

CHAPTER 9

INTELLECTUAL PROPERTY LAW

Section 13, Article XIV of the 1987 Constitution mandates that ‘the State shall protect and secure the exclusive rights of scientists, inventors, artists, and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people, for such period as may be provided by law’. Pursuant to this provision, Republic Act No 8293, otherwise known as the Intellectual Property Code, was enacted. It codified all laws affecting patents,¹ trademarks,² copyrights,³ and the licensing of intellectual property. It also established the Intellectual Property Office⁴ which is composed of the following: (a) Bureau of Patents which has jurisdiction over registration, as well as search and examination of patent applications and design, patents and utility models;⁵ (b) Bureau of Trademarks which has jurisdiction over registration, search and examination of trademark and service mark applications;⁶ (c) Bureau of Legal Affairs which may hear opposition to applications and complaints for violations of law involving intellectual property rights where total damages are not less than P200,000;⁷ it also has jurisdiction to hear cases involving cancellation of trademark, patent, utility models and industrial designs and petitions for compulsory licensing of patents; (d) Documentation, Information and Technology Transfer Bureau which provide for technical, advisory and other services relating to licensing and promotion of technology and carry out effective program for technology transfer and register technology transfer agreements;⁸ (e) Management Information Services and EDP Bureau which conducts information planning, research and development, testing of systems and provides management information services to IPO;⁹ and (f) Administrative, Financial and Human Resource Development Service Bureau which mainly receives all applications and collect fees therefore and publishes patent application and grants, trademark applications and registration of marks, industrial designs, utility models, geographic indication and lay-out designs of integrated circuits registrations.¹⁰ The term “intellectual property rights” consists of: (a) copyright and related rights; trademarks and service marks; (c) geographic indications; (d)

¹ Rep Act No 165 (1947), as amended.

² Rep Act No 166 91947).

³ Pres Decree No 49 (19__).

⁴ Rep Act No 8293 (1997), s 5.

⁵ *Id*, s 8.

⁶ *Id*, s 9.

⁷ *Id*, s 10.

⁸ *Id*, s. 11.

⁹ *Id*, s 12.

¹⁰ *Id*, s 13.

industrial designs; (e) patents; (f) lay-out designs (topographies) of integrated circuits; and (g) protection of undisclosed information (n. TRIPS).¹¹

A. PATENTS

Any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable shall be patentable. It may be, or may relate to a product, or process, or an improvement of any of the foregoing.¹² Excluded from patent protection are: (1) Discoveries, scientific theories and mathematical methods; (2) schemes, rules and methods of performing arts, playing games or doing business, and programs for computers; (3) methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practiced on the human or animal body;¹³ (4) plant varieties or animal breeds or essentially biological process for the production of plants or animals.¹⁴ However, these provisions does not preclude Congress to consider the enactment of law providing *sui generis* of plant varieties and animal breeds and a system of communal intellectual rights protection; (5) aesthetic creations; and (6) anything which is contrary to public order or morality.¹⁵

The right to a patent belongs to the inventor, his heirs, or assigns. When two or more persons have jointly made an invention, the right to a patent shall belong to them jointly.¹⁶ If the invention was created pursuant to a commission, the person who commissioned the work shall own the patent, unless otherwise provided in the contract.¹⁷ In case the employee made the invention in the course of his employment contract, the patent shall belong to (a) the employee, if the inventive activity is not part of his regular duties even if the employee uses the time, facilities and materials of the employer; (b) the employer if the invention is the result of the performance of his regularly-assigned duties, unless there is an agreement, express or implied to the contrary.¹⁸

If two or more persons have made the invention separately and independently of each other, the right to the patent shall belong to the person who filed an application for such invention or where two or more applications are filed for the same invention, to the applicant who has the earliest filing date or, the earliest priority date.¹⁹

¹¹ Rep Act No 8394 (1997), s 4.

¹² *Id.*, s 21.

¹³ This provision shall not apply to products and composition for use in any of these methods.

¹⁴ This provision shall not apply the microorganisms and non-biological and microbiological processes.

¹⁵ *Id.*, s 22.

¹⁶ *Id.*, s 28.

¹⁷ *Id.*, s 30.1

¹⁸ *Id.*, s 30.2

¹⁹ Rep Act No 8293 (1997), s 29.

An application for a patent filed in the Philippines by any person who has filed an application for the same invention in a foreign country, which by treaty, convention, or law affords similar privileges to citizens of the Philippines will be considered as if it were filed on the date it was filed in the foreign country, provided that (a) the local application expressly claims priority; (b) it is filed in the Philippines within 12 months from the date the earliest date on which foreign application was filed; and (c) a certified copy of the foreign application together with an English translation is filed within 6 months from the date of filing in the Philippines.²⁰

An applicant who is not a resident of the Philippines must appoint and maintain a resident agent or representative in the Philippines upon whom notice or process for judicial administrative procedure relating to the application for patent or the patent may be served.²¹ If the application is in order, the director shall issue the patent in the name of the Republic of the Philippines, under the seal of his office, which shall be signed by him. The term of a patent is 17 years from the date it is issued, unless revoked or cancelled on grounds specified in law.

Patent application is published in the IPO Gazette together with search results after 18 months from date. Within six months from publication, applicant must file request for substantive examination. If no request for substantive examination is filed, application will be deemed withdrawn.²²

Term of patent is now 20 years from filing date of application with respect to inventions; seven years without renewal with respect to utility models and five years for industrial designs which may be renewed for not more than two consecutive periods of five each.²³

Any person may, upon payment of required fee, petition for cancellation of patent or of any claim thereof, or parts of claim, on any of the following grounds: (a) invention is not new or patentable; (b) patent does not clearly and completely disclose invention to be carried out by any person skilled in art; or (c) that the patent is contrary to public order or morality.²⁴

A patent shall confer on its owner the following exclusive rights:

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

²⁰ *Id*, s 31.

²¹ *Id*, s 33.

²² Rep Act No 8293 (1997), ss 44 & 48.

²³ *Id*, ss 44, 109.3 & 118.

²⁴ *Id*, s 61.

- (b) where the subject matter of a patent is a process, to restrain, prevent or prohibit any unauthorized person or entity from using the process, and from manufacturing, dealing in, using, selling or offering for sale, or importing any product obtained directly or indirectly from such process.²⁵ Patent owners shall also have the right to assign, or transfer by succession the patent, and to conclude licensing contracts for the same.²⁶

A government agency or third person authorized by the government may exploit the invention even without agreement of the patent owner where: (a) the public interest, in particular, national security, nutrition, health or the development of other sectors, as determined by the appropriate agency of the government; (b) a judicial or administrative body has determined that the manner of exploitation, by the owner of the patent or his license, is anticompetitive.²⁷

Infringement of patent is redressed by civil action for damages with injunction and claim for attorney's fees and litigation expenses.²⁸ Action for damages must be brought within four years. Criminal action is available only for repeat infringement.²⁹ Law provides maximum of three years imprisonment and maximum fine of 300,000 pesos as penalty. The criminal action shall prescribe in three years from the date of the commission of the crime.³⁰

B. INDUSTRIAL DESIGNS

Industrial design is any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors. Only industrial designs that are new or original are protected by new intellectual property law, while industrial designs dictated essentially by technical or functional considerations to obtain technical result or those that are contrary to public order, health or morals are not protected by law.³¹

Rights and protection accorded to industrial design are subject to same provisions and requirements relative to patents for inventions.³²

The owner of a layout-design registration enjoys the following rights:

- (1) 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

²⁵ *Id.*, s 71.1.

²⁶ *Id.*, s 71.2.

²⁷ Rep Act No 8293 (1997), s 74.

²⁸ *Id.*, s 76.

²⁹ *Id.*, s 79.

³⁰ *Id.*, s 84.

³¹ Rep Act No 8293 (1997), ss 112, 113.1 & 113.2.

³² *Id.*, s 119.1

- (2) 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.³³

C. UTILITY MODELS

Registration of utility models shall be governed by same rules and requirements governing registration of patents. Only new and industrially applicable utility models are registrable.³⁴

Utility model registration shall be cancelled on following grounds: (a) that claimed invention does not qualify for registration as utility model and does not meet requirements of registrability; (b) that description and claims do not comply with prescribed requirements; (c) that any drawing necessary to understand invention has not been furnished; and (d) that the owner of utility model registration is not inventor or his successor in title.³⁵ An applicant may not file two applications for the same subject, one for utility model registration and the other for the grant of patent whether simultaneously or consecutively.³⁶

D. TRADEMARKS, SERVICE MARKS AND TRADE NAMES

Republic Act No 8293 (1997) defines “Marks” as any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods.³⁷ “Trade name” means the name or designation identifying or distinguishing an enterprise.³⁸ Simply put, a tradename refers to the business and its goodwill; a trademark refers to the goods.³⁹

Trademark registration has a term of ten years, renewable for another ten years provided that registrant files declaration of actual use within one year from fifth anniversary.⁴⁰ Law confers upon registered owner of mark exclusive right to prevent all third parties not having owner’s consent from using in course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which trademark is registered where such use would result in likelihood of confusion. Law also requires applicant for trademark registration to file Declaration of Use within three years from date of filing of application.⁴¹

³³ *Id*, s 119.4

³⁴ *Id*, ss 108 & 109.

³⁵ *Id*, s 109.4

³⁶ *Id*, s 111.

³⁷ Section 121.1.

³⁸ *Id*, s 121.3

³⁹ R MORALES, *op cit*, p 96 citing *Kobushiki Kaish v. Court of Appeals* GR No 120900, 20 July 2000, 336 SCRA 266 (2000).

⁴⁰ Rep Act No 8293 (1997), s 14.5

⁴¹ *Id*, s 147.1.

Assignment or transfer of registrations of mark is allowed provided it is not made to mislead public as regards nature, source, manufacturing process, characteristics of goods or services to which mark is applied.⁴²

Assignment must be writing, acknowledged before notary public or other officer authorized to administer oath, and certified under hand and official seal of notary or other officer. Assignment is void as against any subsequent purchaser for value without notice, unless assignment is recorded in Patent Office.⁴³ When assignment is executed in foreign country, authority of notary or other officer shall be proved by certificate of diplomatic or consular office of, or representing interest of, Government of Philippines. No assignment executed in foreign country written in language other than English or Spanish shall be recorded unless accompanied by verified English translation. No instrument will be recorded which does not, in judgment of Director, amount to assignment, or which does not affect title to trademark or trade name to which it relates.⁴⁴

Any person who, without consent of registrant, uses, sells, or advertises any reproduction, counterfeit, copy or imitation of a registered mark or trade name is guilty of infringement. Injunction may be obtained to prevent infringement and court may order infringing material to be destroyed.⁴⁵

No imported merchandise can be admitted entry in Philippines which copies or simulates mark or trade name registered in Philippines, or bears a mark or trade name calculated to induce public to believe that article is manufactured in Philippines, or that it is manufactured in a country other than place where it is in fact made.⁴⁶

Subject to well defined exceptions, persons who are nationals of, domiciled in, or have a bona fide or effective business or commercial establishment in any foreign country, which is a party to any international convention or treaty relating to marks or trade names, or the repression of unfair competition to which the Philippines may be a party, are entitled to the benefits and subject to the provisions of the Trademark Law to the extent and under the condition essential to give effect to any such convention and treaties so long as the Philippines continue to be a party thereto.⁴⁷

An applicant for the registration of a mark or trade name, who is not a resident of the Philippines, must appoint an agent or representative in the

⁴² *Id.*, s 149.2

⁴³ *Id.*, s 149.3

⁴⁴ *Id.*, s 149.

⁴⁵ *Id.*, ss 155 & 156.

⁴⁶ *Id.*, s 166.

⁴⁷ Rep Act No 8293 (1997), s 3. See also s 160 on the right of a foreign corporation to sue in Trademark or service mark enforcement action.

Philippines upon whom notice or process relating to the application or registration may be served.⁴⁸

E. COPYRIGHT

The New Intellectual Property Code protects following original intellectual creations in literary and artistic domain from the moment of their creation: (a) Books, pamphlets, articles and other writings; (b) periodicals and newspapers; (c) lectures, sermons, addresses, dissertations prepared for oral delivery, whether or not reduced in writing or other material form; (d) letters; (e) dramatic or dramatico-musical compositions; choreographic works or entertainment in mime or dumb shows; (f) musical compositions, with or without words; (g) works of drawing, painting, architecture, sculpture, engraving, lithography or other works of art; models of designs for works of art; (h) original ornamental designs or models for articles of manufacture, whether or not registrable as industrial design, and other works of applied art; (i) illustrations, maps, plans, sketches, charts and three-dimensional works relative to geography, topography, architecture or science; (j) drawings or plastic works of scientific or technical character; (k) photographic works including works produced by process analogous to photography; lantern slides; (l) audiovisual works and cinematographic works and works produced by process analogous to cinematography or any process for making audiovisual recordings; (m) pictorial illustrations and advertisements; (n) computer programs; and (o) other literary, scholarly, scientific and artistic works.⁴⁹

The following derivative works are likewise protected by copyright: (a) dramatizations, translations, adaptations, abridgments, arrangements, and other alterations of literary or artistic works; and (b) collections of literary, scholarly or artistic works, and compilations of data and other materials which are original by reason of selection or coordination or arrangement or their contents.⁵⁰

The law provides for the following as not being subject to copyright protection: (a) Any idea, procedure, system, method or operation, concept, principle, discovery or mere data as such, even if they are expressed, explained, illustrated or embodied in work; (b) news of the day and other miscellaneous facts having character of mere items of press information; and (c) any official text of legislative, administrative or legal nature, as well as any official translation thereof.⁵¹

No copyright protection is afforded to any work of government, speeches, lectures, sermons, addresses and dissertations, pronounced, read or rendered in courts of justice, before administrative agencies, in deliberative assemblies and

⁴⁸ *Id.*, s 33.

⁴⁹ *Id.*, s. 172.

⁵⁰ *Id.*, s 173.

⁵¹ *Id.*, s 175.

in meetings of public character but author thereof has exclusive right of making collection of his works.⁵²

The reproduction of published work is allowed even without authorization of owner provided it is done by natural person exclusively for research and private study. But reproduction is not allowed if it is: (a) Work of architecture in form of building, or other construction; (b) entire book, or substantial part thereof, or of musical work in graphic form by reprographic means; (c) compilation of data and other materials; (d) computer program except as provided in § 189; and (e) any work in cases where reproduction would unreasonably conflict with normal exploitation of work or would otherwise unreasonably prejudice legitimate interests of author.⁵³

Under the new law, certain works are required to be registered and deposited at National Library and Supreme Court Library for purposes of completing their records.⁵⁴

The copyright protection is now for a term of 50 years except for broadcasts which have a 20-year term and for works of applied art which have a 25 year term.⁵⁵

⁵² *Id.*, ss 176.1 & 176.2.

⁵³ *Id.*, ss 186-189.

⁵⁴ *Id.*, s 191.

⁵⁵ *Id.*, s 213.