use of the
2 Philippine Government; or

3 (3) The importation, consisting of not more than three (3) such
4 copies or likenesses in any one invoice, is not for sale but for the
5 use only of any religious, charitable, or education society or
6 institution duly incorporated or registered, or is for the
7 encouragement of the fine arts, or for any school, college,
8 university or free library in the Philippines.

9 (b) When such copies form parts of libraries and personal baggage
10 belonging to persons or families arriving from or leaving for foreign
11 countries and are not intended for sale: *Provided*, That such copies do
12 not exceed three (3).

13 209.2 Copies imported as allowed by this Section may not lawfully be used in
14 any way to violate the rights of the owner of the copyright or annul or limit the
15 protection secured by this Act, and such unlawful use shall be deemed an
16 infringement and shall be punishable as such without prejudice to the proprietor's
17 right of action.

18 209.3. *Infringing Works.* - Subject to the provisions of Republic Act No. 10863,
19 infringing works under Section 209.2 hereof shall include works for import, for export,
20 in transit or being transshipped within the Philippines.

21 209.4. *Importation and Exportation of Infringing Materials.* - Subject to the
22 provisions of Republic Act No. 10863, and upon the approval of the Secretary of
23 Finance, the Commissioner of Customs is hereby empowered to promulgate rules
24 and regulations for preventing the importation, exportation or transshipment of
25 infringing articles prohibited under Part IV of this Act and under relevant treaties and
26 conventions to which the Philippines may be a party and, upon notice and hearing,
27 for seizing and condemning and disposing of the same.

28 Chapter IX 29 REGISTRATION AND DEPOSIT

30 **SEC. 210. *Transfer of Powers from National Library and the Supreme***
31 ***Court Library to Bureau of Copyright and Related Rights.*** - The powers, duties
32 and functions vested in, or performed and exercised by, the National Library and the
33 Supreme Court Library in connection with the registration of copyrights are hereby
34 transferred to the Bureau of Copyright and Related Rights.

35 **SEC. 211. *Copyright Registration and Deposit.*** - At any time during the
36 subsistence of the copyright, the owner or owners of the copyright or of any
37 exclusive right in the work may, register and deposit the works with the Bureau of
38 Copyright and Related Rights in such manner and form as may be prescribed in
39 accordance with regulations. Such registration and deposit is not a condition of
40 copyright protection.

216.2. To use the name of the author with respect to a work he or she did not create.

SEC. 217. *Non-transferability of Moral Rights.*- Moral rights shall not be assignable or subject to license.

SEC. 218. *Contribution to Collective Work.* - When an author contributes to a collective work, his or her right to have his contribution attributed to him or her is deemed waived unless he expressly reserves it.

SEC. 219. *Editing, Arranging and Adaptation of Work.* - In the absence of a contrary stipulation at the time an author licenses or permits another to use his work, the necessary editing, arranging or adaptation of such work, for publication, broadcast, use in a motion picture, dramatization, or mechanical or electrical reproduction in accordance with the reasonable and customary standards or requirements of the medium in which the work is to be used, shall not be deemed to contravene the author's rights secured by this chapter. Nor shall complete destruction of a work unconditionally transferred by the author be deemed to violate such rights.

SEC. 220. Term of Moral Rights. - 220.1. The rights of an author under Section 214.1 of this Act shall last in perpetuity, while the rights under Sections 214.2, 214.3 and 214.4 of this Act shall be coterminous with the economic rights. The person or persons to be charged with the posthumous enforcement of these rights shall be named in a written instrument which shall be filed with the Bureau of Copyrights and Related Rights.

In default of such person or persons, such enforcement shall devolve upon either the author's heirs, and in default of the heirs, the Director of the Bureau of Copyrights and Related Rights.

220.2. For purposes of this Section, "Person" shall mean any individual, partnership, corporation, association, or society. The Director of the Bureau of Copyrights and Related Rights may prescribe reasonable fees to be charged for services in the application of provisions of this Section.

SEC. 221. *Enforcement Remedies.* - Violation of any of the rights conferred by this Chapter shall entitle those charged with their enforcement to the same rights and remedies available to a copyright owner. In addition, damages which may be availed of under the New Civil Code of the Philippines may also be recovered. Any damage recovered after the creator's death shall be held in trust for and remitted to his heirs, and in default of the heirs, shall belong to the government.

Chapter XI

RIGHTS TO PROCEED IN SUBSEQUENT TRANSFERS

SEC. 222. *Sale or Lease of Work.* - In every sale or lease of an original work of painting or sculpture or of the original manuscript of a writer or composer, subsequent to the first disposition thereof by the author, the author or his heirs shall have an inalienable right to participate in the gross proceeds of the sale or lease to

1 the extent of five percent (5%). This right shall exist during the lifetime of the author
2 and for fifty (50) years after his death.

222.1. *Liability to Pay Resale Royalty.* – Payment of resale royalty shall be made by the seller to the author or his heirs, within sixty (60) days from the date of sale or lease of the work.

222.2. For purposes of monitoring the implementation of this particular provision, there is hereby created a National Registry of Qualified Works to be maintained by the Bureau of Copyright and Related Rights. This registry shall provide the means for the enrollment and registration of works qualified for the application of resale right. It shall also serve as the repository of information on the author or his heirs, for purposes of remittance of the resale royalty. Auction houses, art galleries, art salesrooms, or any dealers of works of art are required to report compliance with payment of the resale royalty to the Bureau of Copyright and Related with regularity and in such periods as may be provided by regulations to be issued for this purpose.

16 **SEC. 223. Works Not Covered.** - The provisions of this Chapter shall not
17 apply to prints, etchings, engravings, works of applied art, or works of similar kind
18 wherein the author primarily derives gain from the proceeds of reproductions.

19 Chapter XII
20 RIGHTS OF PERFORMERS, PRODUCERS OF SOUND RECORDINGS
21 AND BROADCASTING ORGANIZATIONS

22 **SEC. 224. Definitions.** - For the purpose of this Act, the following terms shall
23 have the following meanings:

- 24 (a) An "audiovisual work " is a work that consists of a series of related
25 images which impart the impression of motion, with or without
26 accompanying sounds, susceptible of being made visible and, where
27 accompanied by sounds, susceptible of being made audible;
- 28 (b) "Broadcasting" is the transmission by wireless means for the public
29 reception of sounds or of images or of representations thereof; such
30 transmission by satellite is also "broadcasting"; transmission of
31 encrypted signals is broadcasting where the means for decrypting are
32 provided to the public by the broadcasting organization or with its
33 consent;
- 34 (c) "Broadcasting organization" is a natural person or a juridical entity duly
35 authorized to engage in broadcasting;

- 1 (d) "Communication to the public of a performance or a sound recording"
2 is the transmission to the public, by any medium, otherwise than by
3 broadcasting, of an unfixed performance, or of a performance fixed in
4 an audiovisual fixation, or of the representation of sounds fixed in a
5 sound recording;
- 6 For purposes of Section 228 of this Act, "communication to the public"
7 includes the making of a performance fixed in an audiovisual fixation
8 audible and visible to the public.
- 9 For purposes of Section 231 of this Act, "communication to the public"
10 includes making the sounds or representations if sounds fixed in a
11 phonogram audible to the public.
- 12 (e) "Fixation" is the embodiment of sounds, or of moving images, or of the
13 representations thereof, from which they can be perceived, reproduced
14 or communicated through a device;
- 15 (f) "Performers" are actors, singers, musicians, dancers, and other
16 persons who act, sing, declaim, play in, interpret, or otherwise perform
17 literary and artistic work;
- 18
19 (g) "Producer of a sound recording" is the person, or the legal entity, who
20 or which takes the initiative and has the responsibility for the first
21 fixation of the sounds of a performance or other sounds, or the
22 representation of sounds;
- 23 (h) "Publication of a fixed performance or a sound recording" is the offering
24 of copies of the fixed performance or the sound recording to the public,
25 with the consent of the right holder: *Provided*, That copies are offered
26 to the public in reasonable quantity;
- 27 (i) "Rebroadcasting" is the simultaneous broadcasting by one
28 broadcasting organization of the broadcast of another broadcasting
29 organization; and
- 30 (j) "Sound recording" is the fixation of the sounds of a performance or of
31 other sounds, or representation of sound, other than in the form of a
32 fixation incorporated in a cinematographic or other audiovisual work;

33 **Chapter XIII**
34 **PERFORMERS**

35 **SEC. 225. Scope of Performers' Rights.** - Subject to the provisions of
36 Section 234 of this Act, performers shall enjoy the following exclusive rights:

- 37 (a) As regards their performances, the right of authorizing:
- 38 (1) The broadcasting and other communication to the public of their
39 performance; and

- 1 (2) The fixation of their unfixed performance.
- 2 (b) The right of authorizing the direct or indirect reproduction, in any
3 manner or form, of their performances fixed in sound recordings or
4 audiovisual works or fixations;
- 5 (c) The right of authorizing the first public distribution of the original and
6 copies of their performance fixed in the sound recordings or
7 audiovisual works or fixations through sale or other forms of transfer of
8 ownership;
- 9 (d) The right of authorizing the commercial rental to the public of the
10 original and copies of their performances fixed in sound recordings or
11 audiovisual works or fixations, even after distribution of them by, or
12 pursuant to the authorization by the performer; and
- 13 (e) The right of authorizing the making available to the public of their
14 performances fixed in sound recordings or audiovisual works or
15 fixations, by wire or wireless means, in such a way that members of the
16 public may access them from a place and time individually chosen by
17 them.

18 **SEC. 226. Moral Rights of Performers.** – 226.1. *Rights Granted.* -
19 Independently of a performer's economic rights, the performer, shall, as regards live
20 aural performances or performances fixed in sound recordings or in audiovisual
21 works or fixations, have the right to claim to be identified as the performer of the
22 performances, except where the omission is dictated by the manner of the use of the
23 performance, and to object to any distortion, mutilation or other modification of the
24 his performances that would be prejudicial to the person's reputation.

25 226.2. *Term of Protection.* - The right to be identified as the performer in
26 accordance with Section 226.1 hereof shall last in perpetuity. The person or persons
27 to be charged with the posthumous enforcement of all the rights under Section
28 226.1 hereof shall be named in a written instrument which shall be filed with the
29 Bureau of Copyright and Related Rights.

30 In default of such person or persons, such enforcement shall devolve upon
31 either the author's heirs, and in default of the heirs, the Bureau of Copyright and
32 Related Rights.

33 **SEC. 227. Limitation on Right.** - Subject to the provisions of Section 231 of
34 this Act, once the performer has authorized the broadcasting or fixation of his
35 performance, the provisions of Section 225 of this Act shall have no further
36 application.

37 **SEC. 228. Additional Remuneration for Subsequent Communications or**
38 **Broadcasts.** - Performers shall have an inalienable right to participate in the gross
39 proceeds of subsequent commercial use or communication to the public of his
40 performance, to the extent of five percent (5%), as additional remuneration.

SEC. 229. *Contract Terms.* - Nothing in this Chapter shall be construed to deprive performers of the right to agree by contracts on terms and conditions more favorable for them in respect of any use of their performance.

Chapter XIV

PRODUCERS OF SOUND RECORDINGS

SEC. 230. Scope of Right. - Subject to the provisions of Section 237 of this Act, producers of sound recordings shall enjoy the following exclusive rights:

- (a) The right to authorize the direct or indirect reproduction of their sound recordings, in any manner or form;
- (b) The right to authorize the first public distribution of the original and copies of their sound recordings through sale or other forms of transferring ownership;
- (c) The right to authorize the commercial rental to the public of the original and copies of their sound recordings, even after distribution by them by or pursuant to authorization by the producer; and
- (d) The right to authorize the making available to the public of their sound recordings in such a way that members of the public may access the sound recording from a place and at a time individually chosen or selected by them, as well as other transmissions of a sound recording with like effect.

SEC. 231. *Communication to the Public.* - If a sound recording published for commercial purposes, or a reproduction of such sound recording, is used directly for broadcasting or for other communication to the public, or is publicly performed with the intention of making and enhancing profit, a single equitable remuneration for the performer or performers, and the producer of the sound recording shall be paid by the user to both the performers and the producer, who, in the absence of any agreement shall share equally.

SEC. 232. Limitation of Right. - Sections 203 and 204 of this Act shall apply *mutatis mutandis* to the producer of sound recordings.

Chapter XV

BROADCASTING ORGANIZATIONS

SEC. 233. *Scope of Right.* - Subject to the provisions of Section 235 of this Act, broadcasting organizations shall enjoy the exclusive right to carry out, authorize or prevent any of the following acts:

- (a) The rebroadcasting of their broadcasts;
- (b) The fixation of the broadcast for the purpose of communication to the public; and

- 1
2 (c) The use for fresh transmissions of the fixated broadcast or the
3 reproduction of the fixated broadcast.

4 **Chapter XVI**
5 **LIMITATIONS ON PROTECTION**

6 **SEC. 234. *Limitations on Rights.*** – The provisions of Chapter VIII of this Act
7 shall apply *mutatis mutandis* to the rights of performers, producers of sound
8 recordings and broadcasting organizations.

9 **Chapter XVII**
10 **TERM OF PROTECTION**

11 **SEC. 235. *Term of Protection.*** - 235.1. Subject to the provisions of Sections
12 235.2 to 235.5 hereof, the copyright in works under Sections 191 and 192 of this Act
13 shall be protected during the life of the author and for fifty (50) years after his death.
14 This rule also applies to posthumous works.

15 235.2. In case of works of joint authorship, the economic rights shall be
16 protected during the life of the last surviving author and for fifty (50) years after his
17 death.

18 235.3. In case of anonymous or pseudonymous works, the copyright shall be
19 protected for fifty (50) years from the date on which the work was first lawfully
20 published: *Provided*, That where, before the expiration of the said period, the
21 author's identity is revealed or is no longer in doubt, the provisions of Sections 235.1
22 and 235.2 hereof shall apply, as the case may be: *Provided further*, That such works
23 if not published before shall be protected for fifty (50) years counted from the making
24 of the work.

25 235.4. In case of works of applied art the protection shall be for a period of
26 twenty-five (25) years from the date of making.

27 235.5. In case of photographic works, the protection shall be for fifty (50)
28 years from publication of the work and, if unpublished, fifty (50) years from the
29 making.

30 235.6. In case of audio-visual works including those produced by process
31 analogous to photography or any process for making audio-visual recordings, the
32 term shall be fifty (50) years from date of publication and, if unpublished, from the
33 date of making.

34 **SEC. 236. *Calculation of Term.*** - The term of protection subsequent to the
35 death of the author provided in the preceding Section shall run from the date of his
36 death or of publication, but such terms shall always be deemed to begin on the first
37 day of January of the year following the event which gave rise to them.

SEC. 237. *Term of Protection for Performers, Producers and Broadcasting Organizations.* - 237.1. The rights granted to performers and producers of sound recordings under this law shall expire:

- (a) For performances not incorporated in recordings, fifty (50) years from the end of the year in which the performance took place; and
- (b) For sound or sound and images recordings and for performances incorporated therein, fifty (50) years from the end of the year in which the recording took place.

237.2. In case of broadcasts, the term shall be twenty (20) years from the date the broadcast took place. The extended term shall be applied only to old works with subsisting protection under the prior law.

Chapter XVIII

INFRINGEMENT

SEC. 238. *Infringement.* – Any person infringes a right protected under this Act when one:

- (a) Directly commits an infringement;
- (b) Benefits from the infringing activity of another person who commits an infringement if the person benefiting has been given notice of the infringing activity and has the right and ability to control the activities of the other person;
- (c) With knowledge of infringing activity, induces, causes or materially contributes to the infringing conduct of another.

238.1 Remedies for Infringement. – Any person infringing a right protected under this law shall be liable:

- (a) To an injunction restraining such infringement. The court may also order the defendant to desist from an infringement, among others, to prevent the entry into the channels of commerce of imported goods that involve an infringement, immediately after customs clearance of such goods.
- (b) To pay to the copyright proprietor or his assigns or heirs such actual damages, including legal costs and other expenses, as he may have incurred due to the infringement as well as the profits the infringer may have made due to such infringement, and in proving profits the plaintiff shall be required to prove sales only and the defendant shall be required to prove every element of cost which he claims, or, in lieu of actual damages and profits, such damages which to the court shall appear to be just and shall not be regarded as penalty: *Provided*, That the amount of damages to be awarded shall be doubled against any person who:

- 1 (1) Circumvents effective technological measures; or
- 2 (2) Having reasonable grounds to know that it will induce, enable,
3 facilitate or conceal the infringement, remove or alter any
4 electronic rights management information from a copy of a work,
5 sound recording, or fixation of a performance, or distribute,
6 import for distribution, broadcast, or communicate to the public
7 works or copies of works without authority, knowing that
8 electronic rights management information has been removed or
9 altered without authority.
- 10 (c) Deliver under oath, for impounding during the pendency of the action,
11 upon such terms and conditions as the court may prescribe, sales
12 invoices and other documents evidencing sales, all articles and their
13 packaging alleged to infringe a copyright and implements for making
14 them.
- 15 (d) Deliver under oath for destruction without any compensation all
16 infringing copies or devices, as well as all plates, molds, or other
17 means for making such infringing copies as the court may order.
- 18 (e) Such other terms and conditions, including the payment of moral and
19 exemplary damages, which the court may deem proper, wise and
20 equitable and the destruction of infringing copies of the work even in
21 the event of acquittal in a criminal case.

22 The copyright owner may elect, at any time before final judgment is rendered,
23 to recover instead of actual damages and profits, an award of statutory damages for
24 all infringements involved in an action in a sum equivalent to the filing fee of the
25 infringement action but not less than Fifty thousand pesos (P 50,000.00). In
26 awarding statutory damages, the court may consider the following factors:

- 27 (a) The nature and purpose of the infringing act;
- 28 (b) The flagrancy of the infringement;
- 29 (c) Whether the defendant acted in bad faith;
- 30 (d) The need for deterrence;
- 31 (e) Any loss that the plaintiff has suffered or is likely to suffer by reason of
32 the infringement; and
- 33 (f) Any benefit shown to have accrued to the defendant by reason of the
34 infringement.

35 In case the infringer was not aware and had no reason to believe that his acts
36 constitute an infringement of copyright, the court in its discretion may reduce the
37 award of statutory damages to a sum of not more than Ten thousand pesos

(P10,000.00): *Provided*, That the amount of damages to be awarded shall be doubled against any person who:

(a) Circumvents effective technological measures; or

(b) Having reasonable grounds to know that it will induce, enable, facilitate or conceal the infringement, remove or alter any electronic rights management information from a copy of a work, sound recording, or fixation of a performance, or distribute, import for distribution, broadcast, or communicate to the public works or copies of works without authority, knowing that electronic rights management information has been removed or altered without authority.

238.2. In an infringement action, the court shall also have the power to order the seizure and impounding of any article which may serve as evidence in the court proceedings, in accordance with the rules on search and seizure involving violations of intellectual property rights issued by the Supreme Court.

The foregoing shall not preclude an independent suit for relief by the injured party by way of damages, injunction, accounts or otherwise.

SEC. 239. Criminal Penalties. - 239.1. Independent of the civil and administrative remedies, persons liable for willful infringement shall, upon conviction, be punished, by imprisonment or fine, or both, at the discretion of the court, as follows:

(a) Imprisonment from three (3) years to five (5) years, or a fine ranging from one hundred thousand pesos (P 100,000.00) to Three hundred thousand pesos (P 300,000.00), or both for the first offense.

(b) Imprisonment from five (5) years and one (1) day to seven (7) years or a fine ranging from over Three hundred thousand pesos (P 300,000.00) to One Million pesos (P 1,000,000.00), or both for the second offense.

(c) Imprisonment from seven (7) years and one (1) day to ten (10) years or a fine ranging from over One million pesos (P 1,000,000.00) to Three million pesos (P 3,000,000.00), or both for the third or subsequent offenses.

(d) In all cases, subsidiary imprisonment in cases of insolvency.

239.2. In determining the number of years of imprisonment and the amount of fine, the court shall consider the value of the infringing materials that the defendant has produced or manufactured and the damage that the copyright owner has suffered by reason of the infringement: *Provided*, That the respective maximum penalty stated in Section 239.1. (a), (b) and (c) herein for the first, second, third and subsequent offense, shall be imposed when the infringement is committed by:

(a) The circumvention of effective technological measures;

1 (b) The removal or alteration of any electronic rights management
2 information from a copy of a work, sound recording, or fixation of a
3 performance, by a person, knowingly and without authority; or

4 (c) The distribution, importation for distribution, broadcast, or
5 communication to the public of works or copies of works, by a person
6 without authority, knowing that electronic rights management
7 information has been removed or altered without authority.

8 239.3. Any person who at the time when copyright subsists in a work has in
9 his possession an article which he knows, or ought to know, to be an infringing copy
10 of the work for the purpose of:

11 (a) Selling, letting for hire, or by way of trade offering or exposing for sale,
12 or hire, the article;

13 (b) Distributing the article for purpose of trade, or for any other purpose to
14 an extent that will prejudice the rights of the copyright owner in the
15 work; or

16 (c) Trade exhibit of the article in public, shall be guilty of an offense and
17 shall be liable on conviction to imprisonment and fine as above
18 mentioned.

19 **SEC. 240. Affidavit Evidence.** - 240.1. In an action under this Chapter, an
20 affidavit made before a notary public by or on behalf of the owner of the copyright in
21 any work or other subject matter and stating that:

22 (a) At the time specified therein, copyright subsisted in the work or other
23 subject matter;

24 (b) He or the person named therein is the owner of the copyright; and

25 (c) The copy of the work or other subject matter annexed thereto is a true
26 copy thereof.

27 The affidavit shall be admitted in evidence in any proceedings under this
28 Chapter and shall be *prima facie* proof of the matters therein stated until the contrary
29 is proved, and the court before which such affidavit is produced shall assume that
30 the affidavit was made by or on behalf of the owner of the copyright.

31 240.2. In an action under this Chapter:

32 (a) Copyright shall be presumed to subsist in the work or other subject
33 matter to which the action relates if the defendant does not put in issue
34 the question whether copyright subsists in the work or other subject
35 matter; and

1 (b) Where the subsistence of the copyright is established, the plaintiff shall
2 be presumed to be the owner of the copyright if he claims to be the
3 owner of the copyright and the defendant does not put in issue the
4 question of his ownership.

5 (c) Where the defendant, without good faith, puts in issue the questions of
6 whether copyright subsists in a work or other subject matter to which
7 the action relates, or the ownership of copyright in such work or subject
8 matter, thereby occasioning unnecessary costs or delay in the
9 proceedings, the court may direct that any costs to the defendant in
10 respect of the action shall not be allowed by him and that any costs
11 occasioned by the defendant to other parties shall be paid by him to
12 such other parties.

13 **SEC. 241. Presumption of Authorship.** – 241.1. The natural person whose
14 name is indicated on a work in the usual manner as the author shall, in the absence
15 of proof to the contrary, be presumed to be the author of the work. This provision
16 shall be applicable even if the name is a pseudonym, where the pseudonym leaves
17 no doubt as to the identity of the author.

18 241.2. The person or body corporate whose name appears on an audiovisual
19 work or on sound recording in the usual manner shall, in the absence of proof to the
20 contrary, be presumed to be the maker of said work or the producer of said sound
21 recording.

22 **SEC. 242. International Registration of Works.** - A statement concerning a
23 work, recorded in an international register in accordance with an international treaty
24 to which the Philippines is or may become a party, shall be construed as true until
25 the contrary is proved except:

26 (1) where the statement cannot be valid under this Act or any other law
27 concerning intellectual property; or

28 (2) where the statement is contradicted by another statement recorded in
29 the international register.

30 **SEC. 243. Disclosure of Information.** - Where any article or its packaging or
31 an implement for making it is seized or detained under a valid search and seizure
32 under this Act is, or is reasonably suspected to be, by an authorized enforcement
33 officer, in violation of this Act, the said officer shall, wherever reasonably practicable,
34 notify the owner of the copyright in question or his authorized agent of the seizure or
35 detention, as the case may be.

36 Chapter XIX 37 SCOPE OF APPLICATION

38 **SEC. 244. Points of Attachment for Works under Sections 191 and 192.** –
39 244.1. The protection afforded by this Act to copyrightable works under Sections
40 191 and 192 of this Act shall apply to:

- 1 (a) Works of authors who are nationals of, or have their habitual residence
2 in, the Philippines;
- 3 (b) Audio-visual works the producer of which has his headquarters or
4 habitual residence in the Philippines;
- 5 (c) Works of architecture erected in the Philippines or other artistic works
6 incorporated in a building or other structure located in the Philippines;
- 7 (d) Works first published in the Philippines; and
- 8 (e) Works first published in another country but also published in the
9 Philippines within thirty days, irrespective of the nationality or residence
10 of the authors.

11 244.2. The provisions of this Act shall also apply to works that are to be
12 protected by virtue of and in accordance with any international convention or other
13 international agreement to which the Philippines is a party.

14 **SEC. 245. Points of Attachment for Performers.** -The provisions of this Act
15 shall be extended to:

- 16 (a) Performers who are nationals of the Philippines;
- 17 (b) Performers who are not nationals of the Philippines subject to any of
18 the following conditions:
 - 19 (1) Performance takes place in the Philippines; or
 - 20 (2) Performance is incorporated in sound recordings or in
21 audiovisual fixations that are protected under this Act; or
 - 22 (3) Performance which has not been fixed in sound recording or in
23 audiovisual fixations but are carried by broadcast qualifying for
24 protection under this Act.

25 **SEC. 246. Points of Attachment for Sound Recordings.** - The provisions of
26 this Act on the protection of sound recordings shall apply to:

- 27 (a) sound recordings the producers of which are nationals of the
28 Philippines; and
- 29 (b) sound recordings that were first published in the Philippines.

30 **SEC. 247. Points of Attachment for Broadcasts.** - 247.1. The provisions of
31 this Act on the protection of broadcasts shall apply to:

- 32 (a) broadcasts of broadcasting organizations the headquarters of which
33 are situated in the Philippines; and

1 (b) broadcasts transmitted from transmitters situated in the Philippines.

2 247.2. The provisions of this Act shall also apply to performers who, and to
3 producers of sound recordings and broadcasting organizations which, are to be
4 protected by virtue of and in accordance with any international convention or other
5 international agreement to which the Philippines is a party.

6 **Chapter XX**
7 **INSTITUTION OF ACTIONS**

8 **SEC. 248. Jurisdiction.** – Civil or administrative actions under Chapter VIII of
9 Part II, Chapters VI and VII of Part IV and Chapter XVIII of Part V of this Act shall be
10 cognizable by the Regional Trial Courts or by the Office and other administrative
11 agencies with appropriate jurisdiction under existing laws.

12 **SEC. 249. Damages.** - No damages may be recovered under this Act after
13 the lapse of four (4) years from the time the cause of action arose.

14 **Chapter XXI**
15 **MISCELLANEOUS PROVISIONS**

16 **SEC. 250. Ownership of Deposit and Instruments.** – All copies deposited
17 and instruments in writing filed with the Bureau of Copyright and Related Rights and
18 in accordance with the provisions of this Act shall become the property of the
19 Government.

20 **SEC. 251. Public Records.** – The section or division of the Bureau of
21 Copyright and Related Rights charged with receiving copies and instruments
22 deposited and with keeping records required under this Act and everything in it shall
23 be opened to public inspection. The Bureau Director is empowered to issue such
24 safeguards and regulations as may be necessary to implement this Section.

25 **SEC. 252. Compulsory License on Copyright.** - The Philippines shall by
26 proper compliance with the requirements set forth under the Appendix of the Berne
27 Convention (Paris Act, 1971) avail itself of the special provisions regarding
28 developing countries, including provisions for licenses grantable by competent
29 authority under the Appendix and as may be prescribed by the Regulations.

30 **PART VI**
31 **FINAL PROVISIONS**

32 **SEC. 253. Adoption of Intellectual Property (IP) Policies.** – Schools,
33 universities, research and development institutions and public entities shall adopt
34 intellectual property policies and programs that would govern the use and creation of
35 intellectual property with the purpose of safeguarding the intellectual creations of the
36 learning institution and its employees, and adopting locally-established industry
37 practice fair use guidelines. Similarly, private entities are encouraged to adopt
38 intellectual property policies. These policies may be developed in relation to licensing
39 agreements entered into for purposes of implementing the state policies under this
40 Act.

1 **SEC. 254. Equitable Principles to Govern Proceedings.** – In all *inter partes*
2 proceedings in the Office under this Act, the equitable principles of laches, estoppel,
3 and acquiescence where applicable, may be considered and applied.

4 **SEC. 255. Revocation of Business Permit, License, or Authority.** –The
5 appropriate agency, including local government units, upon recommendation of the
6 Office, may cancel, revoke, or suspend any business permit, license or authority of
7 any person, natural or juridical, who refuses or fails to comply with the decision or
8 order of the Director General or of any Bureau or Office of the Intellectual Property
9 Office of the Philippines.

10 **SEC. 256. Reverse Reciprocity of Foreign Laws.** – Any condition,
11 restriction, limitation, diminution, requirement, penalty or any similar burden imposed
12 by the law of a foreign country on a Philippine national seeking protection of
13 intellectual property rights in that country, shall reciprocally be enforceable upon
14 nationals of said country, within Philippine jurisdiction.

15 **SEC. 257. Appeals.** – 257.1. Appeals from decisions of Regional Trial Courts
16 shall be governed by the Rules of Court. Unless restrained by a higher court, the
17 judgment of the Regional Trial Court shall be executory even pending appeal under
18 such terms and conditions as the court may prescribe.

19 257.2. Unless expressly provided in this Act or other statutes, appeals from
20 decisions of administrative officials shall be provided in the Regulations.

21 **SEC. 258. Applications Pending on Effective Date of Act.** –
22 Notwithstanding the repeals under Section 263 of this Act, all pending applications
23 for the grant of patents and registration of utility models, layout designs of integrated
24 circuits, trademarks and industrial designs filed and processed, granted or
25 registered under the previous acts shall be proceeded and prosecuted under said
26 laws, unless the applicant opts the same to be processed, granted or registered
27 under this Act. Likewise, all existing grants and registrations under the same acts
28 shall continue to be enforced.

29 **SEC. 259. Preservation of Existing Rights.** – Nothing herein shall adversely
30 affect the rights on the enforcement of rights in patents, utility models, industrial
31 designs, marks and works, acquired in good faith prior to the effective date of this
32 Act.

33 **SEC. 260. Public Domain.** – 260.1. Patents, utility models, layout designs,
34 industrial designs and copyright shall belong to the public domain pursuant to the
35 relevant sections of Part II - Law on Patents, Part IV- Law on Trademarks, and Part
36 V- Copyright and Related Rights of this Act.

37 260.2. The Bureau of Innovation Support and Business Development shall
38 create immediately and maintain an updated digital registry of all works, inventions,
39 industrial and lay-out designs that has become part of the public domain. The public
40 shall have access to the registry subject to the payment of reasonable fees.

1 260.3. The Bureau of Copyright and Related Rights shall create immediately
2 and maintain an updated digital registry of all copyright works that has become part
3 of the public domain.

4 260.4. The contents of the registries, and the public's access thereto subject
5 to payment of reasonable fees, shall be prescribed in the Implementing Rules and
6 Regulations.

7 **SEC. 261. Compensation Structure.** – The Office shall institute its own
8 compensation structure: *Provided*, That the Office shall make its own system to
9 conform as closely as possible with the principles provided for under Republic Act
10 No. 6758, otherwise known as the “Compensation and Classification Act of 1989”, as
11 amended

12 **SEC. 262. Separability.** - If any portion or provision of this Act is
13 subsequently declared invalid or unconstitutional, other provisions hereof which are
14 not affected thereby shall remain in full force and effect.

15 **SEC. 263. Repealing Clause.** – 263.1. Republic Act No. 165, entitled “An Act
16 Creating a Patent Office, Prescribing Its Powers and Duties, Regulating the Issuance
17 of Patents, and Appropriating Funds Therefor”, as amended; Republic Act No. 166,
18 entitled “An Act to Provide for the Registration and Protection of Trade-Marks, Trade-
19 Names and Service-Marks, Defining Unfair Competition and False Marking and
20 Providing Remedies Against the Same, and for Other Purposes”, as amended;
21 Articles 188 and 189 of Act No. 3815, otherwise known as the “Revised Penal
22 Code”, as amended; Presidential Decree No. 49, series of 1972, entitled “Decree on
23 the Protection of Intellectual Property”, and Presidential Decree No. 285, series of
24 1973, entitled “Authorizing the Compulsory Licensing or Reprinting of Educational,
25 Scientific or Cultural Books and Materials as a Temporary or Emergency Measure
26 Whenever the Prices Thereof Become So Exorbitant as to be Detrimental to the
27 National Interest”, as amended, are hereby repealed.

28 263.2. Republic Act No. 8293, otherwise known as the “Intellectual Property
29 Code of the Philippines”, as amended by Republic Act No. 9150, Republic Act No.
30 9502 and Republic Act No. 10372, is hereby repealed.

31 263.3. Executive Order No. 736, series of 2008, entitled “Institutionalizing
32 Permanent Units to Promote, Protect and Enforce Intellectual Property Rights (IPR)
33 in Different Law Enforcement and Other Agencies under the Coordination of the
34 National Committee on Intellectual Property Rights (NCIPR)”, is hereby amended
35 accordingly.

36 263.4. All other laws, presidential decrees or issuances, executive orders,
37 letters of instruction, administrative orders, rules and regulations or parts thereof
38 which are contrary or inconsistent with any provisions of this act are hereby
39 repealed or amended accordingly.

40 **SEC. 264. Effectivity.** - This Act shall take effect fifteen (15) days after its
41 publication in the Official Gazette or in a newspaper of general circulation.

1 Approved,