

# Legal 500

## Country Comparative Guides 2024

### Philippines

### Intellectual Property

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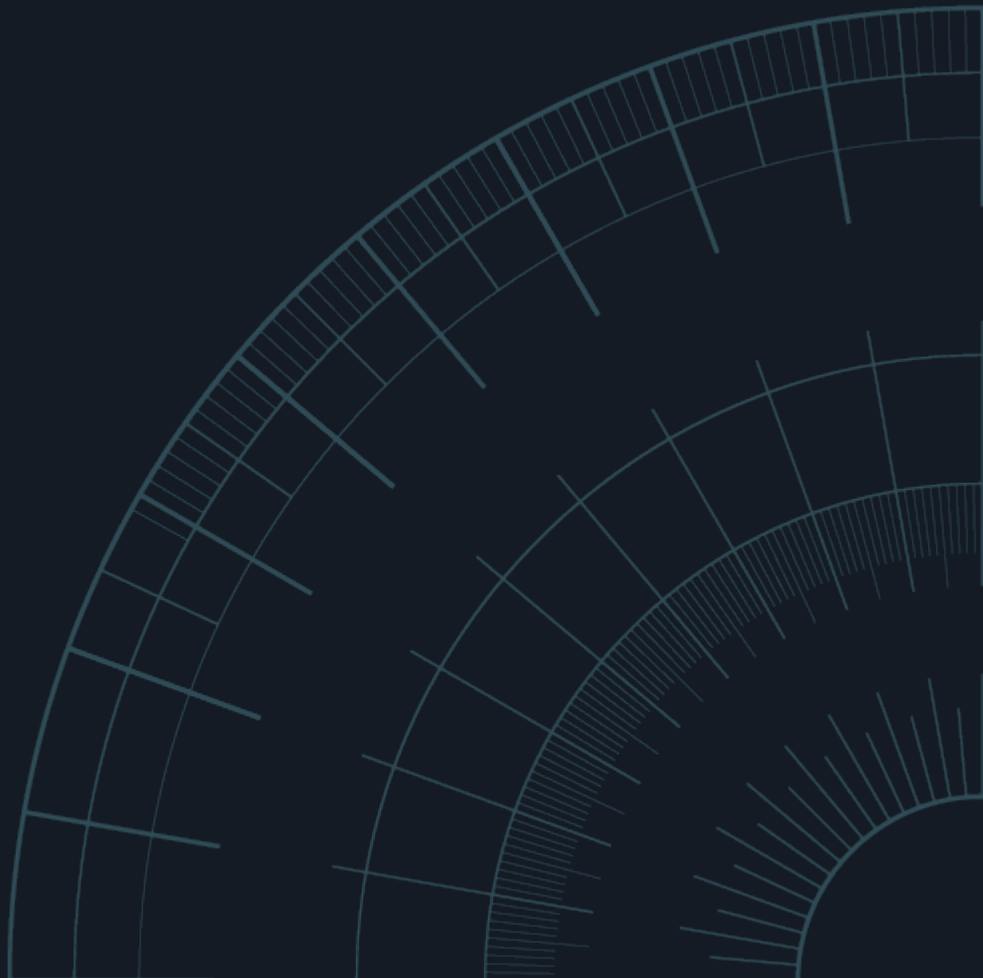
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This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in Philippines.

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# Philippines: Intellectual Property

**1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).**

Under Republic Act No. 8293, as amended, otherwise known as the "Intellectual Property Code" ("IP Code"), the following intellectual properties ("IPs") are protected under the Philippine jurisdiction: (a) patents, (b) utility models, (c) industrial design, (d) trademarks, (e) copyright, (f) trade secrets/undisclosed information, (g) geographic indications, and (h) layout-designs (topographies) of integrated circuits.

In particular, these IPs are protected under various laws and regulations in the Philippines, such as the IP Code. The Intellectual Property Office of the Philippines ("IPOPHL") is responsible for administering and enforcing IP rights in the country.

## ***Patents, Utility Models, and Industrial Designs***

Patent is an exclusive right granted by the Philippine Government through the IPOPHL to a patent owner for a product, process, or an improvement of product or process for a specified period in exchange for the full disclosure of the invention. Any technical solution of a problem in any field of human activity which is (1) new, (2) involves an inventive step, and (3) is industrially applicable shall be patentable.

Based on the IP Code, the patent owner is given the right to restrain, prohibit, and prevent any unauthorized person or entity from: (a) making, using offering for sale, selling or importing the patented product; or (b) using the process, and from manufacturing, dealing in, using,

selling, or offering for sale, or importing product obtained directly or indirectly from a patented process. Moreover, the same law states that the patent owner also has the right to assign, or transfer by succession, the patent, and to conclude licensing contracts for the patent. In addition, the patent owner can commence an action for patent infringement.

Accordingly, the IP Code provides that the same protection as those discussed above is conferred to the owners of utility models – those inventions which are new and industrially applicable. These inventions do not need to have an inventive step, unlike a patent.

Moreover, the IP Code provides that the industrial design owners, as long as such industrial designs are new or ornamental, enjoy the same rights conferred to a patent owner. Hence, industrial design owners may also file a case of infringement and the grounds for an infringement action are the making, using, offering for sale, selling, or importing of a product using the registered design without the authorization of the industrial design owner. The IP Code states that an industrial design refers to 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. In addition, 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 are not protected under the IP Code.

## ***Layout-Designs (Topographies) of Integrated Circuits***

Layout-design (topography) integrated circuit, as long as original, is also protected under the IP Code. A layout-design of integrated circuit refers to a 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. Based on the same law, 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.

According to the IP Code, the owner of a layout-design registration shall have the right to reproduce, whether by incorporation in an integrated circuit or otherwise, the registered layout-design in its entirety or any part thereof, except the act of reproducing any part that does not comply with the requirement of originality; and the right to sell or otherwise distribute for commercial purposes the registered layout-design, an article or an integrated circuit in which the registered layout-design is incorporated.

There are certain limitations, however, on the rights granted to the layout design integrated circuit owner. The owner of a layout design has no right to prevent third parties from reproducing, selling or otherwise distributing for commercial purposes the registered layout-design in the following circumstances: (1) reproduction of the registered layout-design for private purposes or for the sole purpose of evaluation, analysis, research or teaching; (2) where the act is performed in respect of a layout-design created on the basis of such analysis or evaluation and which is itself original; (3) where the act is performed in respect of a registered layout design, or in respect of an integrated circuit in which such a layout-design is incorporated, that has been put on the market by or with the consent of the right holder; or (4) where the act is performed in respect of an identical layout design which is original and has been created independently by a third party.

Furthermore, in respect of an integrated circuit, the owner cannot prevent those persons performing or ordering such an act, not knowing and had no reasonable ground to know when acquiring the integrated circuit or the article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout-design; Provided, however, that after the time that such person has received sufficient notice that the layout-design was unlawfully reproduced, that person may perform any of the said acts only with 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 five percent (5%) of net sales or such other reasonable royalty as would be payable under a freely negotiated license in respect of such layout-design.

### **Trademarks**

A trademark registration gives the owner with the exclusive right to make use of his mark and prevent others from using the same or similar marks, on identical or related goods or services. As such, registration is necessary for protection against trademark infringement.

Pursuant to the IP Code, the owner of a registered mark

shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. The same law states that in case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. Additionally, the same law states that the protection of a well-known mark shall extend to goods and services which are not similar to those in respect of which the mark is registered: provided, that use of that mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered mark: provided, further, that the interests of the owner of the registered mark are likely to be damaged by such use.

However, by virtue of the IP Code, claimants of marks, including those which are not unregistered, can bring an action for unfair competition provided that those marks have been in use in the market for a considerable and sufficient period of time to obtain goodwill. This means that the said claimant has already identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others. Based on the same law, this usually covers "well-known" marks which are protected under the Philippine jurisdiction without need of prior registration as these marks are considered to be well-known both locally and internationally.

Unfair competition, according to the IP Code, is a form of copying and making false statements by one who passes off his own goods for those of another that has an established goodwill. The copying and or passing off may include copying of the trademark or giving one's own goods the general appearance of another, which causes likelihood of confusion. The elements of unfair competition are: (1) passing off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, and (2) intent to deceive the public, defraud a competitor, and any other means contrary to good faith.

It is noteworthy that any foreign national may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation of origin and false description, whether or not it is licensed to do business in the Philippines under existing law, based on the IP Code.

### **Copyrights**

The IP Code states that copyright protects original

literary, artistic, and scientific works, including books, music, paintings, and computer programs. A copyright confers on the author economic and moral rights. The economic rights of the author consist of the exclusive right to carry out, authorize, or prevent the following acts:

- a. Reproduction of the work or a substantial portion of the work;
- b. Dramatization, translation, adaptation, abridgment, arrangement, or other transformation of the work;
- c. First public distribution of the original and each copy of the work by sale or other forms of transfer of ownership;
- d. Rental of the original or a copy of an audiovisual or cinematographic work, a work embodied in a sound recording, a computer program, a compilation of data and other materials, or a musical work in graphic form, irrespective of the ownership of the original or the copy that is the subject of the rental;
- e. Public display of the original or a copy of the work;
- f. Public performance of the work; and
- g. Other communication to the public of the work.

Meanwhile, the same law states that moral rights arise automatically upon the creation of the copyrighted work. The following are the author's moral rights:

- a. To require that the authorship of the work be attributed to him, in particular, the right that his name, as far as practicable, be indicated in a prominent way on the copies, and in connection with the public use of his work;
- b. To make alterations of his work before, or to withhold it from, publication;
- c. To object to any distortion, mutilation, other modification of, or other derogatory action in relation to, his work that would be prejudicial to his honour or reputation; and
- d. To restrain the use of his name with respect to any work not of his own creation or in a distorted version of his work.

Nonetheless, an author can waive their moral rights by a written instrument pursuant to the IP Code.

### **Trade Secrets**

Trade secrets refer to information, including formulas, processes, or methods, that provide a competitive advantage and are kept confidential. These can be protected under the IP Code as trade secrets. No specific Philippine law governs trade secrets. However, the IP

Code recognizes the protection of confidential information as an independent IP right.

Trade secrets can be protected by contractual means, such as confidentiality or non-disclosure agreements. Nonetheless, special laws, even general criminal law protects trade secrets and other confidential information, such as:

#### **i. Article 291, Revised Penal Code ("RPC")**

- In case any manager, employee, or servant who, in such a capacity, learns the secrets of their principal or employer and reveals those secrets. This provision includes, but is not limited to, the revelation of corporate trade secrets;

#### **ii. Section 270, of Republic Act No. 8424, otherwise known as the National Internal Revenue Code, as Amended ("NIRC")**

- Under tax laws, any officer or employee of the Bureau of Internal Revenue divulges any confidential information regarding the business, income, or inheritance of any taxpayer;

#### **iii. Section 4, Rules of Procedure on Corporate Rehabilitation**

- In corporate rehabilitation proceedings, a rehabilitation court, on a motion or on its own initiative, may issue an order to protect trade secrets or other confidential research, development, or commercial information belonging to the debtor (corporation under rehabilitation); and

#### **iv. Section 12 of Republic Act No. 6969, otherwise known as the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990"**

- Limitation on the public's right to access information through records, reports, or information concerning chemical substances and mixtures, whenever the Department of Environment and Natural Resources considers that a record, report, or information (or parts of those documents) is confidential. These documents cannot be made public, e., where they would divulge the trade secrets, the production or sales figures, or the methods or processes that are unique to the relevant manufacturer, processor, or distributor (or would otherwise tend to adversely affect the

competitive position of the relevant manufacturer, processor, or distributor).

However, to reiterate, trade secrets and confidential information are not registrable rights under the Philippine jurisdiction.

### **Geographical Indications**

Geographical indications are also protected under the IP code. The geographical indications identify a good as originating from a specific place where a particular quality, reputation, or characteristic is attributed to its geographical origin.

Under IPOPHL Memorandum Circular No. 2022-022 ("Geographical Indication Rules") any person with a duly registered geographical indication shall have the right to prevent third parties from engaging in any misleading acts, such as the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good.

## **2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?**

### **Patents**

A patent is protected for a non-renewable period of twenty (20) years from the filing date of the patent application. After the 20-year term expires, the patented invention enters the public domain and can be freely used by anyone.

Under the Revised Implementing Rules and Regulations for Patents, Utility Models, and Industrial Design of 2022 ("Patent IRR"), if, after an official action on an application, the applicant presents a claim or claims directed to an invention divisible from the invention previously claimed, such claims, if the amendment is entered, will be refused and the applicant will be required to limit the claims to the invention previously claimed.

The Patent IRR states that an applicant may amend the patent application during examination; provided, that such amendment shall not include a new matter outside the scope of the disclosure contained in the application as filed. The same rules states that different forms of amendment on the patent application may be done by the applicant such as amendment of the disclosure, of the

claims, and to the drawings.

Under the Patent IRR, at any time before the grant or refusal of a patent, an applicant for a patent may, upon payment of the prescribed fee, convert his application into an application for registration of a utility model, which shall be accorded the filing date of the initial application. The same rules state that an application may only be converted once.

Pursuant to the Patent IRR, an applicant may not file two (2) applications for the same subject, one for utility model registration and the other for the grant of a patent, whether simultaneously or consecutively. In case an applicant files two (2) or more applications covering the same subject matter, only the application with the prior filing date or priority date shall be considered for examination while all other applications shall be deemed forfeited.

### **Utility Models**

According to the Patent IRR, a utility model is protected for a non-renewable period of seven (7) years from the filing date of the application. This period of protection grants the utility model holder the exclusive right to exploit the utility model, similar to a patent. After the 7-year term expires, the utility model enters the public domain, and others may freely use, manufacture, or sell products based on the utility model without infringing on any rights.

At any time before the grant or refusal of a utility model registration, an applicant for a utility model registration may, upon full payment of the prescribed fee, convert his application into a patent application and shall be accorded the filing date of the utility model application. An application may only be converted once. The application or amended application which is converted into an application for an invention patent registration shall be processed as an invention patent application upon receipt of notice from the applicant.

### **Industrial Designs**

Based on the Patent IRR, an industrial design has a term of protection of five (5) years from the filing date of the application, which can be renewed for two (2) consecutive periods of five (5) years.

Industrial designs are protected for an initial period of five (5) years and can potentially be protected for a maximum total period of fifteen (15) years, provided that the industrial design owner applies for and pays the necessary fees for renewal.



### **Layout-Designs (Topographies) of Integrated Circuits**

The IP Code, as amended by Republic Act No. 9150, states that the registration of a layout-design shall be valid for a period of ten (10) years, without renewal. The registration validity is to be counted from the date of commencement of the protection accorded to the layout-design, which shall commence on:

- a. The date of the first commercial exploitation, anywhere in the world, of the layout-design by or with the consent of the right holder: *provided*, that an application for registration should have been filed with the IPOPHL within two (2) years from such date of first commercial exploitation; or
- b. The filing date accorded to the application for the registration of the layout-design if the layout-design has not been previously exploited commercially anywhere in the world.

### **Trademarks**

A trademark is protected for a period of ten (10) years from the date of approval of registration and can be renewed indefinitely. During the 10-year registration period, the registered owner should file a Declaration of Actual Use (DAU) with the IPOPHL, which shall include proof of use of the relevant mark, within three (3) years from the filing date of the trademark application, and within one (1) year from the fifth anniversary of the registration.

Based on the IP Code, the trademark registration may be renewed for periods of ten (10) years at its expiration upon the payment of the prescribed fee and upon filing of a request. This renewal can likewise be done by the owner's successor-in-interest. Pursuant to IPOPHL Memorandum Circular No. 2023-001 ("Trademark Rules"), the request for renewal may be made at any time within six (6) months before the expiration of the period for which the registration was issued or renewed, or within six (6) months after such expiration, subject to the payment of the prescribed additional fee or surcharge.

### **Copyrights**

The copyright protection lasts for the lifetime of the author and another fifty (50) years after the author's death. After the said copyright term expires, the work enters the public domain and can be freely used by anyone without permission or payment of royalties.

### **Trade Secrets**

Trade secrets do not have a specific duration of

protection under law. They are protected as long as they remain confidential and provide a competitive advantage.

### **Geographical Indications**

Geographical indications are protected without a specific expiration date as long as they are used to designate products originating from a specific geographical area and maintain their reputation for quality associated with that origin or until the registration is revoked.

### **3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?**

#### **Patents**

The IP Code states that the right to patent belongs to the inventor, his/her heirs, or assigns. When two (2) or more persons have jointly made an invention, the right to a patent shall belong to them jointly.

The inventor is initially regarded as the owner of the patent rights. However, in the Philippines, inventorship does not automatically equate to ownership. The same law provides that to formally and legally acquire ownership over a patent, Philippine laws adhere to the First to File rule – which means that the person who filed the earliest application for a patent shall be vested with ownership over it.

The rights to a patent created during employment are often governed by the terms of the employment contract. Hence, as provided by the IP Code, if the employment contract is silent, the following rules shall apply: (1) if the patent or inventive activity is not part of the regular duties of the employee, even if facilities, time, and materials of the employer was utilized, the patent shall belong to the *employee*; and (2) if the patent or inventive activity is part of the regular duties of the employee, the patent shall belong to the *employer*.

The same law provides that for commissioned works, where an individual or entity is hired to create an invention, as a general rule, the patent shall belong to the person who commissioned the work, unless a contrary stipulation is provided in the contract between the parties.

#### **Utility Models**

The Rules and Regulations on Utility Models and Industrial Designs provides that the right to the utility model registration shall belong to the person who filed an

application for such utility model, or where two or more applications are filed for the same utility model – to the applicant who has the earliest filing date or the earliest priority date.

### **Industrial Designs and Layout-Designs (Topographies) of Integrated Circuits**

The IP Code provides that the ownership over industrial designs and layout-designs (topographies) of integrated circuits is acquired through registration. Considering that the provisions on registration of patents apply *mutatis mutandis* to industrial design registrations and layout-designs of integrated circuit registrations, the right to the industrial designs and layout-designs (topographies) of integrated circuits belongs to the registrant/inventor, his/her heirs, or assigns.

### **Trademarks**

The registrant in good faith is the owner of the trademark. Registration with IPOPHL confers legal presumption of ownership and exclusive rights over the trademarks. In the precedent set by the case of *Zuneca Pharmaceutical v. Natrapharm, Inc.*, it was reiterated that trademarks are acquired solely through registration. Thus, the first registrant of a trademark shall be considered as the owner.

### **Copyrights**

Copyright ownership is primarily regulated by the principles of authorship and creation. Under Philippine law, the creator of the work is deemed as the original owner of the copyright. Copyright ownership vests at the moment of creation, and registration serves only as a formal means of asserting rights rather than a requirement for ownership.

Under the IP Code, in joint authorship, the co-authors shall both be deemed as copyright holders and in the absence of an agreement, the rules of co-ownership shall apply by default. However, if the individual parts of the work can be used separately and each corresponding author can be identified, then each author holds the copyright to their own part.

The same law states that for audiovisual works, the copyright shall belong to the producer, the author of the scenario, the composer of the music, the film director, and the author of the work so adapted. However, subject to contrary or other stipulations among the creators, the producer shall exercise the copyright to an extent required for the exhibition of the work in any manner, except for the right to collect performing license fees for the performance of musical compositions, with or without

words, which are incorporated into the work.

Copyrights created during the course of employment follow the same rules as that of a patent.

However, based on the IP Code, for commissioned works other than those made for the employer of the creator, the ownership of the work made in pursuance of the commission shall belong to the person who commissioned the work, but the copyright thereto shall remain with the creator, unless there is a written stipulation to the contrary.

### **Trade Secrets**

Trade secret ownership and protection are determined contractually as they are often formalized through confidentiality agreements or non-disclosure agreements (NDAs) between parties involved. Trade secrets are not registrable rights as Philippine laws do not provide a specific registration process for trade secrets. Nonetheless, trade secrets are granted protection under the laws through provisions related to unfair competition and confidentiality, under the IP Code, Revised Penal Code, etc.

### **Geographical Indications**

Pursuant to Geographical Indication Rules, ownership of geographical indications is acquired solely by registration. The right to file for the registration of geographical indications with the IPOPHL shall belong to producers who processes, produces, or manufactures the agricultural or natural products, government agencies or local government units having responsibility covering the geographical origin of the goods, and organizations or indigenous cultural communities especially tasked to protecting the certain geographical indication of the goods.

## **4. Which of the intellectual property rights described above are registered rights?**

In the Philippines, by virtue of the IP Code, intellectual property rights such as patents, utility models, industrial designs, trademarks, layout-designs (topography) and geographical indications can be registered and protected through the IPOPHL. Meanwhile, copyright has an automatic protection and ownership upon creation of the work but nonetheless, the same can be deposited with either the National Library or IPOPHL, to obtain a certificate, as a prima facie evidence of ownership.

Trade secrets, on the other hand, are protected without registration. Parties generally execute a confidential



agreement to ensure non-disclosure of trade secrets.

## 5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?

### Patents

Based on the Patent IRR, the right to a patent belongs to the inventor/s, his/her heirs or assignees. The application may be filed by the actual inventor(s) or in the name of his/her heirs, legal representatives or assigns. The patent registration process in the Philippines has the following steps:

1. The applicant shall file a patent application with the IPOPHL, which shall have the information of the invention, specifications, claims together with the Abstract of Disclosure, and drawings, as applicable.
2. Payment of the filing and publication fees shall be made upon filing of the application.
3. IPOPHL shall conduct an initial/formality examination on the application.
4. Upon determination that the application has complied with the formal requirements, IPOPHL shall conduct a search to determine the prior art.
5. The application shall be published by or on behalf of IPOPHL after the expiration of eighteen (18) months from the filing date or priority date, unless otherwise allowed by Director.
6. Upon request, IPOPHL will then conduct a substantive examination to determining whether the invention met the patentability requirements.
7. Upon determination that the patent application met all the statutory and regulatory requirements and payment of the necessary fees, IPOPHL shall grant the patent.

### Utility Models

Pursuant to the Patent IRR, at any time before the grant or refusal of a patent for an invention, an applicant for an invention patent may, upon full payment of the prescribed fee, convert his application for a utility model registration and shall be accorded the filing date of the patent application.

The method of patent registration closely resembles that of utility model registration. The application for the utility model adheres to the following procedures:

1. The applicant shall file an application for a utility model containing, among others, the title, technical field, background and summary of the utility model, a

brief and detailed description of several drawings, if any, claims, abstract, and the agent's name.

2. Payment of the filing and publication fees shall be made upon filing of the application.
3. IPOPHL shall conduct an initial/formality examination on the application.
4. Upon determination that the application has complied with the formal requirements, IPOPHL shall conduct a search to determine the prior art.
5. The application shall then be published in the IPOPHL E-Gazette.
6. Upon determination that the utility model application met all the statutory and regulatory requirements and payment of the necessary fees, IPOPHL shall grant the certificate of registration.

### Industrial Designs and Layout-Designs (Topography)

According to the IP Code and Patent IRR, the creator, or where the applicant is not the creator, a statement indicating the origin of the right to the industrial design or layout-design application shall be filed following the steps below:

1. The applicant shall file an industrial design or lay-out design application with the IPOPHL, which contains the information on the applicant, or agent, invention, description, specifications (i.e. characteristic feature of design), priority claim, and drawings, as applicable.
2. Payment of the filing and publication fees shall be made upon filing of the application.
3. IPOPHL shall conduct an initial/formality examination on the application.
4. Upon determination that the application has complied with the formal requirements, IPOPHL shall conduct a search to determine the prior art.
5. Upon request, IPOPHL will conduct a substantive examination to determining whether the invention met the registrability requirements.
6. The application shall be published in IPOPHL E-Gazette after formality examination.
7. Upon determination that the industrial design or lay-out design application met all the statutory and regulatory requirements and payment of the necessary fees, IPOPHL shall grant the certificate of registration.

### Trademarks

Under IPOPHL Memorandum Circular No. 2023-001 ("Trademark IRR"), a natural or juridical person may apply for a trademark registration. All applications for a mark should be in the name of the applicant who may sign the application. For multiple applicants, all should be named, but any applicant can sign the application on their behalf.

The trademark registration contains the following steps:

1. The applicant shall file a trademark application, which shall include the mark itself and shall indicate the corresponding Class as to what services or goods it represents, claim of color, priority claim, transliteration of the mark, and agent's name, if any.
2. Upon payment of the necessary fees, IPOPHL will examine the application ensuring compliance with the legal requirements and check for conflicts with existing trademarks.
3. Thereafter, IPOPHL will release a Registrability Report, if any.
4. If it is determined to have no existing conflict, IPOPHL shall issue a Notice of Allowance and require the payment of corresponding fee within two (2) months from the mailing date of notice.
5. IPOPHL will then publish the registered mark for thirty (30) days in the IPOPHL E-Gazette.
6. If there is no opposition, IPOPHL will issue the certificate of registration.

### **Copyrights**

Under IPOPHL Memorandum Circular No. 202-025 ("Copyright Registration Rules"), the author or creator of the work may apply for a certificate of registration. In case of death of, or assignment by the author, the heir or the assignee may apply for such. The process of depositing the copyright creation or copyright registration with the IPOPHL has the following steps:

1. The applicant shall file the application, which may either be a single or bulk registration.
2. IPOPHL shall review the work for proper categorization, completeness of the documents, correctness and consistency of the registration.
3. Upon finding that the copyright registration documents are in order, IPOPHL shall issue a statement of account, and the applicant shall pay the necessary fees.
4. Finally, after IPOPHL encodes, scans, and upload the application, a Certificate of Registration would be released to the applicant.

### **Geographical Indications**

Under the Geographical Indication Rules, producers who processes, produces or manufactures the agricultural or natural products, government agencies or local government units having responsibility covering the geographical origin of the goods, and organizations or indigenous cultural communities especially tasked to protecting the certain geographical indication of the goods may file for geographical indication registration

with the IPOPHL. The registration procedures of geographical indication with the IPOPHL are as follows:

1. The applicant shall file an application with IPOPHL, including details of the applicant, geographical indication, applicable goods, description of geographical area, specifications, certification from government agency, and evidence of its link to the specific geographical origin.
2. IPOPHL shall examine the application to ensure compliance with legal requirements and distinctiveness.
3. IPOPHL shall release a Registrability Report, if any. The deficiency in the application shall be remedied within two (2) months from mailing date of notice.
4. It will then publish the registered mark for three (3) months in the IPOPHL E-Gazette, with corresponding payment of publication fee.
5. If there is no opposition, IPOPHL shall register the geographical indications for protection against unauthorized use of the geographical indication.

### **6. How long does the registration procedure usually take?**

#### **Patents**

The Patent IRR states that registering a patent in the Philippines is generally a longer process as compared to the other registered IP rights, taking from three (3) to five (5) years. The period variance considers the possible necessary responses to office action and potential amendments. The patent's term shall be twenty (20) years from the filing date, subject to payment of annual fees.

#### **Utility Models, Industrial Designs, and Layout-Designs (Topography)**

The Patent IRR provides that the registration process of utility model, industrial design and layout design may take at least six (6) months to a year. The grant of registration for a utility model is seven (7) years without possibility of renewal. On the other hand, the industrial and lay-out design are initially valid for five (5) years from the filing date of the application and may be renewed for not more than two (2) consecutive periods of five (5) years each by paying a renewal fee. The IP Code states that the fee should be paid within a year of the expiration of the registration.

#### **Trademarks**

The entire trademark application may take at least six (6) months to one (1) year. Upon publication and payment of

fees, the certificate of registration of the trademark shall remain in force for 10 years and may be renewed for another ten (10) years upon expiration and upon payment of the prescribed fees as per the IP Code.

### **Geographical indications**

Under the Geographical Indication Rules, the entire Geographical Indication registration process may take six (6) months up to a year. A registered Geographical Indication shall be protected for an unlimited term, unless revoke with finality.

### **Copyrights**

Under the Copyright Registration Rules and IP Code, the entire copyright registration process would usually take several weeks to a few months, depending on volume of the of the copyright creation. The Certificate of Registration shall be released to the applicant within seven (7) working days from filing of the copyright registration with complete documents. Copyright, as to economic right, shall be protected during the lifetime of the author, and for fifty (50) years after his death.

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

## **7. Do third parties have the right to take part in or comment on the registration process?**

Third parties can formally challenge or comment in the application for patent, utility model, industrial design and layout-design (topography), trademarks, and copyright, through the following:

### **Patents**

Under the IP Code, after the publication of a patent application, any interested party may present observations in writing concerning the patentability of the invention which shall be communicated to the applicant who may comment on them. Thereafter, a conference may be requested to obtain a better understanding of the application.

### **Utility Models, Industrial Designs, and Layout-Designs (Topography)**

The Patent IRR provides that within fifteen (15) days from the date of publication of the declaration of withdrawal, any person who believes that he or she will be prejudiced by the withdrawal of the registration may present a written Opposition to the withdrawal, with payment of

fees. The Opposition shall be in the form of a sworn statement stating the personal information and circumstance of the affiant and the reasons why he or she shall be prejudiced by the voluntary withdrawal. The sworn statement shall be substantiated by evidence or proof. The IPOPHL shall notify the petitioner of such opposition.

### **Trademarks**

Under the IP Code, once the application is published in the IPOPHL Official Gazette, the 30-day publication period gives any party who may be damaged or prejudiced by the registration of trademark may file an opposition with the IPOPHL through the Bureau of Legal Affairs. The opposition proceeding is an *Inter Partes* case which means "between or among parties" and is governed by the Rules on Inter Parties Proceedings. Thereafter, the Bureau of Legal Affairs shall serve a notice of the filing of opposition and the date of hearing to the applicant and the oppositor.

### **Geographical Indications**

Under the Geographical Indications Rule, within one (1) month from the publication of the application of the geographical indication and upon payment of the prescribed fee, any interested person who may be damaged by its registration may file before the Bureau Director of Trademark, as the registrar, a Notice of Third-Party Observation with regard to the registrability of the geographical indication.

## **8. What (if any) steps can the applicant take if registration is refused?**

Applicants whose patent, utility models, industrial design and lay-out design trademark, geographical indication, or copyright registrations have been denied or refused to register may exercise the following legal remedies available under the Philippine law:

### **Patents**

The Patent IRR provides that the final order of refusal of the examiner to grant the patent may be reversed through a petition or appeal to the Bureau Director of Patents within a non-extendible period of two (2) months from the mailing date. Thereafter, if the Director likewise denies the application, that decision is appealable to the Director General of the IPOPHL within one (1) month from receipt of the Director's decision. The decision of the Director General rejecting the application may then be appealed to the Court of Appeals, and ultimately to the Supreme

Court.

### **Utility Models, Industrial Designs, and Geographical Designs**

Under the Patent IRR, the appeal process of patent shall apply mutatis mutandis to the utility models, industrial design and lay-out design (topography).

### **Trademarks**

Under the IPOPHL Uniformed Rules of Appeal, the decision of the examiner to deny or refuse the registration or renewal of a trademark may be reviewed by the Bureau Director of Trademark by filing a petition or notice of appeal within two (2) months from the mailing date of action. The aggrieved party may further contest the adverse decision of the Director by filing a motion for reconsideration with the Director or by appealing to the Director General, within thirty (30) days from receipt thereof. If the appeal is unsuccessful, a party may seek judicial review before the Court of Appeals by filing an appeal within fifteen (15) days from receipt thereof, and ultimately with the Supreme Court.

### **Geographical Indications**

The Bureau Director of Trademark shall act as the registrar of Geographical Indication in examining the application under the Geographical Indication Rules. The Order of Refusal issued by the registrar is appealable to the Director General within thirty (30) days from receipt of decision. The decision of the Director General rejecting the application may then be appealed to the Court of Appeals, and ultimately to the Supreme Court.

### **Copyrights**

Under the Copyright Registration Rules, an application for copyright registration may be denied by the Bureau Director of Copyright if (1) the work does not fit the statutorily defined categories of works under the copyright law; and (2) the work is the subject of a prior registration.

The decision of the Director may be reviewed through a motion for reconsideration filed with the Director or an appeal to the Director General within thirty (30) days from receipt thereof. Thereafter, the decision of Director General may be appealed to the Court of Appeals within thirty (30) days from receipt of decision, and ultimately to the Supreme Court.

## **9. What are the current application and renewal**

## **fees for each of these intellectual property rights?**

### **Patents**

Under the Patent IRR, a patent application shall be subject to the full payment of the filing fee and the publication fee (1st publication) upon filing of the application, otherwise it shall be deemed as failed application.

The current basic application fee is Php 2,000.00 for small entities with 100 million worth of assets or less or Php 4,320.00 for big entities with more than P100 million worth of assets.

The patent's terms are valid for twenty (20) years from the date of filing, with no possibility of renewal. After four (4) years from the application's publication, and on each subsequent anniversary of that date, the applicant must pay an annual fee to maintain the registration. Unless the registrant owner withdraws, refuses, or cancels the application, the following annual fee is required to be paid from the 4th until the 20<sup>th</sup> year.

<b>Annuities of Patent under R.A. No. 8293 in Php</b>		
5th yr	1,550.00	3,240.00
6th yr	2,000.00	4,320.00
7th yr	2,580.00	5,400.00
8th yr	3,100.00	6,480.00
9th yr	4,140.00	8,640.00
10th yr	5,170.00	10,800.00
11th yr	6,670.00	13,920.00
12th yr	8,280.00	17,280.00
13th yr	9,770.00	20,400.00
14th yr	11,900.00	24,840.00
15th yr	13,970.00	29,160.00
16th yr	15,980.00	33,360.00
17th yr	18,050.00	37,680.00
18th yr	21,670.00	45,240.00
19th yr	26,040.00	54,360.00
20th yr	31,222.00	65,160.00

### **Utility Models, Industrial Designs, and Lay-out Designs**

Under the Patent IRR in relation to IPOPHL Memorandum Circular No. 16-012 ("IP MC 16-012"), applications for utility model, industrial design and lay-out design shall be subject to the full payment of the following upon application, to wit: (a) Filing Fees of Php1720.00 for small entities and Php 3600 for big entities; and (b) Publication Fees of Php 920.00 for small entities and Php 960 for big entities. Failure to pay all required fees in full upon filing

an application will result in the application being considered a failed one. However, the applicant can retrieve such an application by filing a formal written request within four (4) months from the date of the failure notice. If a four-month period passes without filing the necessary request, the office will expunge and dispose of a failed application without publishing it in the IPOPHL E-Gazette. Thereafter, the only remedy for the applicant is to file anew.

As previously stated, the utility model registration is valid for seven (7) years and is not subject to renewal. On the other hand, the industrial design and layout design are valid for five (5) years and extendable for the (a) first term of five (5) years with a fee of Php 1,030.00 for small entities and Php 2,160.00 for big entities; and (b) a second extension term of five (5) years with a fee of Php 2,000.00 for small entities and Php 4320.00 for big entities.

### **Trademarks**

The filing fees for trademark registration are tiered based on the number of classes of goods or services for which the trademark is sought. The current fee structure, as provided under IPOPHL Memorandum Circular No. 2023-002, is as follows: (a) Php 1,200.00 filing fee per class for a small entity and Php 900.00 fee for allowance/publication for opposition; and (b) 2,592.00 filing fee per class for a big entity and Php 960.00 fee for allowance/publication for opposition.

The applicant or registrant is also required to file a DAU, evidencing the use of the mark to that effect, within the third, fifth and tenth (renewal) years from the filing date of the application. Otherwise, the director will remove the mark from the register as authorized under the IP Code. Upon submitting the 3rd DAU, one must pay the following fees: (a) Php900 for small entities and Php1920.00 for big entities, while the 5th DAU requires the following payment: (b) Php1,100.00 for small entities and Php2,400.00 for big entities; and lastly, the 10<sup>th</sup> year of renewal mandates the payment of (c) Php 1100.00 for small entities and Php2,400.00 for big entities.

Thereafter, the renewal of registration fee per class shall be (a) Php 3,100.00 for small entity; and (b) Php 6,600.00 for big entity. Should the renewal be done after six (6) months from expiration of trademark registration, there shall be imposed a renewal surcharge fee per class of (a) Php 1,500.00 for small entity; and (b) Php 3,300.00 for big entity.

### **Geographical Indications**

Under the Geographical Indication Rules, the Bureau Director of Trademark, as the registrar, shall not act upon the application for geographical indication unless the following fees are paid in full, to wit: (a) basic fee of Php 3,000.00 for small entities and Php 12,000.00 for big entities; (b) publication fee of registration of Php 1,250.00 for small entities and Php 2,500.00 for big entities. The registration of geographical indications is perpetual; consequently, there are no renewal fees.

### **Copyrights**

While copyright registration is not mandatory for the copyright owner to have protection rights, the creator may deposit the copyrighted work with the IPOPHL or National Library for evidentiary purposes.

Under IP MC 16-012, the basic copyright deposit fees shall be as follows: (a) Php 450.00 for small entity and Php 625.00 for big entity, with (b) additional fees on issuance of a certificate of deposit.

## **10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?**

### **Patents**

As provided under the IP Code, if the annual fee is not paid, the patent application shall be deemed withdrawn, or the patent considered as lapsed from the day following the expiration of the period within which the annual fees were due. A notice that the application is deemed withdrawn or the lapse of a patent for non-payment of any annual fee shall be published in the IPO Gazette and the lapse shall be recorded in the Register of the Office.

Notwithstanding, a grace period of six (6) months shall be granted for the payment of the annual fee, upon payment of the prescribed surcharge for delayed payment.

### **Industrial Designs, and Lay-out Designs**

To maintain the design registration, a renewal fee must be paid within one year before the expiration of the current term, or within the grace period of six (6) months after such expiration, with payment of a surcharge. Failure to pay the renewal fee after the lapse of the grace period shall deem to have the application withdrawn, and cause removal in the registration of IPOPHL. Consequently, the industrial or lay-out design loses the protection conferred by law, particularly the right to prevent third parties from making, selling or importing articles bearing or embodying a design which is a copy, or



substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

### **Trademarks**

Failure to pay renewal fees shall result to the expiration of trademark registration. Hence, the protection and exclusive rights associated with the trademark will cease.

Once a trademark registration lapsed due to non-payment of renewal fees, the owner loses the legal benefits of trademark ownership, such as the right to prevent others from using identical or similar marks in relation to similar goods or services. Further, without a valid registration, the owner cannot enforce trademark rights through legal actions against infringers or counterfeiters.

## **11. What are the requirements to assign ownership of each of the intellectual property rights described above?**

### ***Assignment of Patents, Utility Models, Industrial Designs, and Layout-Designs (Topographies) of Integrated Circuits***

The following are the requirements set out in the IP Code to have a binding assignment of a patent to third parties – it must be: (1) in writing and signed by the contracting parties; (2) 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; and (3) recorded with the IPOPHL upon payment of prescribed fees.

### ***Assignment of Trademarks***

Under the IP Code, the following are the requirements to have a binding assignment of a trademark registration, which is considered as the proof of ownership over the trademark, to third parties – it must be: (1) in writing and signed by the contracting parties; (2) 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; and (3) recorded with the IPOPHL upon payment of prescribed fees.

We note that the application for registration of a mark may also be assigned and recorded with IPOPHL.

Upon the written request of an assignee of record and upon payment of the required fee, a new certificate of registration for the unexpired period of the registration shall be issued to the assignee.

### ***Assignment of Copyrights***

To give effect to an assignment, the IP Code provides that it is sufficient to have a written indication of the intention to assign such copyright.

However, it is always recommended that the deed of assignment is notarized. The Philippine Supreme Court, in the case of *Coca-Cola Bottlers Phils., Inc., V. Spouses Efren and Lolita Soriano*, held that notarizing a private document transforms the same into a public document. In effect, notarization of the deed of assignment automatically binds third parties to the provisions of the same.

Should the deed of assignment be notarized in a foreign country, the same must be apostilled pursuant to the 1961 Apostille Convention as proof of public record of the deed of assignment in that foreign country. In the event said foreign country is not a contracting party to the 1961 Apostille Convention a "certificate may be made by a secretary of the embassy or legation, consul general, consul, vice-consul, or consular agent or by any officer in the foreign service of the Philippines stationed in [said] foreign country in which the record is kept and authenticated by the seal of his office."

As will be discussed in our reply to Question 12 below, as an additional layer of protection granted under the IP Code, the author or creator of the work, his transferee, assignee, or licensee, however, may apply for the recordation of copyright transfer, assignment, or exclusive license.

## **12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?**

### ***Assignment of Patents, Utility Models, Industrial Designs, and Layout-Designs (Topographies) of Integrated Circuits***

Generally, there is no requirement for the registration of an assignment of a patent under the IP Code. However, if the assignee intends to subsequently assign or mortgage such patent to another person or entity, it is necessary that the prior assignment be registered or recorded with the IPOPHL within three (3) months from the date of the relevant prior assignment agreement or prior to the subsequent purchase or mortgage. The non-recordation of the prior assignment shall render the subsequent assignment or mortgage void.

To record the assignment of the patent with the IPOPHL,

the original or authenticated copy of the deed of assignment and a signed duplicate thereof shall be submitted. After recording, the IPOPHL shall retain the signed duplicate and return the original or the authenticated copy to the party who filed the same, with notation of the fact of recording. Thereafter, the IPOPHL shall publish the notice of recording of the assignment in the IPO Gazette.

### **Assignment of Trademarks**

Under the IP Code, if the parties to the assignment intend to bind third parties, such assignment agreement must be recorded with the IPOPHL in addition to notarization and consularization/apostillation. Moreover, the non-recording of an assignment of a trademark shall be a ground for the non-issuance of a certificate of registration in favor of the assignee.

### **Assignment of Copyrights**

The IP Code provides that an assignment of copyright, in whole or in part, need not be registered or recorded with the IPOPHL. To give effect to an assignment, it is sufficient to have a written indication of the intention to assign such copyright.

Nonetheless, the parties to the assignment may opt to record such assignment with the Philippine National Library upon payment of the prescribed fee for registration in books and records kept for the purpose. After the recordation, the copies of the deed of assignment shall be returned to the applicant/sender with a notation that the deed of assignment has been recorded with the IPOPHL. This notice of this recording shall also be published in the IPO Gazette.

The recordation of the assignment of the copyright benefits the new owner by acting as an additional notice to third parties of such fact and as proof of ownership over the copyright. Hence, should the new owner file a case of copyright infringement against another, he may present the recordation of the assignment of the copyright in his favor, as proof of his ownership over the same.

## **13. What are the requirements to licence a third party to use each of the intellectual property rights described above?**

Under the IP Code, Contracts or agreements involving the transfer of systematic knowledge for the manufacture of a product, the application of a process, or rendering of a service including management contracts; and the

transfer, assignment or licensing of all forms of intellectual property rights, except computer software developed for the mass market, are called technology transfer agreements ("TTA"). It must be noted that licensing of TTAs may either be voluntary or compulsory.

### *Voluntary License*

Generally, a voluntary license pertains to a license which complies with the general requirements listed below. Thus, it need not be registered with the Documentation, Information and Technology Transfer Bureau of the IPOPHL ("DITTB-IPO") in order to be enforceable against third parties. However, the IP Code and Trademark Rules require that all trademark licensing agreements ("TLAs") must be registered to be enforceable against third parties, regardless of compliance with the general requirements.

In order to be granted with a voluntary license without need for recordation with the DITTB-IPO, the TTA must comply with the following general requirements set out under the IP Code:

1. The governing law of the TTA must be Philippine law, and the venue shall be the proper court in the place where the licensee has its principal office;
2. It must grant continued access to improvements in techniques and processes related to the technology during the period of the TTA;
3. If the TTA provides for arbitration, the Procedure of Arbitration of the Arbitration Law of the Philippines or the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL") or the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC") shall apply, and the venue of arbitration shall be the Philippines or any neutral country;
4. It must require that Philippine taxes on all payments relating to the TTA shall be borne by the licensor;
5. It must allow the licensee to exploit the subject matter of the TTA for the entire duration of the contract; and
6. It must not contain any provision having an adverse effect on competition and trade under Section 87 of the IP Code.

In addition to the general requirements, TLAs must comply with the following requirements set out under the Trademark Rules:

1. It must be submitted to the DITTB-IPO for

recordation in order to be enforceable against third parties;

2. It must be notarized, authenticated or apostilled, as may be applicable, and signed by the applicant, registrant, or the assignee of record in case of subsequent assignment. Transfers by mergers or other forms of succession may be evidenced by the deed of merger or by any document supporting such transfer;
3. It must contain a provision providing for effective control by the licensor of the quality of the goods or services of the licensee in connection with which the mark is used;
4. A letter request on the intended recordation must be submitted and addressed to the DITTB-IPO Director;
5. The relevant TLA-IPO Form must be submitted which shall include a verified statement from the applicant that the TLA is not subject to any judicial, administrative, or other proceedings; and
6. Payment of the requisite recordation fees.

In case the TTA involving a copyright does not conform to the general requirements, it must be submitted to the DITTB-IPO for recordation, which shall require the submission of the following documents under the Copyright Registration Rules:

1. Copyright Recordation Form; and
2. Three (3) copies of the notarized license agreement.

In case the TTA involving a patent, utility model, or industrial design does not conform to the general requirements, it must be submitted to the DITTB-IPO for recordation, which shall require compliance with the following requirements under the Patent IRR:

1. It must be in writing and if in a language other than English or Filipino, the document must be accompanied by an English translation;
2. It must be acknowledged before a notary public, or other officer authorized to administer oaths and perform other notarial acts, and be certified under the hand and official seal of the said notary or other officer;
3. It must be accompanied by an appointment of a resident agent, if the assignee is not a resident of the Philippines;
4. So that there can be no mistake as to the patent or application intended, must identify the letters patent involved by number, and date, name of the patentee, and title of the

invention as set forth in the patent; in the case of an application for patent, the application number and the filing date of the application should be stated, giving also the name of the applicant, and title of the invention, set forth in the application, but if an assignment is executed concurrently with or subsequent to the execution of the application but before the application is filed, or before its application number is ascertained, it should adequately identify the application by date of execution, name of the applicant, and title of the invention; and

5. It must be accompanied by the required recordation and publication fees.

#### *Compulsory License*

A compulsory license pertains to a license granted by the Director General of the IPOPHL to exploit a patented invention, even without the agreement of the patent owner. However, this type of license is only granted under specific circumstances under the Section 93 of the IP Code.

A compulsory license may only be issued upon compliance with the procedure set out under the IP Code:

1. Filing of a verified petition in writing stating the statutory grounds upon which compulsory license is sought, the ultimate facts constituting the petitioner's cause of action, and the relief prayed for;
2. Payment of the filing fee for such petition;
3. Issuance and service of a notice of hearing for the petition by the Director of Legal Affairs;
4. Publication of the notice of hearing in newspaper of general circulation, once a week for three (3) consecutive weeks and once in the IPO Gazette at applicant's expense;
5. Hearing of the petition; and
6. Decision of the Director of Legal Affairs granting the compulsory license.

#### **14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?**

In case of a voluntary license, if the TTA complies with the general requirements discussed above, there is generally no requirement for registration or recordation of the same with the IPOPHL in order to be enforceable against third parties. The exception to this rule is if the

TTA involves trademarks. Such TTA must be recorded with the IPOPHL regardless of compliance with the general requirements in order to be enforceable against third parties.

An unregistered TTA involving other intellectual property rights, except for trademarks, which does not comply with the general requirements renders it unenforceable against third parties.

### **15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?**

Republic Act No. 8293 and its implementing rules and regulations do not provide different rights in respect to exclusive and non-exclusive licensees given. Enforcement of the licensed IP shall be governed by the provisions of the contract itself, and supplemented by general law on matters which are not covered or contain any defects (i.e., void, voidable, and/or unenforceable provisions).

### **16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?**

Infringement can give rise to criminal liability, but the requirements depend on the intellectual property right involved.

Under the IP Code, infringement of a copyright or trademark, may result in criminal liability for trademark infringement and copyright infringement, respectively. In the case of *Caterpillar, Inc. v. Samson* (G.R. Nos. 205972 and 164352, 09 November 2016), in a trademark infringement, a criminal action for unfair competition may also be instituted by the registered owner.

In case of patents, a criminal action for patent infringement may be instituted against an infringer only if there is already a final court judgment in a civil action against said infringer for patent infringement and the infringer repeated the act of infringement

In case of revelation of trade secrets, the Revised Penal Code punishes the revelation of secrets with abuse of office when one shall learn and revelation of industrial secrets when a person in charge, employee, or workman of any manufacturing or industrial establishment who, to the prejudice of the owner shall reveal the secrets of the industry of the latter.

These criminal actions are initiated by filing a complaint before the Office of the Prosecutor in the place where any of the elements of the infringement was committed. In case the prosecutor finds prima facie evidence with reasonable certainty of conviction, an information will be filed with the trial courts. Assistance of law enforcement authorities such as the National Bureau of Investigation (NBI) and the Philippine National Police (PNP) may also be secured, especially in cases where a warrant for search and/or seizure is necessary, depending on the case.

### **17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.**

Aside from criminal prosecution, civil and administrative cases, and applications for injunctive reliefs, search/seizure warrants may also be filed to enforce intellectual property rights. In the case of civil liability, parties may independently rely on the IP Code and the Civil Code of the Philippines.

Court-annexed mediation and judicial dispute resolution are available post pre-trial in a civil action to enforce an intellectual property right. Court-annexed mediation is also available on the civil aspect of the criminal action. However, after the lapse of the mediation period or if mediation fails, trial shall proceed.

For the remedies against copyright infringement, trademark infringement, and patent infringement, please see Answer on H. Remedies

### **18. What is the length and cost of such procedures?**

While the length of litigation (civil, administrative, and criminal cases) vary, said cases are usually resolved in 1 to 2 years. For administrative cases, a decision from the BLA may be issued within 6 months from the commencement of the case.

The filing fee for civil cases depends on the amount of damages sought to be collected, generally, pegged at 2-3% of the damages prayed for. For administrative cases, the filing fee ranges from Php3,000.00 to Php20,000.00 or USD53 to 350. The Geographical Indication Rules provide that in cases of geographical indications filed by case indigenous cultural

communities/indigenous peoples, filing fees may be waived, fully or partially. There is no filing fee for criminal cases.

**19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.**

Under A.M. No. 10-3-10-SC also known as the *2020 Revised Rules of Procedure for Intellectual Property Cases* ("2020 Revised Rules of Procedure for IP Cases"), Civil Intellectual Property Rights cases (*IPR cases*) are within the jurisdiction of the Regional Trial Court designated by the Supreme Court as Special Commercial Courts.

A civil IPR case is commenced through the filing of a *Complaint* which must be verified. Within five (5) days from the receipt of the court of the *Complaint*, summons must be served to the defendant. Thereafter, within 30 calendar days from service of summons, the defendant shall file an *Answer*. Afterwards, pre-trial is conducted to simplify the issues, obtain stipulations and admissibility of facts, and consider the possibility of amicable settlement, among others. If the court deems it necessary to hold trial, the court shall schedule hearings which shall begin within 60 calendar days from the termination of pre-trial and shall be completed not later than 60 calendar days from the date of the initial trial. The plaintiff and the defendant shall have a period not exceeding 30 days to present their witnesses on their scheduled date of presentation. Failure to present a witness on the scheduled trial date shall be deemed a waiver of such trial date. If the court decides, the parties may be required to submit their memoranda and/or respective draft decisions within a non-extendible period of 30 days. Thereafter, within 60 calendar days, the court shall render judgment. Unless restrained by a higher court, the judgment of the court shall be executory even pending appeal. The aggrieved party is not left without a recourse. All decisions and final orders shall be appealable to the Court of Appeals through a petition for review under Rule 43 of the Rules of Court.

On the other hand, a criminal IPR case shall be filed with the appropriate office in the Department of Justice or the Office of the Prosecutor that has jurisdiction over the offense charged. This proceeding is called preliminary investigation where the prosecutors determine if an information should be filed with the trial courts.

A criminal IPR case before the courts is initiated through an information after a prior verified complaint following a preliminary investigation. The judge shall then personally evaluate the information who may immediately dismiss the case if the evidence on record clearly fails to establish probable cause. Otherwise, the judge shall issue a warrant of arrest or a commitment order. After the court has acquired jurisdiction over the person of the accused, arraignment and pre-trial ensue which shall be terminated within 30 calendar days from its commencement. On the day of the termination of the pre-trial, the judge shall refer the parties to mediation on the civil aspect of the criminal action for a non-extendible period of 30 calendar days. Thereafter, the court shall conduct hearings expeditiously so as to ensure speedy trial with each party having a period of 60 calendar days to present their evidence-in-chief on the trial dates agreed upon during pre-trial. The court shall promulgate the judgment not later than 60 calendar days from the time the case is submitted for decision, furnishing the Intellectual Property Office a copy of the judgment.

The appeal shall be taken in the manner provided under Rule 122 of the Rules of Court.

**20. What customs procedures are available to stop the import and/or export of infringing goods?**

The Bureau of Customs created a permanent Intellectual Property Rights Division (*IPRD*).

Customs Administrative Order No. 6-2002 provides that the Bureau maintains an IPR Registry where intellectual property holders may record their IPR. The Bureau of Customs likewise reserves the right to conduct, on its own initiative, random inspection of goods/shipments under existing regulations on the issuance of alert or hold orders, in connection with the discharge of its police functions over imports and exports.

Additionally, the Bureau of Customs may issue an Alert or Hold Order upon the request of an IPR Holder/Owner. If upon examination, there exists no basis to subject the goods to seizure proceedings, the Alert or Hold Order shall immediately be lifted. Otherwise, the matter shall be referred to the Collector of Customs for the issuance of a Warrant of Seizure and Detention against the shipment.

**21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any**



### circumstances? If so, please provide details.

As provided in IPOP HL Memorandum Circular No. 2020-047, as amended by IPOP HL Memorandum Circular No. 048, all administrative complaints for violations of Intellectual Property Rights and/or Unfair Competition, *Inter Partes* Cases, disputes involving technology transfer payments, disputes relating to the terms of a license involving the author's rights to public performance and other communication of his work, and appeals to the Office of the Director General, Bureau of Copyright and Other Related Rights, Bureau of Legal Affairs, and the Documentation, Information and Technology Transfer Bureau shall undergo a pre-litigation or mandatory mediation.

In *Inter Partes* cases, the case shall be submitted to the Bureau of Legal Affairs-Alternative Dispute Resolution Services (BLA-ADRS) for a mandatory mediation. The mandatory mediation proceedings shall be conducted through online/virtual video conference. However, the parties may opt for a face-to-face physical conference. Each party shall pay a non-refundable Php4,000.00 or USD69.00.

Arbitration may be mandatory for civil disputes between parties governed by an arbitration agreement, where arbitration is stipulated to be the preferred or sole method of resolving disputes.

### 22. What options are available to settle intellectual property disputes in your jurisdiction?

Aside from the pre-litigation or mandatory mediation, the parties may also opt for a mediation outside litigation where the parties submit their case on their own volition and is not based on a legal summon.

The parties may also avail of the World Intellectual Property Organization (WIPO) mediation under the Intellectual Property Office of the Philippines Referral System in case one or more parties are domiciled outside the Philippines.

Arbitration may also be an option for civil disputes between parties if the parties voluntarily agree in writing to submit the dispute to arbitration. There is no special procedure for IP arbitration, and it is all arbitration proceedings are governed by the applicable arbitration law in the Philippines.

### 23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?

In order to establish infringement of the intellectual property rights, 2020 Revised Rules of Procedure for IP Cases provide that the provisions of the Rules of Court shall apply suppletorily, where applicable. As such, the quantum of evidence required for civil cases for infringement shall be preponderance of evidence while for criminal cases, it is proof beyond reasonable doubt, as discussed in the case of *Diaz v. People of the Philippines* (G.R. No. 180677, 18 February 2013). Preponderance of evidence is the evidence that is of greater weight, or more convincing, than the evidence offered in opposition to it. However, both the Intellectual Property Code as well as the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases provide for certain sets of presumptions that govern each infringement of intellectual property rights.

For possible cases of **patent infringement**, the Supreme Court held in the case of *Smith Kline Beckman Corporation v. Court of Appeals* (G.R. No. 126627, 14 August 2003) that the burden of proof to substantiate such charge rests on the party alleging the same, subject to certain exceptions as provided under the IP Code and the 2020 Revised Rules of Procedure for IP Cases. Among the exceptions include the shifting of the burden of proof to the defendant or alleged infringer in case the subject matter of a patent is a process for obtaining a product and the product is new or there is substantial likelihood that the identical product was made by the process and the owner of the patent has been unable, despite reasonable efforts, to determine the process actually used. In such cases, the alleged infringer must prove that the process to obtain the identical product is different from the patented process. Moreover, in the case of *Philips Seafood v. Tuna Processors, Inc* (G.R. No. 214148, 6 February 2023), the Supreme Court came up with two tests that can be used to determine infringement of patents namely: 1) literal infringement and 2) the doctrine of equivalents.

Meanwhile, the 2020 Revised Rules of Procedure for IP Cases provide that in **trademark infringement and unfair competition cases** a certificate of registration of a mark is considered a *prima facie* evidence of the (1) validity of the registration, (2) ownership of the registrant of the mark and (3) the exclusive right to use the same in connection with the goods or certificates and those that are related thereto specified in the certificate. Considering this, the IP Code provides that likelihood of confusion is to be

presumed in case an identical sign or mark is used for identical goods or services. In order to determine likelihood of confusion, the test that must be used according to the Supreme Court in the case of *UFC Philippines Inc v. Fiesta Barrio Manufacturing Corporation* (G.R. No. 98889, January 20, 2016) is the dominance test which focuses on similarity of the prevalent features of the competing trademarks which might cause confusion or deception. Furthermore, absolute certainty of confusion or even actual confusion is not required to accord protection to trademarks already registered with the IPOPHL.

On the other hand, under the 2020 Revised Rules of Procedure for IP Cases intent to defraud or to deceive the public is also presumed in actions for **unfair competition** in certain cases namely: 1) when the defendant passes off a product as theirs by using imitative devices, signs or marks on the general appearance of the goods which misleads prospective buyers into buying the merchandise under the impression that they are buying that of their competitors, 2) when the defendant makes any false statement in the course of trade to discredit the goods and business of another and 3) when the similarity of the goods as packed and offered for sale is so striking.

Lastly, in **copyright infringement cases**, the 2020 Revised Rules of Procedure for IP Cases elucidates that the ownership of the copyright shall be presumed to belong to the complainant if it is claimed through affidavit evidence under Section 218 of the IP Code. Moreover, under the above-cited rule, copyright is presumed to subsist in the work or other subject matter if the defendant or accused does not put in issue the question of whether copyright subsists in the work or other subject matter. However, mere registration and deposit of a work with the National Library or the IPO shall not carry with it the presumption of ownership of the copyright by the registrant or depositor.

**24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?**

**a. Is there a technical judge, a judge with technical**

**experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence?**

As a general rule, the 2020 Revised Rules of Procedure for IP Cases mandates that civil and criminal actions for violations of intellectual property rights be filed before the Special Commercial Courts designated by the Supreme Court following the rules of venue in civil cases for civil actions, or where the elements of the offense occurred for criminal actions.

For **possible cases of patent infringements**, the IP Code allows the court to appoint two or more assessors in order to provide the necessary scientific and technical knowledge required by the subject matter in litigation. Aside from this, the 2020 Revised Rules of Procedure for IP Cases also provide that the the court, *motu proprio* or upon motion by a party, may also order the creation of a committee of three (3) experts to provide advice on the technical aspect of the patent in dispute wherein each party shall be entitled to nominate an expert while the third expert shall be appointed by the court from a list submitted by the experts of each side. Aside from this, the court is likewise empowered to request the IPOPHL to provide equipment, technical facilities and personnel to assist in the trial involving highly technical evidence or matters.

Meanwhile, in relation to **trademark and unfair competition infringement cases**, the 2020 Revised Rules of Procedure for IP Cases allows the parties to present to the court a market survey intended to prove (1) the primary significance of a mark to the relevant public and/or (2) likelihood of confusion.

In all cases, Rule 128, Section 52 of the Revised Rules of Court allow the presentation of an expert witness after qualifying said witness as such pursuant to the applicable rules.

**b. What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?**

The 2020 Revised Rules of Procedure for Intellectual Property Cases provides that the rules on discovery and evidence as provided under the Revised Rules of Court shall also be applicable in intellectual property cases. For example, under the above-cited rule, the parties may avail of the modes of discovery not later than thirty (30) days from the joinder of the issues in all civil actions for violations of intellectual property rights. These modes of discovery include but are not limited to *interrogatories*, *requests for admission and or production or inspection of documents or things*. However, any request for discovery

may be objected thereto within ten (10) days from receipt thereof based on limited grounds such as 1) the matter requested is manifestly incompetent, immaterial or irrelevant; 2) the matter is undisclosed information or privileged in nature; and 3) the request is for harassment. Compliance with any mode of discovery must be made within ten (10) days from receipt of such discovery or from notice of ruling of the court, should any objections over the request be made by the intended party.

Furthermore, under the Rules and Regulations on Administrative Complaints for Violation of Laws Involving Intellectual Property Rights, the party may move for the taking of depositions upon written interrogatories after the answer has been filed before the Intellectual Property Office in administrative complaints for violations of laws involving IP rights. Aside from this, the 2020 Revised Rules of Procedure for Intellectual Property Cases prescribes that a party may request for a deposition of any witness abroad which must be taken within six (6) months from the date of the order allowing such deposition, save for certain exceptions such as fortuitous event, fraud, accident, mistake or excusable negligence.

## 25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?

Under the 2020 Revised Rules of Procedure for Intellectual Property Cases and Rules and Regulations on Administrative Complaints for Violation of Laws Involving Intellectual Property Rights, the information and evidence submitted by the parties to the court for civil and criminal cases as well as before the Intellectual Property Office in Intellectual Property Violation (IPV) cases may be subject of cross-examination by the opposing party.

The following administrative or *Inter Partes* cases are decided upon submission of affidavits and pleadings and without trial and hence, no opportunity for cross examination: (i) oppositions to applications for the registration of trademark or service mark; (2) petitions to cancel the registrations of trademarks or service marks; (3) petitions to cancel invention patents, utility model registrations, industrial design registrations, or any claim or parts of a claim, and registrations of topography or layout design of integrated circuits; and (4) petitions for Compulsory Licensing.

## 26. What defences to infringement are available?

Under the 2020 Revised Rules of Procedure for

Intellectual Property Cases, good faith shall not be a defense in cases of patent infringement, trademark infringement and copyright infringement unless the defendant or the accused claims to be a prior user under Sections 73 (patent) and 159 (trademark) of the Intellectual Property Code or when damages may be recovered under Sections 76 (patent), 156 (trademark), and 216 (copyright) of the IP Code.

In an **action for infringement of patents**, the defendants, in addition to other defenses that may be available to him may opt to show the invalidity of the patent, or any claim thereof, on any the grounds on which a petition of cancellation can be brought, under the IP Code, i.e. (1) that what is claimed as the invention is not new or patentable; (2) 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; (3) that the patent is contrary to public order or morality. Other possible defenses include that the alleged infringer is considered a **prior user** who, in good faith was using the invention or has undertaken serious preparations to use the invention in his enterprise or business, before the filing date or priority date of the application on which a patent is granted as well as that the invention was used by the government or a third person authorized by the government to exploit the invention even without the agreement of the patent owner in the certain cases.

Meanwhile, for **trademark infringements**, the following defenses may be availed of, as aptly provided under the IP Code and jurisprudence decided by the Supreme Court: (1) that the mark is non-registrable as it is for instance generic, customary, common, scientific or technical name of a particular product or service, or of a category of goods or that the marks are merely descriptive in nature; (2) that the alleged infringer is a prior user in good faith (*Zuneca Pharmaceutical v. Natrapharm*, G.R. No. 211850, 8 September 2020); (3) that there is no infringement of trademarks or trade names of imported or sold drugs and medicines allowed under Section 72.1 of the Code, as well as imported or sold off-patent drugs and medicines so long as the marks have not been tampered, unlawfully modified, or infringed as defined in Section 155 of the Code; and (4) the *doctrine of unrelated goods* which provides that one who has adopted, used and registered a trademark on his goods cannot prevent the adoption, use and registration of the same trademark by others on unrelated articles of a different kind. (*Taiwan Kolin Corporation v. Kolin Electronics Co. Inc.*, G.R. No. 209843, 25 March 2015.) On the other hand, one defense that may be invoked in *unfair competition* cases is that fraud, whether actual or probable, is absent, as discussed by the Supreme Court in the case of *Shang Properties Realty v.*

*St. Francis Development Corporation* (G.R. No. 190706, 21 July 2014).

On the other hand, the case of *Air Philippines v. Pennswell, Inc* (G.R. No. 172835, 13 December 2007) enumerates possible defenses that may be availed of in **case of unlawful disclosure of trade secrets** i.e. (1) that the information is widely known outside of the employer's business; (2) that the alleged trade secret is well-known to the employees as well as others involved in the business; (3) that the owner did not take ample measures to guard the secrecy of the information; and (4) that the information is easily or readily obtainable through an independent source. In the same manner, an employee being accused of unlawful disclosure may invoke the defense that the determination of the management as to the confidential nature of the supposed trade secret does not have any substantial factual basis.

Lastly, for **copyright infringement cases**, the respondent may avail of any of the following defenses: (1) that the subject matter for which copyright protection is sought is a non-protectible subject matter under the IP Code; (2) that the act complained of falls under at least one of the allowable statutory fair use exceptions under Section 184.1 of the IP Code; (3) that the act complained of satisfies the four factors of fair use under Section 185 of IP Code.

## 27. Who can challenge each of the intellectual property rights described above?

The IP Code provides that for patent, the person who made the invention but is not a patent applicant may assert in court that he has better right to the patent and if so declared with finality by the court may request that the pending patent application be refused, or seek cancellation thereof if one has already been issued. The true and actual inventor may also assert in court his status as such and that he was deprived of the patent without his consent or through fraud, and if so declared by the court, the court may, at the option of the true and actual inventor, cancel the patent, and award damages in his favor. Any interested person may also petition to cancel the patent or any claim thereof, or parts of the claim, on the ground that: (i) what is claimed as the invention is not new or patentable; (ii) 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; or (iii) the patent is contrary to public order or morality.

For trademark, any person who believes that he/she would be damaged by the registration of a mark may file

an opposition to an application for said trademark registration. If a certificate of registration has already been issued, then the remedy of a cancellation may be filed by any person, who believes that he is or will be damaged by the registration of a mark under this Act, on the ground that the (a) registered mark has (i) become generic, (ii) been abandoned, (iii) been obtained fraudulently or contrary to the IP code, (iv) is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used, or (b) the registered owner unjustifiably fails to use the mark within the Philippines, or to cause it to be used by a licensee in the Philippines during an uninterrupted period of three (3) years or longer.

For copyright, since the right arises from the moment of creation and copyright registration is not essential for copyright protection to attach, then anyone who is sued or threatened to be sued for copyright infringement may challenge the extent or even the existence of copyright protection asserted by the complainant. Assuming that a valid copyright subsists and that the complainant is the owner of the same, the defenses are essentially that (i) copyright is being asserted over a non-copyrightable subject matter (e.g., mere ideas), (ii) the four factors justifying fair use under Section 185 exists in favor of defendant, or (iii) a specific statutory fair use situation under Section 184 exists in favor of defendant.

The Geographical Indication Rules states that for geographical indication, any interested person who may be damaged by the registration of the geographical indication may file a notice of third-party observation with regard to the registrability of the geographical indication. Moreover, in case the protection granted to a registrant over a geographical indication may be revoked through a verified petition filed by any interested person based on the following grounds: (a) the conditions for protections specified under the rules have not been fulfilled; (b) there has been a change in the geographical origin of the goods including the natural and human factors, which are determinative of the quality, reputation or characteristics of the goods bearing a geographical indication and such change results to the disqualification; (c) applicant has no effective control over the use of the geographical indication, standards of production of the goods and other product specifications; (d) the registration was obtained through false statements and documents during the course of the application; or (e) the registered geographical indication has been proven to be generic, or a common or customary name prior to the grant of protection.



## 28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?

The IP Code stresses that for patent, the court action mentioned in the preceding answer must be filed within one (used to be three) year from the date of publication of the patent application. On the other hand, the IP Code is silent as to the period for filing a petition for patent cancellation. Notably, a patent is valid for a period of twenty years reckoned from the filing date of the application.

For *Inter Partes* cases, an opposition may be made within 30 days from the date of the publication of the trademark application for opposition purposes. On the other hand, the remedy of cancellation is generally filed within five (5) years from the date of the registration. However, if the ground/s for cancellation are any of those mentioned in the immediately preceding answer for trademark, then the same may be filed at any time.

For copyright, the challenge/defense may be raised at any time during the existence of the copyright.

Similarly, the Geographical Indication Rules states that a notice of third-party observation may be made within one (1) month from the publication of the application. Meanwhile, revocation of registration may be made at any time once a ground for revocation arises.

## 29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?

The IP Code underscores that for patent, particularly those involving court action by either the inventor who is not a patent applicant or by the actual and true inventor, the action must be instituted before the Regional Trial Court designated by the Supreme Court as Special Commercial Courts. On the other hand, the remedy of cancellation may be brought before the Bureau of Legal Affairs unless it involves highly technical issues in which case the Director of Legal Affairs may order that the petition be heard and decided by a committee of three. For the grounds of invalidity, see previous answers.

For trademark, the remedy of opposition to an application for trademark registration and the remedy of cancellation of a certificate of registration may be brought before the

Bureau of Legal Affairs as *Inter Partes* case. Alternatively, the existence of the grounds for cancellation of the registered mark may be raised as a defense in an action to enforce the registered mark. Intellectual property rights violation for infringement of (trademark and) related rights where the total damages claimed are not less than Two Hundred Thousand Pesos (Php200,000.00) may also be brought before the Bureau of Legal Affairs. For grounds of invalidity, see previous answer.

Under trademark, an action for unfair competition may also be filed. An action for unfair competition may be filed whether the complainant is the registered owner of the mark. The essential *elements* of an action for unfair competition are (1) confusing similarity in the general appearance of the goods, and (2) intent to deceive the public and defraud a competitor. In an action for unfair competition before the Regional Trial Court, damages, injunction and destruction of infringing material may be sought. A criminal and administrative action for unfair competition may also be availed of. The former is instituted by filing a Complaint-Affidavit before the Prosecutor's Office while the latter may be initiated by filing a verified Complaint before the Bureau of Legal Affairs. In the administrative case, the complainant may also obtain provisional remedies such as temporary restraining order, preliminary injunction, and preliminary attachment. This administrative remedy under is independent and without prejudice to the filing of any action with the regular courts.

For copyright, since copyright infringement may have civil, criminal, and administrative consequences, the venue for challenging/raising the defense/s earlier mentioned depends on the forum where the alleged copyright infringement is brought.

Under the Geographical Indication Rules, the remedy of notice of third-party observation and verified petition for the revocation of a geographical indication shall be filed with the Director of the Bureau of Trademarks which shall act as the Registrar of geographical indication.

In a civil action filed before the Regional Trial Court designated by the Supreme Court as Special Commercial Courts, the same is commenced through the filing of a verified *Complaint*. Unless restrained by a higher court, the judgment of the court shall be executory even pending appeal. The aggrieved party is not left without a recourse. All decisions and final orders shall be appealable to the Court of Appeals through a petition for review under Rule 43 of the Rules of Court.

On the other hand, if the criminal complaint filed with the appropriate office in the Department of Justice or the



Office of the Prosecutor that has jurisdiction over the offense charged resulted in a finding of prima facie evidence with reasonable certainty of conviction, an information will be filed with the appropriate court. After the court has acquired jurisdiction over the person of the accused, arraignment and pre-trial ensue which shall be terminated within 30 calendar days from its commencement. On the day of the termination of the pre-trial, the judge shall refer the parties to mediation on the civil aspect of the criminal action for a non-extendible period of 30 calendar days. Thereafter, the court shall conduct hearings expeditiously so as to ensure speedy trial. The court shall promulgate the judgment not later than 60 calendar days from the time the case is submitted for decision, furnishing the Intellectual Property Office a copy of the judgment. The appeal shall be taken in the manner provided under Rule 122 of the Rules of Court.

### 30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?

Intellectual property, as a property right under Philippine law, may be subject to agreements, including licensing and assignment. Prior to a breach of any contractual obligation, parties to an agreement involving intellectual property rights may file a declaratory relief action to seek judgment from the courts declaring the rights, duties, or obligations of the parties as provided under the Rules of Court, or a petition to reform the agreement to conform to the true intention of the parties under the Civil Code.

In case of patent, the law expressly allows a patent holder to surrender his patent for cancellation.

### 31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described above?

The remedies against infringement vary depending on the affected intellectual property as well as the relief/s sought:

#### **Patent infringement**

Under the IP Code, the patentee, or anyone possessing any right, title or interest to the patented invention may (i) file a *civil action for infringement* to recover damages and litigation expenses; and (ii) apply for the issuance of injunctive writ for the protection of his/her rights. Moreover, the IP Code also allows the court to issue an

order allowing the disposal of infringing goods, materials and implements predominantly used in the infringement, without any entitlement to any compensation. Lastly, the IP Code provides that in case the infringement is repeated by the infringer or anyone in connivance with him after finality of the judgement of the court, the offenders shall also be deemed criminally liable, without prejudice to the institution of a civil action for damages.

One who is not a patent holder however may not file an action for infringement.

#### **Trademark infringement**

The owner of a registered mark may file a civil action against a trademark infringer, seeking the following reliefs as provided under the IP Code: (i) damages; if there is actual intent to mislead the public or defraud the complainant, the amount of damages recoverable may be doubled; (ii) have the defendant's sales invoices and other documents evidencing the same impounded during the pendency of the action; (iii) injunctive writ; (iv) the delivery, disposal and/or destruction of the infringing goods without compensation; (v) injunctive writ against (a) the future printing by an innocent infringer or one who is engaged solely in the business of printing the marks or other infringing materials; and/or (b) future publication of newspapers, magazines or other similar periodicals or future transmission of electronic communications by an innocent infringer where the infringement complained of is contained in or is part of paid advertisement in a newspaper, magazine, or other similar periodical or in an electronic communication.

The owner of the registered mark may also file a verified Complaint for trademark infringement before the Bureau of Legal Affairs, who may impose fine on and assess damages against the defendant. In the administrative case, the complainant may also obtain provisional remedies such as temporary restraining order, preliminary injunction, and preliminary attachment. Aside from this, the IP Code also provides that the owner of the registered mark may opt to file an opposition to the infringer's application for registration of the infringing mark; or a petition to cancel registration of the infringing mark on the ground that said registration was obtained fraudulently or contrary to the provisions of the IP Code.

Lastly, in *Diaz v. People of the Philippines* (G.R. No. 180677, 18 February 2013) and *Co v. Sps. Yeung* (G.R. No. 212705 (Resolution), 10 September 2014), the Supreme Court held that a registered owner may file a criminal action for trademark infringement and/or unfair competition, as provided under the IP Code.

Meanwhile, the Trademark Rules provide that an owner of a well-known mark that is not registered in the Philippines may avail of any of the following remedies against a proprietor who uses a mark (i) that is identical with or confusingly similar with the well-known mark and (ii) on goods or services identical or similar with that of the owner of the well-known mark: (a) oppose the proprietor's application for trademark registration, (b) file a petition for cancellation of the mark, if the same has already been granted; and (c) file a case for unfair competition, if the goods are being passed by another as the goods of the owner of a well-known mark. On the other hand, if the well-known mark is registered here, then the same remedies may be availed of even if the goods or services of the proprietor are not identical to that of the owner of the well-known mark so long as the marks are identical or confusingly similar.

### Trade Secrets

It is well-settled that trade secrets are privileged in nature. As such, the owner of a trade secret may opt to file a criminal case against the for *Revealing secrets with abuse of office* under Article 291 of the Revised Penal Code ("RPC") or *Revelation of industrial secrets* under Article 292 of the RPC. Similarly, even Republic Act No. 8424 otherwise known as the National Revenue Code of 1997 sanctions internal revenue officers or employees from divulging any confidential information, the violation of which is punishable under Section 278 of R.A. 8424. In addition, the Supreme Court held in the case of *Air Philippines Corporation v. Pennswell, Inc* (G.R. No. 172835, 13 December 2007) that the inventor, discoverer, or possessor of a trade secret or similar innovation may avail of an injunction to prevent the disclosure of the trade secret by one who obtained the information "in confidence" or through a "confidential relationship."

### Copyright infringement

Under the IP Code, the copyright holder may file a civil action for copyright infringement and ask for the following reliefs, among others, (i) an injunctive writ to restrain such infringement; (ii) damages (actual or just/temperate) or before judgment, statutory damages; (iii) impounding of the sales invoices and other documents evidencing sales during the pendency of an action; (iv) destruction without any compensation of all infringing copies of devices. The copyright holder may also file a criminal action and/or administrative action for

such infringement.

### 32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?

As a general rule, the costs of the enforcement proceedings will depend on the type of action that the intellectual property right holder (IPR Holder) wishes to pursue. For example, if the IPR Holder elects to file a case of ordinary civil action for damages, the IPR Holder is required to pay the necessary **filing fees** before the court, the amount of which is dependent on the amount of damages being claimed.

On the other hand, the Intellectual Property Office (IPO) also provided in its Memorandum Circular No. 17-002 s. of 2017 the schedule of fees for inter-partes cases and administrative complaints for violation of laws on intellectual property rights such as the fees required in case of filing of opposition to/petition for cancellation, filing of IPV Complaint, early mediation fee, and arbitration award scrutiny fee, among others. Moreover, an application for attachment or injunction shall also be subject to extra fees that need to be paid whether before the IPO or the regular courts.

Aside from the abovementioned, the Rule on Search & Seizure in Civil Action for Infringement of IP Rights also provide that a **bond** is required in case the court grants a request for issuance of a writ of search and seizure, and the said bond is conditioned on the undertaking of the applicant to shoulder the damages which the defendant or expected adverse party may sustain by reason of the issuance of the writ. In addition, the 2020 Revised Rules of Procedure for IP Cases provides that the above mentioned rule regarding the necessity of a bond also applies in case a motion for disposal and/or destruction is filed with the Court and the court finds the same meritorious.

Lastly, **attorney's fees** as well as other **litigation expenses** are also normally incurred as part of the enforcement proceedings. All these costs are usually recovered in case of a favorable judgment of the court in civil cases in the form of award of the attorney's fees and litigation expenses.

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