

## THE LAW ON PATENTS

### Chapter I.

#### GENERAL PROVISIONS

Definition of Terms Used in Part II, The Law on Patents. – As used in Part II, the following terms shall have the following meanings:

20.1. "Bureau" means the Bureau of Patents;

20.2. "Director" means the Director of Patents;

20.3. "Regulations" means the Rules of Practice in Patent Cases formulated by the Director of Patents and promulgated by the Director General;

20.4. "Examiner" means the patent examiner;

20.5. "Patent application" or "application" means an application for a patent for an invention except in Chapters XII and XIII, where application means an application for a utility model and an industrial design, respectively; and

20.6. "Priority date" means the date of filing of the foreign application for the same invention referred to in Section 31 of this Act. (n)

### Chapter II.

#### PATENTABILITY

Patentable Inventions. - 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. (Sec. 7, R.A. No.165a)

Non-Patentable Inventions. - The following shall be excluded from patent protection:

22.1. Discoveries, scientific theories and mathematical methods, and in the case of drugs and medicines, the mere discovery of a new form or new property of a known substance which does not result in the enhancement of the known efficacy of that substance, or the mere discovery of any new property or new use for a known substance, or the mere use of a known process unless such known process results in a new product that employs at least one new reactant.

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

22.2. Schemes, rules and methods of performing mental acts, playing games or doing business, and programs for computers;

22.3 Methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practiced on the human or animal body. This provision shall not apply to products and composition for use in any of these methods;

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

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

22.5. Aesthetic creations; and

22.6. Anything which is contrary to public order or morality. (Sec. 8, R.A. No. 165a)

Novelty. - An invention shall not be considered new if it forms part of a prior art. (Sec. 9, R.A. No. 165a)

Prior Art. - Prior art shall consist of:

24.1. Everything which has been made available to the public anywhere in the world, before the filing date or the priority date of the application claiming the invention; and

24.2. The whole contents of an application for a patent, utility model, or industrial design registration, published in accordance with this Act, filed or effective in the Philippines, with a filing or priority date that is earlier than the filing or priority date of the application: Provided the application which has validly claimed the filing date of an earlier application under Section 31 of this Act, shall be prior art with effect as of the filing date of such earlier application: Provided further the applicant or the inventor identified in both applications are not one and the same. (Sec. 9, R.A. No. 165a)

Non-Prejudicial Disclosure. -

25.1. The disclosure of information contained in the application during the twelve (12) months preceding the filing date or the priority date of the application shall not prejudice the applicant on the ground of lack of novelty if such disclosure was made by:

The inventor;

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

A third party which obtained the information directly or indirectly from the inventor.

25.2. For the purposes of Subsection 25.1, "inventor" also means any person who, at the filing date of application, had the right to the patent. (n)

Inventive Step. - 26.1 An invention involves an inventive step if, having regard to prior art, it is not obvious to a person skilled in the art at the time of the filing date or priority date of the application claiming the invention. (n)

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

Industrial Applicability. - An invention that can be produced and used in any industry shall be industrially applicable. (n)

### Chapter III.

#### RIGHT TO A PATENT

Right to a Patent. - The right to a patent belongs to the inventor, his heirs, or assigns. When two (2) or more persons have jointly made an invention, the right to a patent shall belong to them jointly. (Sec. 10, R.A. No. 165a)

First to File Rule. - If two (2) or more persons have made the invention separately and independently of each other, the right to the patent shall belong to the person who filed an application for such invention, or where two or more applications are filed for the same invention, to the applicant who has the earliest filing date or, the earliest priority date. (3rd sentence, Sec. 10, R.A. No. 165a.)

Inventions Created Pursuant to a Commission. –

30.1. The person who commissions the work shall own the patent, unless otherwise provided in the contract.

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

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

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. (n)

Right of Priority. - An application for patent filed by any person who has previously applied for the same invention in another country which by treaty, convention, or law affords similar privileges to Filipino citizens, shall be considered as filed as of the date of filing the foreign application: Provided: (a) the local application expressly claims priority; (b) it is filed within twelve (12) months from the date the earliest foreign application was filed; and (c) a certified copy of the foreign application together with an English translation is filed within six (6) months from the date of filing in the Philippines. (Sec. 15, R.A. No. 165a)

### Chapter IV.

#### PATENT APPLICATION

The Application. - 32.1. The patent application shall be in Filipino or English and shall contain the following:

A request for the grant of a patent;

A description of the invention;

Drawings necessary for the understanding of the invention;

One or more claims; and

An abstract.

32.2. No patent may be granted unless the application identifies the inventor. If the applicant is not the inventor, the Office may require him to submit said authority. (Sec. 13, R.A. No. 165a)

Appointment of Agent or Representative. - 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 or administrative procedure relating to the application for patent or the patent may be served. (Sec. 11, R.A. No. 165a)

The Request. - The request shall contain a petition for the grant of the patent, the name and other data of the applicant, the inventor and the agent and the title of the invention. (n)

Disclosure and Description of the Invention. –

35.1. Disclosure. - The application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art. Where the application concerns a microbiological process or the product thereof and involves the use of a micro-organism which cannot be sufficiently disclosed in the application in such a way as to enable the invention to be carried out by a person skilled in the art, and such material is not available to the public, the application shall be supplemented by a deposit of such material with an international depository institution.

35.2. Description. - The Regulations shall prescribe the contents of the description and the order of presentation. (Sec. 14, R.A. No. 165a)

The Claims. –

36.1. The application shall contain one (1) or more claims which shall define the matter for which protection is sought. Each claim shall be clear and concise, and shall be supported by the description.

36.2. The Regulations shall prescribe the manner of the presentation of claims. (n)

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

Unity of Invention. –

38.1. The application shall relate to one invention only or to a group of inventions forming a single general inventive concept.

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

38.3. The fact that a patent has been granted on an application that did not comply with the requirement of unity of invention shall not be a ground to cancel the patent. (Sec. 17, R.A. No. 165a)

Information Concerning Corresponding Foreign Application for Patents. - The applicant shall, at the request of the Director, furnish him with the date and number of any application for a patent filed by him abroad, hereafter referred to as the "foreign application," relating to the same or essentially the same invention as that claimed in the application filed with the Office and other documents relating to the foreign application. (n)

## Chapter V.

### PROCEDURE FOR GRANT OF PATENT

#### Filing Date Requirements. –

40.1. The filing date of a patent application shall be the date of receipt by the Office of at least the following elements:

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

Information identifying the applicant; and

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

40.2. If any of these elements is not submitted within the period set by the Regulations, the application shall be considered withdrawn. (n)

According a Filing Date. - The Office shall examine whether the patent application satisfies the requirements for the grant of date of filing as provided in Section 40 hereof. If the date of filing cannot be accorded, the applicant shall be given an opportunity to correct the deficiencies in accordance with the implementing Regulations. If the application does not contain all the elements indicated in Section 40, the filing date should be that date when all the elements are received. If the deficiencies are not remedied within the prescribed time limit, the application shall be considered withdrawn. (n)

#### Formality Examination. –

42.1. After the patent application has been accorded a filing date and the required fees have been paid on time in accordance with the Regulations, the applicant shall comply with the formal requirements

specified by Section 32 and the Regulations within the prescribed period, otherwise the application shall be considered withdrawn.

42.2. The Regulations shall determine the procedure for the re-examination and revival of an application as well as the appeal to the Director of Patents from any final action by the examiner. (Sec. 16, R.A. No. 165a)

Classification and Search. - An application that has complied with the formal requirement shall be classified and a search conducted to determine the prior art. (n)

Publication of Patent Application. –

44.1. The patent application shall be published in the IPO Gazette together with a search document established by or on behalf of the Office citing any documents that reflect prior art, after the expiration of eighteen (18) months from the filing date or priority date.

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

44.3. The Director General, subject to the approval of the Secretary of Trade and Industry, may prohibit or restrict the publication of an application, if in his opinion, to do so would be prejudicial to the national security and interests of the Republic of the Philippines. (n)

Confidentiality Before Publication. - A patent application, which has not yet been published, and all related documents, shall not be made available for inspection without the consent of the applicant. (n)

Rights Conferred by a Patent Application After Publication. - The applicant shall have all the rights of a patentee under Section 76 against any person who, without his authorization, exercised any of the rights conferred under Section 71 of this Act in relation to the invention claimed in the published patent application, as if a patent had been granted for that invention: Provided the said person had:

46.1. Actual knowledge that the invention that he was using was the subject matter of a published application; or

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

Observation by Third Parties. - Following the publication of the patent application, any person may present observations in writing concerning the patentability of the invention. Such observations shall be communicated to the applicant who may comment on them. The Office shall acknowledge and put such observations and comment in the file of the application to which it relates. (n)

Request for Substantive Examination. –

48.1. The application shall be deemed withdrawn unless within six (6) months from the date of publication under Section 41, a written request to determine whether a patent application meets the requirements of Sections 21 to 27 and Sections 32 to 39 and the fees have been paid on time.

48.2. Withdrawal of the request for examination shall be irrevocable and shall not authorize the refund of any fee. (n)

Amendment of Application. - An applicant may amend the patent application during examination: Provided such amendment shall not include new matter outside the scope of the disclosure contained in the application as filed. (n)

Grant of Patent. -

50.1. If the application meets the requirements of this Act, the Office shall grant the patent: Provided all the fees are paid on time.

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

50.3. A patent shall take effect on the date of the publication of the grant of the patent in the IPO Gazette. (Sec. 18, R.A. No. 165a)

Refusal of the Application. -

51.1. The final order of refusal of the examiner to grant the patent shall be appealable to the Director in accordance with this Act.

51.2. The Regulations shall provide for the procedure by which an appeal from the order of refusal from the Director shall be undertaken. (n)

Publication Upon Grant of Patent. -

52.1. The grant of the patent together with other related information shall be published in the IPO Gazette within the time prescribed by the Regulations.

52.2. Any interested party may inspect the complete description, claims, and drawings of the patent on file with the Office. (Sec. 18, R.A. No. 165a)

Contents of Patent. - The patent shall be issued in the name of the Republic of the Philippines under the seal of the Office and shall be signed by the Director, and registered together with the description, claims, and drawings, if any, in books and records of the Office. (Secs. 19 and 20, R.A. No. 165a)

Term of Patent. - The term of a patent shall be twenty (20) years from the filing date of the application. (Sec. 21, R.A. No. 165a)

Annual Fees. -

55.1. To maintain the patent application or patent, an annual fee shall be paid upon the expiration of four (4) years from the date the application was published pursuant to Section 44 hereof, and on each subsequent anniversary of such date. Payment may be made within three (3) months before the due date. The obligation to pay the annual fees shall terminate should the application be withdrawn, refused, or cancelled.

55.2. 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.

55.3. 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. (Sec. 22, R.A. No. 165a)

Surrender of Patent. –

56.1. The owner of the patent, with the consent of all persons having grants or licenses or other right, title or interest in and to the patent and the invention covered thereby, which have been recorded in the Office, may surrender his patent or any claim or claims forming part thereof to the Office for cancellation.

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

56.3. If the Office is satisfied that the patent may properly be surrendered, he may accept the offer and, as from the day when notice of his acceptance is published in the IPO Gazette, the patent shall cease to have effect, but no action for infringement shall lie and no right compensation shall accrue for any use of the patented invention before that day for the services of the government. (Sec. 24, R.A. No. 165a)

Correction of Mistakes of the Office. - The Director shall have the power to correct, without fee, any mistake in a patent incurred through the fault of the Office when clearly disclosed in the records thereof, to make the patent conform to the records. (Sec. 25, R.A. No. 165)

Correction of Mistake in the Application. - On request of any interested person and payment of the prescribed fee, the Director is authorized to correct any mistake in a patent of a formal and clerical nature, not incurred through the fault of the Office. (Sec. 26, R.A. No. 165a)

Changes in Patents. -

59.1. The owner of a patent shall have the right to request the Bureau to make the changes in the patent in order to:

Limit the extent of the protection conferred by it;

Correct obvious mistakes or to correct clerical errors; and

Correct mistakes or errors, other than those referred to in letter (b), made in good faith: Provided where the change would result in a broadening of the extent of protection conferred by the patent, no request may be made after the expiration of two (2) years from the grant of a patent and the change shall not affect the rights of any third party which has relied on the patent, as published.

59.2. No change in the patent shall be permitted under this section, where the change would result in the disclosure contained in the patent going beyond the disclosure contained in the application filed.

59.3. If, and to the extent to which the Office changes the patent according to this section, it shall publish the same. (n)



Form and Publication of Amendment. - An amendment or correction of a patent shall be accomplished by a certificate of such amendment or correction, authenticated by the seal of the Office and signed by the Director, which certificate shall be attached to the patent. Notice of such amendment or correction shall be published in the IPO Gazette and copies of the patent kept or furnished by the Office shall include a copy of the certificate of amendment or correction. (Sec. 27, R.A. No. 165)

## Chapter VI.

### CANCELLATION OF PATENTS AND SUBSTITUTION OF PATENTEE

#### Cancellation of Patents. –

61.1. Any interested person may, upon payment of the required fee, petition to cancel the patent or any claim thereof, or parts of the claim, on any of the following grounds:

That what is claimed as the invention is not new or patentable;

That the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by any person skilled in the art; or

That the patent is contrary to public order or morality.

61.2. Where the grounds for cancellation relate to some of the claims or parts of the claim, cancellation may be effected to such extent only. (Secs. 28 and 29, R.A. No. 165a)

Requirement of the Petition. - The petition for cancellation shall be in writing, verified by the petitioner or by any person in his behalf who knows the facts, specify the grounds upon which it is based, include a statement of the facts to be relied upon, and filed with the Office. Copies of printed publications or of patents of other countries, and other supporting documents mentioned in the petition shall be attached thereto, together with the translation thereof in English, if not in the English language. (Sec. 30, R.A. No. 165)

Notice of Hearing. - Upon filing of a petition for cancellation, the Director of Legal Affairs shall forthwith serve notice of the filing thereof upon the patentee and all persons having grants or licenses, or any other right, title or interest in and to the patent and the invention covered thereby, as appears of record in the Office, and of notice of the date of hearing thereon on such persons and the petitioner. Notice of the filing of the petition shall be published in the IPO Gazette. (Sec. 31, R.A. No. 165a)

Committee of Three. - In cases involving highly technical issues, on motion of any party, the Director of Legal Affairs may order that the petition be heard and decided by a committee composed of the Director of Legal Affairs as chairman and two (2) members who have the experience or expertise in the field of technology to which the patent sought to be cancelled relates. The decision of the committee shall be appealable to the Director General. (n)

#### Cancellation of the Patent. –

65.1. If the Committee finds that a case for cancellation has been proved, it shall order the patent or any specified claim or claims thereof cancelled.

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

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

65.4. If the patent is amended under Subsection 65.2 hereof, the Bureau shall, at the same time as it publishes the mention of the cancellation decision, publish the abstract, representative claims and drawings indicating clearly what the amendments consist of. (n)

Effect of Cancellation of Patent or Claim. - The rights conferred by the patent or any specified claim or claims cancelled shall terminate. Notice of the cancellation shall be published in the IPO Gazette. Unless restrained by the Director General, the decision or order to cancel by Director of Legal Affairs shall be immediately executory even pending appeal. (Sec. 32, R.A. No. 165a)

## Chapter VII.

### REMEDIES OF A PERSON WITH A RIGHT TO A PATENT

Patent Application by Persons Not Having the Right to a Patent. –

67.1. If a person referred to in Section 29 other than the applicant, is declared by final court order or decision as having the right to the patent, such person may, within three (3) months after the decision has become final:

Prosecute the application as his own application in place of the applicant;

File a new patent application in respect of the same invention;

Request that the application be refused; or

Seek cancellation of the patent, if one has already been issued.

67.2. The provisions of Subsection 38.2 shall apply mutatis mutandis to a new application filed under Subsection 67.1(b). (n)

Remedies of the True and Actual Inventor. - If a person, who was deprived of the patent without his consent or through fraud is declared by final court order or decision to be the true and actual inventor, the court shall order for his substitution as patentee, or at the option of the true inventor, cancel the patent, and award actual and other damages in his favor if warranted by the circumstances. (Sec. 33, R.A. No. 165a)

Publication of the Court Order. - The court shall furnish the Office a copy of the order or decision referred to in Sections 67 and 68, which shall be published in the IPO Gazette within three (3) months from the date such order or decision became final and executory, and shall be recorded in the register of the Office. (n)

Time to File Action in Court. - The actions indicated in Sections 67 and 68 shall be filed within one (1) year from the date of publication made in accordance with Sections 44 and 51, respectively. (n)

## Chapter VIII.

### RIGHTS OF PATENTEES AND INFRINGEMENT OF PATENTS

#### Rights Conferred by Patent. –

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

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;

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.

71.2. Patent owners shall also have the right to assign, or transfer by succession the patent, and to conclude licensing contracts for the same. (Sec. 37, R.A. No. 165a)

Limitations of Patent Rights. - The owner of a patent has no right to prevent third parties from performing, without his authorization, the acts referred to in Section 71 hereof in the following circumstances:

72.1. Using a patented product which has been put on the market in the Philippines by the owner of the product, or with his express consent, insofar as such use is performed after that product has been so put on the said market: Provided with regard to drugs and medicines, the limitation on patent rights shall apply after a drug or medicine has been introduced in the Philippines or anywhere else in the world by the patent owner, or by any party authorized to use the invention: Provided, further the right to import the drugs and medicines contemplated in this section shall be available to any government agency or any private third party;

72.2. Where the act is done privately and on a non-commercial scale or for a non-commercial purpose: Provided it does not significantly prejudice the economic interests of the owner of the patent;

72.3. Where the act consists of making or using exclusively for experimental use of the invention for scientific purposes or educational purposes and such other activities directly related to such scientific or educational experimental use;

72.4. In the case of drugs and medicines, where the act includes testing, using, making or selling the invention including any data related thereto, solely for purposes reasonably related to the development and submission of information and issuance of approvals by government regulatory agencies required under any law of the Philippines or of another country that regulates the manufacture, construction, use or sale of any product: Provided, in order to protect the data submitted by the original patent holder from unfair commercial use provided in Article 39.3 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), the Intellectual Property Office, in consultation with the

appropriate government agencies, shall issue the appropriate rules and regulations necessary therein not later than one hundred twenty (120) days after the enactment of this law;

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

72.6. Where the invention is used in any ship, vessel, aircraft, or land vehicle of any other country entering the territory of the Philippines temporarily or accidentally: Provided such invention is used exclusively for the needs of the ship, vessel, aircraft, or land vehicle and not used for the manufacturing of anything to be sold within the Philippines. (Secs. 38 and 39, R.A. No. 165a)

Prior User. –

73.1. Notwithstanding Section 72 hereof, any 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, shall have the right to continue the use thereof as envisaged in such preparations within the territory where the patent produces its effect.

73.2. The right of the prior user may only be transferred or assigned together with his enterprise or business, or with that part of his enterprise or business in which the use or preparations for use have been made. (Sec. 40, R.A. No. 165a)

Use of Invention by Government. –

74.1. A Government agency or third person authorized by the Government may exploit the invention even without agreement of the patent owner where:

The public interest, in particular, national security, nutrition, health or the development of other sectors, as determined by the appropriate agency of the government, so requires; or

A judicial or administrative body has determined that the manner of exploitation, by the owner of the patent or his licensee, is anti-competitive; or

In the case of drugs and medicines, there is a national emergency or other circumstance of extreme urgency requiring the use of the invention; or

In the case of drugs and medicines, there is a public non-commercial use of the patent by the patentee, without satisfactory reason; or

In the case of drugs and medicines, the demand for the patented article in the Philippines is not being met to an adequate extent and on reasonable terms, as determined by the Secretary of the Department of Health.

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

In situations of national emergency or other circumstances of extreme urgency as provided under Section 74.1 (c), the right holder shall be notified as soon as reasonably practicable;

In the case of public non-commercial use of the patent by the patentee, without satisfactory reason, as provided under Section 74.1 (d), the right holder shall be informed promptly: Provided, the Government or third person authorized by the Government, without making a patent search, knows or has demonstrable ground to know that a valid patent is or will be used by or for the Government;

If the demand for the patented article in the Philippines is not being met to an adequate extent and on reasonable terms as provided under Section 74.1 (e), the right holder shall be informed promptly;

The scope and duration of such use shall be limited to the purpose for which it was authorized

Such use shall be non-exclusive;

The right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization; and

The existence of a national emergency or other circumstances of extreme urgency, referred to under Section 74.1 (c), shall be subject to the determination of the President of the Philippines for the purpose of determining the need for such use or other exploitation, which shall be immediately executory.

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

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

74.4. The Intellectual Property Office (IPO), in consultation with the appropriate government agencies, shall issue the appropriate implementing rules and regulations for the use or exploitation of patented inventions as contemplated in this section within one hundred twenty (120) days after the effectivity of this law.

Extent of Protection and Interpretation of Claims. –

75.1. The extent of protection conferred by the patent shall be determined by the claims, which are to be interpreted in the light of the description and drawings.

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

Civil Action for Infringement. –

76.1. The making, using, offering for sale, selling, or importing a patented product or a product obtained directly or indirectly from a patented process, or the use of a patented process without the authorization of the patentee constitutes patent infringement. Provided, this shall not apply to instances covered by Sections 72.1 and 72.4 (Limitations of Patent Rights); Section 74 (Use of Invention by Government); Section 93.6 (Compulsory Licensing); and Section 93-A (Procedures on Issuance of a Special Compulsory License under the TRIPS Agreement) of this Code.

76.2. Any patentee, or anyone possessing any right, title or interest in and to the patented invention, whose rights have been infringed, may bring a civil action before a court of competent jurisdiction, to

recover from the infringer such damages sustained thereby, plus attorney's fees and other expenses of litigation, and to secure an injunction for the protection of his rights.

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

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

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

76.6. Anyone who actively induces the infringement of a patent or provides the infringer with a component of a patented product or of a product produced because of a patented process knowing it to be especially adopted for infringing the patented invention and not suitable for substantial non-infringing use shall be liable as a contributory infringer and shall be jointly and severally liable with the infringer. (Sec. 42, R.A. No. 165a)

Infringement Action by a Foreign National. - Any foreign national or juridical entity who meets the requirements of Section 3 and not engaged in business in the Philippines, to which a patent has been granted or assigned under this Act, may bring an action for infringement of patent, whether or not it is licensed to do business in the Philippines under existing law. (Sec. 41-A, R.A. No. 165a)

Process Patents; Burden of Proof. - If the subject matter of a patent is a process for obtaining a product, any identical product shall be presumed to have been obtained through the use of the patented process if 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 ordering the defendant to prove that the process to obtain the identical product is different from the patented process, the court shall adopt measures to protect, as far as practicable, his manufacturing and business secrets. (n)

Limitation of Action for Damages. - No damages can be recovered for acts of infringement committed more than four (4) years before the institution of the action for infringement. (Sec. 43, R.A. No. 165)

Damages; Requirement of Notice. - Damages cannot be recovered for acts of infringement committed before the infringer had known, or had reasonable grounds to know of the patent. It is presumed that the infringer had known of the patent if on the patented product, or on the container or package in which the article is supplied to the public, or on the advertising material relating to the patented product or process, are placed the words "Philippine Patent" with the number of the patent. (Sec. 44, R.A. No. 165a)

Defenses in Action for Infringement. - In an action for infringement, the defendant, in addition to other defenses available to him, may show the invalidity of the patent, or any claim thereof, on any of the grounds on which a petition of cancellation can be brought under Section 61 hereof. (Sec. 45, R.A. No. 165)

Patent Found Invalid May be Cancelled. - In an action for infringement, if the court shall find the patent or any claim to be invalid, it shall cancel the same, and the Director of Legal Affairs upon receipt of the final judgment of cancellation by the court, shall record that fact in the register of the Office and shall publish a notice to that effect in the IPO Gazette. (Sec. 46, R.A. No. 165a)

Assessor in Infringement Action. –

83.1. Two (2) or more assessors may be appointed by the court. The assessors shall be possessed of the necessary scientific and technical knowledge required by the subject matter in litigation. Either party may challenge the fitness of any assessor proposed for appointment.

83.2. Each assessor shall receive a compensation in an amount to be fixed by the court and advanced by the complaining party, which shall be awarded as part of his costs should he prevail in the action. (Sec. 47, R.A. No. 165a)

Criminal Action for Repetition of Infringement. - If infringement is repeated by the infringer or by anyone in connivance with him after finality of the judgment of the court against the infringer, the offenders shall, without prejudice to the institution of a civil action for damages, be criminally liable therefor and, upon conviction, shall suffer imprisonment for the period of not less than six (6) months but not more than three (3) years and/or a fine of not less than One hundred thousand pesos (PhP 100,000) but not more than Three hundred thousand pesos (Php 300,000), at the discretion of the court. The criminal action herein provided shall prescribed in three (3) years from date of the commission of the crime. (Sec. 48, R.A. No. 165a)

Chapter IX.

## VOLUNTARY LICENSING

Voluntary License Contract. - To encourage the transfer and dissemination of technology, prevent or control practices and conditions that may in particular cases constitute an abuse of intellectual property rights having an adverse effect on competition and trade, all technology transfer arrangements shall comply with the provisions of this Chapter. (n)

Jurisdiction to Settle Disputes on Royalties. - The Director of the Documentation, Information and Technology Transfer Bureau shall exercise quasi-judicial jurisdiction in the settlement of disputes between parties to a technology transfer arrangement arising from technology transfer payments, including the fixing of appropriate amount or rate of royalty. (n)

Prohibited Clauses. - Except in cases under Section 91, the following provisions shall be deemed prima facie to have an adverse effect on competition and trade:

87.1. Those which impose upon the licensee the obligation to acquire from a specific source capital goods, intermediate products, raw materials, and other technologies, or of permanently employing personnel indicated by the licensor;

87.2. Those pursuant to which the licensor reserves the right to fix the sale or resale prices of the products manufactured on the basis of the license;

- 87.3. Those that contain restrictions regarding the volume and structure of production;
- 87.4. Those that prohibit the use of competitive technologies in a non-exclusive technology transfer agreement;
- 87.5. Those that establish a full or partial purchase option in favor of the licensor;
- 87.6. Those that obligate the licensee to transfer for free to the licensor the inventions or improvements that may be obtained through the use of the licensed technology;
- 87.7. Those that require payment of royalties to the owners of patents for patents which are not used;
- 87.8. Those that prohibit the licensee to export the licensed product unless justified for the protection of the legitimate interest of the licensor such as exports to countries where exclusive licenses to manufacture and/or distribute the licensed product(s) have already been granted;
- 87.9. Those which restrict the use of the technology supplied after the expiration of the technology transfer arrangement, except in cases of early termination of the technology transfer arrangement due to reason(s) attributable to the licensee;
- 87.10. Those which require payments for patents and other industrial property rights after their expiration, termination arrangement;
- 87.11. Those which require that the technology recipient shall not contest the validity of any of the patents of the technology supplier;
- 87.12. Those which restrict the research and development activities of the licensee designed to absorb and adapt the transferred technology to local conditions or to initiate research and development programs in connection with new products, processes or equipment;
- 87.13. Those which prevent the licensee from adapting the imported technology to local conditions, or introducing innovation to it, as long as it does not impair the quality standards prescribed by the licensor;
- 87.14. Those which exempt the licensor for liability for non-fulfillment of his responsibilities under the technology transfer arrangement and/or liability arising from third party suits brought about by the use of the licensed product or the licensed technology; and
- 87.15. Other clauses with equivalent effects. (Sec. 33-C(2), RA 165a)

Mandatory Provisions. - The following provisions shall be included in voluntary license contracts:

- 88.1. That the laws of the Philippines shall govern the interpretation of the same and in the event of litigation, the venue shall be the proper court in the place where the licensee has its principal office;
- 88.2. Continued access to improvements in techniques and processes related to the technology shall be made available during the period of the technology transfer arrangement;
- 88.3. In the event the technology transfer arrangement shall provide 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; and

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

Rights of Licensor. - In the absence of any provision to the contrary in the technology transfer arrangement, the grant of a license shall not prevent the licensor from granting further licenses to third person nor from exploiting the subject matter of the technology transfer arrangement himself. (Sec. 33-B, R.A. 165a)

Rights of Licensee. - The licensee shall be entitled to exploit the subject matter of the technology transfer arrangement during the whole term of the technology transfer arrangement. (Sec. 33-C (1), R.A. 165a)

Exceptional Cases. - In exceptional or meritorious cases where substantial benefits will accrue to the economy, such as high technology content, increase in foreign exchange earnings, employment generation, regional dispersal of industries and/or substitution with or use of local raw materials, or in the case of Board of Investments, registered companies with pioneer status, exemption from any of the above requirements may be allowed by the Documentation, Information and Technology Transfer Bureau after evaluation thereof on a case by case basis. (n)

Non-Registration with the Documentation, Information and Technology Transfer Bureau. - Technology transfer arrangements that conform with the provisions of Sections 86 and 87 need not be registered with the Documentation, Information and Technology Transfer Bureau. Non-conformance with any of the provisions of Sections 87 and 88, however, shall automatically render the technology transfer arrangement unenforceable, unless said technology transfer arrangement is approved and registered with the Documentation, Information and Technology Transfer Bureau under the provisions of Section 91 on exceptional cases. (n)

Chapter X.

## COMPULSORY LICENSING

Grounds for Compulsory Licensing. - The Director General of the Intellectual Property Office may grant a license to exploit a patented invention, even without the agreement of the patent owner, in favor of any person who has shown his capability to exploit the invention, under any of the following circumstances:

93.1. National emergency or other circumstances of extreme urgency;

93.2. Where the public interest, in particular, national security, nutrition, health or the development of other vital sectors of the national economy as determined by the appropriate agency of the Government, so requires; or

93.3. Where a judicial or administrative body has determined that the manner of exploitation by the owner of the patent or his licensee is anti-competitive; or

93.4. In case of public non-commercial use of the patent by the patentee, without satisfactory reason;

93.5. If the patented invention is not being worked in the Philippines on a commercial scale, although capable of being worked, without satisfactory reason: Provided the importation of the patented article shall constitute working or using the patent. (Secs. 34, 34-A, 34-B, R.A. No. 165a) and

93.6. Where the demand for patented drugs and medicines is not being met to an adequate extent and on reasonable terms, as determined by the Secretary of the Department of Health.

Sec. 93-A. Procedures on Issuance of a Special Compulsory License under the TRIPS Agreement. –

93-A.1. The Director General of the Intellectual Property Office, upon the written recommendation of the Secretary of the Department of Health, shall, upon filing of a petition, grant a special compulsory license for the importation of patented drugs and medicines. The special compulsory license for the importation contemplated under this provision shall be an additional special alternative procedure to ensure access to quality affordable medicines and shall be primarily for domestic consumption: Provided adequate remuneration shall be paid to the patent owner either by the exporting or importing country. The compulsory license shall also contain a provision directing the grantee the license to exercise reasonable measures to prevent the re-exportation of the products imported under this provision.

The grant of a special compulsory license under this provision shall be an exception to Sections 100.4 and 100.6 of Republic Act No. 8293 and shall be immediately executory.

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

93-A.2. A compulsory license shall also be available for the manufacture and export of drugs and medicines to any country having insufficient or no manufacturing capacity in the pharmaceutical sector to address public health problems: Provided, a compulsory license has been granted by such country or such country has, by notification or otherwise, allowed importation into its jurisdiction of the patented drugs and medicines from the Philippines in compliance with the TRIPS Agreement.

93-A.3. The right to grant a special compulsory license under this section shall not limit or prejudice the rights, obligations and flexibilities provided under the TRIPS Agreement and under Philippine laws, particularly Section 72.1 and Section 74 of the Intellectual Property Code, as amended under this Act. It is also without prejudice to the extent to which drugs and medicines produced under a compulsory license can be exported as allowed in the TRIPS Agreement and applicable laws.

Period for Filing a Petition for a Compulsory License. –

94.1. A compulsory license may not be applied for on the ground stated in Subsection 93.5 before the expiration of a period of four (4) years from the date of filing of the application or three (3) years from the date of the patent whichever period expires last.

94.2. A compulsory license which is applied for on any of the grounds stated in Subsections 93.2, 93.3, 93.4 and 93.6 and Section 97 may be applied for at any time after the grant of the patent. (Sec. 34(1), R.A. No. 165)

Requirement to Obtain a License on Reasonable Commercial Terms. –

95.1. The license will only be granted after the petitioner has made efforts to obtain authorization from the patent owner on reasonable commercial terms and conditions but such efforts have not been successful within a reasonable period of time.

95.2. The requirement under Subsection 95.1 shall not apply in any of the following cases:

Where the petition for compulsory license seeks to remedy a practice determined after judicial or administrative process to be anti-competitive;

In situations of national emergency or other circumstances of extreme urgency;

In cases of public non-commercial use; and

In cases where the demand for the patented drugs and medicines in the Philippines is not being met to an adequate extent and on reasonable terms, as determined by the Secretary of the Department of Health.

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

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

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

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

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

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

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

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

97.4. The terms and conditions of Sections 95, 96 and 98 to 100 of this Act. (Sec. 34-C, R.A. No. 165a)

Form and Contents of Petition. - The petition for compulsory licensing must be in writing, verified by the petitioner and accompanied by payment of the required filing fee. It shall contain the name and address of the petitioner as well as those of the respondents, the number and date of issue of the patent in connection with which compulsory license is sought, the name of the patentee, the title of the invention, the statutory grounds upon which compulsory license is sought, the ultimate facts constituting the petitioner's cause of action, and the relief prayed for. (Sec. 34-D, R.A. No. 165)

Notice of Hearing. –

99.1. Upon filing of a petition, the Director of Legal Affairs shall forthwith serve notice of the filing thereof upon the patent owner and all persons having grants or licenses, or any other right, title or interest in and to the patent and invention covered thereby as appears of record in the Office, and of notice of the date of hearing thereon, on such persons and petitioner. The resident agent or representative appointed in accordance with Section 33 hereof, shall be bound to accept service of notice of the filing of the petition within the meaning of this Section.

99.2. In every case, the notice shall be published by the said Office in a newspaper of general circulation, once a week for three (3) consecutive weeks and once in the IPO Gazette at applicant's expense. (Sec. 34-E, R.A. No. 165)

Terms and Conditions of Compulsory License. - The basic terms and conditions including the rate of royalties of a compulsory license shall be fixed by the Director of Legal Affairs subject to the following conditions:

100.1. The scope and duration of such license shall be limited to the purpose for which it was authorized;

100.2. The license shall be non-exclusive;

100.3. The license shall be non-assignable, except with that part of the enterprise or business with which the invention is being exploited;

100.4. Use of the subject matter of the license shall be devoted predominantly for the supply of the Philippine market: Provided this limitation shall not apply where the grant of the license is based on the ground that the patentee's manner of exploiting the patent is determined by judicial or administrative process, to be anti-competitive.

100.5. The license may be terminated upon proper showing that circumstances which led to its grant have ceased to exist and are unlikely to recur: Provided adequate protection shall be afforded to the legitimate interest of the licensee; and

100.6. The patentee shall be paid adequate remuneration taking into account the economic value of the grant or authorization, except that in cases where the license was granted to remedy a practice which was determined after judicial or administrative process, to be anti-competitive, the need to correct the anti-competitive practice may be taken into account in fixing the amount of remuneration. (Sec. 35-B, R.A. No. 165a)

Amendment, Cancellation, Surrender of Compulsory License. –

101.1. Upon the request of the patentee or the licensee, the Director of Legal Affairs may amend the decision granting the compulsory license, upon proper showing of new facts or circumstances justifying such amendment.

101.2. Upon the request of the patentee, the said Director may cancel the compulsory license:

If the ground for the grant of the compulsory license no longer exists and is unlikely to recur;

if the licensee has neither begun to supply the domestic market nor made serious preparation therefor;

if the licensee has not complied with the prescribed terms of the license;

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

101.4. The said Director shall cause the amendment, surrender, or cancellation in the Register, notify the patentee, and/or the licensee, and cause notice thereof to be published in the IPO Gazette. (Sec. 35-D, R.A. No. 165a)

Licensee's Exemption from Liability. - Any person who works a patented product, substance and/or process under a license granted under this Chapter, shall be free from any liability for infringement: Provided however in the case of voluntary licensing, no collusion with the licensor is proven. This is without prejudice to the right of the rightful owner of the patent to recover from the licensor whatever he may have received as royalties under the license. (Sec. 35-E, R.A. No. 165a)

## Chapter XI.

### ASSIGNMENT AND TRANSMISSION OF RIGHTS

#### Transmission of Rights. –

103.1. Patents or applications for patents and invention to which they relate, shall be protected in the same way as the rights of other property under the Civil Code.

103.2. Inventions and any right, title or interest in and to patents and inventions covered thereby, may be assigned or transmitted by inheritance or bequest or may be the subject of a license contract. (Sec. 50, R.A. No. 165a)

Assignment of Inventions. - An assignment may be of the entire right, title or interest in and to the patent and the invention covered thereby, or of an undivided share of the entire patent and invention, in which event the parties become joint owners thereof. An assignment may be limited to a specified territory. (Sec. 51, R.A. No. 165)

Form of Assignment. - The assignment must be in writing, acknowledged before a notary public or other officer authorized to administer oath or perform notarial acts, and certified under the hand and official seal of the notary or such other officer. (Sec. 52, R.A. No. 165)

#### Recording. –

106.1. The Office shall record assignments, licenses and other instruments relating to the transmission of any right, title or interest in and to inventions, and patents or application for patents or inventions to

which they relate, which are presented in due form to the Office for registration, in books and records kept for the purpose. The original documents together with a signed duplicate thereof shall be filed, and the contents thereof should be kept confidential. If the original is not available, an authenticated copy thereof in duplicate may be filed. Upon recording, the Office shall retain the duplicate, return the original or the authenticated copy to the party who filed the same and notice of the recording shall be published in the IPO Gazette.

106.2. Such instruments shall be void as against any subsequent purchaser or mortgagee for valuable consideration and without notice, unless, it is so recorded in the Office, within three (3) months from the date of said instrument, or prior to the subsequent purchase or mortgage. (Sec. 53, R.A. No. 165a)

Rights of Joint Owners. - If two (2) or more persons jointly own a patent and the invention covered thereby, either by the issuance of the patent in their joint favor or by reason of the assignment of an undivided share in the patent and invention or by reason of the succession in title to such share, each of the joint owners shall be entitled to personally make, use, sell, or import the invention for his own profit: Provided, however neither of the joint owners shall be entitled to grant licenses or to assign his right, title or interest or part thereof without the consent of the other owner or owners, or without proportionally dividing the proceeds with such other owner or owners. (Sec. 54, R.A. No. 165)

## Chapter XII.

### REGISTRATION OF UTILITY MODELS

#### Applicability of Provisions Relating to Patents. –

108.1. Subject to Section 109, the provisions governing patents shall apply, mutatis mutandis, to the registration of utility models.

108.2. Where the right to a patent conflicts with the right to a utility model registration in the case referred to in Section 29, the said provision shall apply as if the word "patent" were replaced by the words "patent or utility model registration." (Sec. 55, R.A. No. 165a)

#### Special Provisions Relating to Utility Models. –

##### 109.1

An invention qualifies for registration as a utility model if it is new and industrially applicable.

Section 21, "Patentable Inventions", shall apply except the reference to inventive step as a condition of protection.

109.2. Sections 43 to 49 shall not apply in the case of applications for registration of a utility model.

109.3. A utility model registration shall expire, without any possibility of renewal, at the end of the seventh year after the date of the filing of the application.

109.4. In proceedings under Sections 61 to 64, the utility model registration shall be cancelled on the following grounds:

That the claimed invention does not qualify for registration as a utility model and does not meet the requirements of registrability, in particular having regard to Subsection 109.1 and Sections 22, 23, 24 and 27;

That the description and the claims do not comply with the prescribed requirements;

That any drawing which is necessary for the understanding of the invention has not been furnished;

That the owner of the utility model registration is not the inventor or his successor in title. (Secs. 55, 56, and 57, R.A. No. 165a)

Conversion of Patent Applications or Applications for Utility Model Registration. -

110.1. 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. An application may be converted only once.

110.2. At any time before the grant or refusal of a utility model registration, an applicant for a utility model registration may, upon payment of the prescribed fee, convert his application into a patent application, which shall be accorded the filing date of the initial application. (Sec. 58, R.A. No. 165a)

Prohibition against Filing of Parallel Applications. - 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. (Sec. 59, R.A. No. 165a)

Chapter XIII.

INDUSTRIAL DESIGN AND LAYOUT-DESIGNS (TOPOGRAPHIES) OF INTEGRATED CIRCUITS

Definition of Terms. –

1. An Industrial Design is any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors: Provided such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft. (Sec. 55, R.A. No. 165a)

2. Integrated Circuit means a product, in its final form, or an intermediate form, in which the elements, at least one of which is an active element and some or all of the interconnections are integrally formed in and/or on a piece of material, and which is intended to perform an electronic function; and

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

Substantive Conditions for Protection. –

113.1. Only industrial designs that are new or ornamental shall benefit from protection under this Act.

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

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

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

Contents of the Application. –

114.1. Every application for registration of an industrial design or layout-design shall contain:

A request for registration of the industrial design or layout-design;

Information identifying the applicant;

An indication of the kind of article of manufacture or handicraft to which the industrial design or layout-design shall be applied;

A representation of the article of manufacture or handicraft by way of drawings, photographs or other adequate graphic representation of the industrial design or of the layout-design as applied to the article of manufacture or handicraft which clearly and fully discloses those features for which protection is claimed; and

The name and address of the creator, or where the applicant is not the creator, a statement indicating the origin of the right to the industrial design or layout-design registration.

114.2. The application may be accompanied by a specimen of the article embodying the industrial design or layout-design and shall be subject to the payment of the prescribed fee. (n)

Several Industrial Designs in One Application. - Two (2) or more industrial designs may be the subject of the same application: Provided they relate to the same sub-class of the International Classification or to the same set or composition of articles. (n)

Examination. –

116.1. The Office shall accord as the filing date the date of receipt of the application containing indications allowing the identity of the applicant to be established and a representation of the article embodying the industrial design or the layout-design or a pictorial representation thereof.

116.2. If the application does not meet these requirements, the filing date should be that date when all the elements specified in Sec. 114 are filed or the mistakes corrected. Otherwise if the requirements are not complied within the prescribed period, the application shall be considered withdrawn.

116.3. After the application has been accorded a filing date and the required fees paid on time, the applicant shall comply with the requirements of Sec. 114 within the prescribed period, otherwise the application shall be considered withdrawn.



116.4. The Office shall examine whether the industrial design or layout-design complies with requirements of Sec. 112 (Definitions) and Sec. 113 (Substantive Conditions for Protection).

Registration. –

117.1. Where the Office finds that the conditions referred to in Sec. 113 are fulfilled, it shall order that registration be effected in the industrial design or layout-design register and cause the issuance of an industrial design or layout-design certificate of registration; otherwise, it shall refuse the application.

117.2. The form and contents of an industrial design or layout-design certificate shall be established by the Regulations: Provided the name and address of the creator shall be mentioned in every case.

117.3. Registration shall be published in the form and within the period fixed by the Regulations.

117.4. The Office shall record in the register any change in the identity of the proprietor of the industrial design or layout-design or his representative, if proof thereof is furnished to it. A fee shall be paid, with the request to record the change in the identity of the proprietor. If the fee is not paid, the request shall be deemed not to have been filed. In such case, the former proprietor and the former representative shall remain subject to the rights and obligations as provided in this Act.

117.5. Anyone may inspect the Register and the files of registered industrial designs or layout-designs including the files of cancellation proceedings. (n)

The Term of Industrial Design or Layout-Design Registration. -

118.1. The registration of an industrial design shall be for a period of five (5) years from the filing date of the application.

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

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

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

118.5. Registration of a layout-design shall be valid for a period of ten (10) years, without renewal, and such validity to be counted from the date of commencement of the protection accorded to the layout-design. The protection of a layout-design under this Act shall commence:

on 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 an application for registration is filed with the Intellectual Property Office within two (2) years from such date of first commercial exploitation; or

on 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.

Application of Other Sections and Chapters. –

119.1. The following provisions relating to patents shall apply mutatis mutandis to an industrial design registration:

Section 21

-Novelty

Section 24

-Prior art; Provided the disclosure is contained in printed documents or in any tangible form;

Section 25

-Non-prejudicial Disclosure;

Section 28

-Right to a Patent;

Section 29

-First to File Rule;

Section 30

-Inventions Created Pursuant to a Commission;

Section 31

-Right of Priority: Provided the application for industrial design shall be filed within six (6) months from the earliest filing date of the corresponding foreign application;

Section 33

-Appointment of Agent or Representative;

Section 51

-Refusal of the Application;

Sections 56 to 60

-Surrender, Correction of and Changes in Patent;

Chapter VII

-Remedies of a Person with a Right to Patent;

Chapter VIII

-Rights of Patentees and Infringement of Patents; and

Chapter XI

-Assignment and Transmission of Rights

119.2. If the essential elements of an industrial design which is the subject of an application have been obtained from the creation of another person without his consent, protection under this Chapter cannot be invoked against the injured party. (n)

119.3. The following provisions relating to patents shall apply mutatis mutandis to a layout -design of integrated circuits registration:

#### Section 28

-Right to a Patent;

#### Section 29

-First to File Rule;

#### Section 30

-Inventions Created Pursuant to a Commission;

#### Section 33

-Appointment of Agent or Representative;

#### Section 56

-Surrender of Patent;

#### Section 57

-Correction of Mistakes of the Office;

#### Section 58

-Correction of Mistakes in the Application;

#### Section 59

-Changes in Patents;

#### Section 60

-Form and Publication of Amendment;

#### Chapter VII

-Remedies of a Person with a Right to Patent;

#### Chapter VIII

-Rights of Patentees and Infringement of Patents: Provided the layout-design rights and limitation of layout-design rights provided hereunder shall govern:

#### Chapter X

-  
Compulsory Licensing;

## Chapter XI

-Assignment and Transmission of Rights

119.4. Rights Conferred to the Owner of a Layout-Design Registration. - The owner of a layout-design registration shall enjoy the following rights:

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

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.

119.5. Limitations of Layout Rights. - 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:

Reproduction of the registered layout-design for private purposes or for the sole purpose of evaluation, analysis, research or teaching;

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 in the meaning as provided herein;

Where the act is performed in respect of a registered lay-out-design, or in respect of an integrated circuit in which such a layout-design is incorporated has been put on the market by or with the consent of the right holder;

In respect of an integrated circuit where the person performing or ordering such an act did not know and had no reasonable ground to know when acquiring the integrated circuit or the article incorporating such an integrated circuit it incorporated an unlawfully reproduced layout-design: Provided, however after the time that such person has received sufficient notice that the layout-design was unlawfully reproduced 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 5% of net sales or such other reasonable royalty as would be payable under a freely negotiated license in respect of such layout-design; or

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

Cancellation of Design Registration. –

120.1. At any time during the term of the industrial design registration, any person upon payment of the required fee, may petition the Director of Legal Affairs to cancel the industrial design on any of the following grounds:

If the subject matter of the industrial design is not registrable within the terms of Sections 112 and 113;

If the subject matter is not new; or

If the subject matter of the industrial design extends beyond the content of the application as originally filed.

120.2. Where the grounds for cancellation relate to a part of the industrial design, cancellation may be effected to such extent only. The restriction may be effected in the form of an alteration of the effected features of the design. (n)

120.3. Grounds for Cancellation of Layout-Design of Integrated Circuits.- Any interested person may petition that the registration of a layout-design be cancelled on the ground that:

the layout-design is not protectable under this Act;

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

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

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

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