1) THE FACTS: Business in the Philippines for EU Companies

- Philippines GDP in 2018: EUR 281 billion (Source: DG Trade)
- Philippines GDP growth in 2018: 6.5% (Source: DG Trade)

SIZE of the market (Source: DG Trade)
- EU exports (total goods) to the Philippines in 2018: EUR 7.7 billion
- EU imports (total goods) from the Philippines in 2018: EUR 7.9 billion
- Total trade in goods in 2018: EUR 15.6 billion
- EU exports in services to the Philippines in 2017: EUR 2.2 billion
- EU imports in services from the Philippines in 2017: EUR 2.6 billion
- Total trade in services in 2017: EUR 4.8 billion
- Philippines GDP in 2018: EUR 281 billion
- Philippines GDP growth in 2018: 6.5%

- The EU’s foreign direct investment stock in the Philippines reached EUR 13.7 billion in 2018, making the EU the largest foreign investor in the country.
- The EU is the Philippines’ fourth largest trading partner, and accounted for almost 10% of the country’s total trade in 2018 (after China, Japan and the US). The Philippines is the EU’s 41st largest trading partner globally, accounting for 0.4% of the EU’s total trade.
- Negotiations for an EU–Philippines trade and investment agreement were launched on 22 December 2015. The goal is to conclude an agreement that covers a broad range of issues, including tariffs, non-tariff barriers to trade, trade in services, and investment, as well as trade aspects of public procurement, intellectual property (IP), competition, and sustainable development.

Key INDUSTRY SECTORS (Source: DG Trade)
- EU exports to the Philippines are dominated by machinery, transport equipment, chemicals, food products, and electronic components.
- The Philippines’ main exports to the EU are office and telecommunication equipment, machinery, food products, and optical and photographic instruments.
2. IP in the Philippines for SMEs: BACKGROUND

IPR for SMEs: why is this RELEVANT to you?

Intellectual property rights (IPR), as intangible assets, are a key factor in the competitiveness of businesses in the global economy. IPR is a primary method for securing a return on investment in innovation, and is particularly relevant to small and medium-sized enterprises (SMEs) (see EC definition https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en) when they internationalise their business to areas such as South-East Asia. They do not only provide a way to help protect innovations from competitors, IP assets can also be an important source of cash-flow through their sale or licensing, as well as a significant pull-factor when attracting investors.

Although SMEs often have limited time and resources, it is important to be aware of how valuable IP is for businesses. IPR infringement is one of the most common concerns for companies dealing with members of the Association of Southeast Asian Nations (ASEAN). IPR infringement can lead to loss of business, revenue, reputation and competitive advantage, both in South-East Asia and in core domestic markets. Proactive steps should be taken to protect IP and deter potential infringers.

The Philippines is developing overarching strategies to strengthen its IP system to protect rights holders. In an increasingly globalised environment, IPR constitute key considerations for businesses to maintain their competitive advantages. The Philippines has developed a comprehensive IP legal framework and has exerted significant efforts to strengthen its campaign against counterfeiting and piracy. In particular, legal and policy structures in the Philippines are being strengthened through laws that respond to the contemporary technological environment. The capabilities of enforcement agencies are also being enhanced to ensure effective management of IPR-related issues. The judicial sector is being trained to familiarise itself with the more technical aspects of IPR. Finally, the Philippines has also taken steps towards a more development-oriented IP system. Pilot local products have been included in a project on geographical indications (GIs). These steps are aimed at encouraging local production, global competitiveness and a greater orientation towards exports.

Nevertheless, the threat of IP violations in the country remains. IPR infringement still represents a major concern for businesses dealing with the Philippines because the damages caused by infringement can lead to a significant loss of revenue and competitive advantage. IPR infringements can even cause damage to the reputation of the company concerned. To SMEs, losses and damages such as these may often lead to the end of a business venture.

How does Singapore’s IP legal framework compare to INTERNATIONAL STANDARDS?

The Philippines’ authorities are aware of the significant challenges that the weak protection of IP assets poses to the national economy. The Republic Act No. 8293 or the Intellectual Property Code of the Philippines (the ‘IP Code’) recognises the fact that an effective IP system is vital for developing domestic and creative activity, facilitating the transfer of technology, attracting foreign investments, and ensuring market access for products. Thus, streamlining administrative procedures for registering patents, trade marks and copyright, liberalising the registration of the transfer of technology, and enhancing the enforcement of IPR in the Philippines has become state policy.

The Philippines has aimed at developing an IP legal framework that is compliant with international standards, and it has also acceded to international agreements, conventions and protocols, such as:

- Marrakesh Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities’ (since 18 March 2019);
- Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (since 25 July 2012);
- Patent Cooperation Treaty (PCT) (since 17 August 2001);
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (since 1 January 1995);
- Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (since 25 September 1984);
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for Purposes of Patent Procedure (since 21 October 1981);
- Convention Establishing the World Intellectual Property Organization (the WIPO Convention) (since 14 July 1980);
- Paris Convention for the Protection of Industrial Property (since 27 September 1965);
- Berne Convention for the Protection of Literary and Artistic Works (the Berne Convention) (since 1 August 1951).

IP TIPS and things to WATCH OUT for in the Philippines

- The Philippines has a first-to-file IP system, that is, the first person to file an application will own the rights to the IP once it is granted. Therefore, it is essential to register your IP in the Philippines as soon as possible, ideally before commencing business dealings there.
- Bad faith registration is a process which commonly involves a local company registering the trade mark of a foreign company in the Philippines with the express intention either of abusing the reputation of the brand owner by doing business under its brand or selling it back to the foreign company at an inflated price. The online database of the Intellectual Property Office of the Philippines (IPOPHL), especially for trade marks, is promptly updated and is used to monitor applications filed with the IPOPHL.
- Whereas many features of the Philippines IP legal framework are comparable with the protection offered by EU countries there are still some weaknesses. For instance, there is no sui generis protection for GIs in the Philippines. You can register your GIs as collective marks.
3) IP Rights in the Philippines: THE BASICS

A. Copyright

WHAT is copyright?
Copyright is a legal term used to describe the exclusive rights granted to authors, artists and other creators for their creations. The IP Code extends legal protection, in the form of copyright, to the owner of the rights to an original work, such as books and other writings, musical works, films, paintings, photographs, computer programs and others (as listed in Section 172 of the IP Code).

Copyright in the Philippines: what you need to know
The Philippine’s IP Code grants authors, artists and other creators automatic protection for their literary, scientific and artistic creations, from the moment they are created.

The IP Code defines ‘author’ as the person who has created the work. Therefore, when applying for copyright registration in the Philippines, the author of the work must be a natural person.

There are two types of rights under the copyright system of the Philippines: economic rights and moral rights. Economic rights are limited in time and can be licensed or sold. They consist of the exclusive rights of the creator or author to exploit their works. Authors have the right to authorise or prevent the use and copying of the work, its public performance (e.g. playing copyrighted songs in public areas) and/or the transformation of the work (e.g. adaptation of a book to a movie). Moral rights, which last during the lifetime of the author and in perpetuity after the author’s death, are independent from economic rights. These are not assignable or subject to a license. Moral rights entitle the author or creator to take measures to protect the connection between himself and the work. This includes the right to:
• Require authorship of the works to be attributed to him/her;
• Make alterations to the work prior to, or withhold it from, publication;
• Object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the work;
• Prohibit the use of their name, with respect to any work not created by them or distorted versions of their work.

The fair use of a copyrighted work for criticism, comment, news reporting, teaching (including a limited number of copies for classroom use), research, and similar purposes is not an infringement of copyright in the Philippines. In determining fair use, the following are considered:
• The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;
• The nature of the copyrighted work;
• The amount and substantiality of the portion used in relation to the copyrighted work as a whole;
• The effect of the use upon the potential market for, or value of, the copyrighted work.

To strengthen the provisions of the IP Code, Republic Act No. 10372 (the ‘IP Code amendment’) was enacted in 2013 and, among other things, initiated the following:
• Establishment of the Bureau of Copyright and Other Related Rights (BCRR), which has policy formulation, rulemaking and adjudication functions to serve copyright-and other related rights-based industries.
• Granting of visitorial powers to the IPOPHL, allowing them to act on complaints or reports and visit establishments that violate IP rights, including copyright.
• Introduction of landlord liability in case of copyright infringement cases. For example, owners of establishments or malls may now be held liable for copyright infringement if, after being given notice, they continue to allow, and benefit, from the copyright infringing activities of stalls or shops in their establishments/malls.

How LONG does legal protection last?
Generally, legal protection lasts for 50 years after the death of the author of the original or derivative work. For photographic and audio-visual works, the term is 50 years from the date of publication.
**How do I register?**
The owner may file an application for a certificate of registration and deposit copies of the works with the Copyright Section of the National Library or with the IPOPHL, submitting the following documents:

- Copyright application form and affidavit of ownership, which can be downloaded from the IPOPHL’s website or the National Library’s website ([https://drive.google.com/file/d/1Lbq3DoFo0HSt2QdipSuEisnuSVn2-R/view](https://drive.google.com/file/d/1Lbq3DoFo0HSt2QdipSuEisnuSVn2-R/view));
- Two copies of the original work;
- Certified copy of the notarised assignment document if the applicant/owner is not the author of the work;
- Copy of the business registration certificate of the applicant;
- Power of attorney (POA) in favour of the agent, if applicable (must be accompanied by a board resolution/secretary’s certificate establishing the authority of the signatory to the POA if filing with the IPOPHL).

In addition to the above documentary requirements, the applicant must also provide information regarding the date, place and person/entity that first completed the printing and the date, place and person/establishment where the work was first published or sold in the Philippines.

The addresses of the Copyright Section of the National Library and the Bureau of Copyrights of the IPOPHL can be found below:

**National Library of the Philippines**
*Copyright Section*
5/F East Wing, NLP Building,
T.M. Kalaw Avenue, Manila
Philippines
Email: copyright@nlp.gov.ph
Telephone: (632) 524-27-37

**Intellectual Property Office of the Philippines**
*Bureau of Copyrights*
#28 Upper McKinley Road,
McKinley Hill Town Center
Fort Bonifacio,
Taguig City 1634,
Philippines

**WHO can register?**
The author or creator of the work, their heirs, or assignees may apply in person or through a duly authorised representative.

Foreigners are permitted to apply for registration but non-resident applicants must be represented by a duly authorised resident agent to whom notice of, or processes regarding, judicial or administrative procedures relating to the application or the registration, may be served.

**Which LANGUAGES can I use?**
English or Filipino.

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**How much does it COST?**
The cost of the application fee is based on whether the applicant is considered a small or big entity. Entities with assets worth PHP 100 million (approximately EUR 1788909) or less are considered small entities, while entities with assets exceeding the said amount are considered big entities.

In practice, foreign companies are presumed to be big entities unless they are able to prove the contrary. In order to qualify as a small entity, the foreign company must submit an affidavit stating that it is, in reality, a small entity.

The typical official cost of copyright registration in the Philippines is PHP 650 for small entities or PHP 825 for big entities (approximately EUR 12 or EUR 15).

Total official charges may vary depending on the number of claims, classes and embodiments applied. All fees are subject to a 1% Legal Research Fund (LRF) levy.

For more details, please visit IPOPHL website at [https://www.ipophil.gov.ph/services/copyright/](https://www.ipophil.gov.ph/services/copyright/).

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**Copyrights TIPS and things to WATCH OUT for in the Philippines**
- Works are protected from the moment of their creation.
- Copyright registration is not required to enforce the copyright, but it is a means to establishing ownership of the copyright over the work. This is especially useful when seeking remedies against the infringers before the courts.
- To date, you can file applications for the registration and deposition of copyrighted works in the Philippines with either the National Library or the IPOPHL.
- You can submit your copyright infringement complaint to the IPR Enforcement Office (IEO) of the IPOPHL, which may enact administrative enforcement and/or conduct visits to businesses engaging in activities that violate copyright.

For more information on copyright protection in Philippines, check out our South-East Asia IPR SME Helpdesk Guide to Copyright Protection in South-East Asia, which is available to download from our website, [https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/Copyright_english.pdf](https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/Copyright_english.pdf).
B. Patents

WHAT are patents?
Patents (also known as ‘Letter Patents’ in the Philippines) are defined as exclusive rights granted to an inventor of a product or process that provides any technical solution to a problem in any field of human activity that is new, inventive and industrially applicable.

A patent confers its owner the exclusive right to restrain, prohibit and prevent any unauthorised person or entity from making, using, offering for sale, selling or importing the patented product.

If the subject matter of the patent is a process, then the right granted is the right to restrain, prohibit and prevent any unauthorised person or entity from using the process, and from manufacturing, dealing in, using, selling or offering for sale, or importing any products obtained directly or indirectly from such a process.

Patents in the Philippines: what you need to know
The Philippines follows the first-to-file rule, meaning that when two or more applications are filed for the same invention, the right to the patent will belong to the applicant who has the earliest filing or priority date.

The following are not patentable in the Philippines:
- Discoveries, scientific theories and mathematical methods.
- In relation to 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 use of a known process unless such known process results in a new product that employs at least one new reactant. New forms of known drugs that are not significantly different with regard to efficacy are not patentable. Salts, esters, ethers, polymorphs, metabolites, pure form, particle size isomers, mixtures of isomers, complexes, combinations, and other derivatives of a known substance, are considered to be the same substance, unless they differ significantly in efficacy.
  - Abstract ideas or theories, fundamental concepts (apart from the means of, or processes for, developing concepts so that they may produce technical effects).
  - Schemes, rules and methods of performing mental acts, playing games or doing business, and programs for computers.
  - Methods for treatment of the human or animal body by surgery or therapeutic and diagnostic methods practiced on the human or animal body. This provision does not apply to products and composition for use in any of these methods.
  - Plant varieties, animal breeds, or essentially any biological process for the production of plants or animals. This provision does not apply to microorganisms and non-biological and microbiological processes. Plant varieties are not patentable but can be protected under the Plant Variety Protection Act of 2002 (Republic Act No. 9168).
  - Aesthetic creations.
  - Anything contrary to public order, health, welfare or morality, or processes for cloning or modifying the germline genetic identity of humans or animals, or use of the human embryo.

An invention is not considered to be new if it forms part of prior art. Prior art consists of all the works publicly disclosed anywhere in the world by written or oral means, by prior use, or by any other way, before the filing date or the priority date of the application. To be patentable, the invention must also be inventive and industrially applicable. An invention is considered inventive if it is not obvious to a person skilled in the art.

Licensing of all forms of IPR, including patents, falls under the definition of ‘technology transfer arrangements’ (TTAs) under the IP Code. TTAs must contain certain mandatory provisions and exclude certain prohibited clauses in order to be enforceable.

Utility models
An invention that lacks inventiveness but is new and industrially applicable may be registered as a utility model.

Utility model registrations are relatively less expensive, and quicker to obtain compared to securing Letters Patent. The rights and remedies granted to patentees are also granted to owners of utility model registrations. Thus, entities with patentable innovations may opt to register the innovation as a utility model in order to secure protection for their IP assets.

The conversion of patent applications and utility model applications is allowable. At any time before the granting or refusal, the applicant can submit a request for converting their patent application into the utility model application and vice versa. A patent or utility model application is allowed to be converted only once and conversion fees are required.

Patent-related international treaties
The Philippines is party to the Paris Convention for the Protection of Industrial Property; applicants for patents are entitled to a ‘right of priority’ if the same filing has been made within 12 months in any other country also party to the convention. This is very useful for patent owners because after filing the first application in their home country, they then have 12 months of leeway to decide which other countries they want to register in before having to commence international filings.

The Philippines is a member of the PCT. The PCT makes it easier for foreign businesses to obtain patents in the Philippines as formal examinations, searches and publications are done at the WIPO’s International Bureau. This mechanism allows a longer ‘wait and see’ period before the applicant decides on the countries in which he or she requires patent. Via the PCT, an application can be filed in any member country and a single filing application can be converted into another application at any time before the granting or refusal, provided that the application complies with the requirements of the particular country to which it is being converted. The conversion of patent applications and utility model applications is allowable. At any time before the granting or refusal, the applicant can submit a request for converting their patent application into the utility model application or vice versa. A patent or utility model application is allowed to be converted only once and conversion fees are required.
How LONG does legal protection last?
Protection for patents last for 20 years from the filing of the application, it is subject to the payment of annuities for validity, and is not renewable.

A utility model registration’s term lasts for seven years after the filing date of the application and is not renewable.

HOW do I register?
A patent application can be submitted either online or in person to the IPOPHL.

The application must be filled using the official form, which can be downloaded from the IPOPHL website, https://www.ipophil.gov.ph/services/patent/filing/.

The application must also include:
- Specification and description of the patent (title, brief statement of its nature and purposes, distinct and explicit claim or claims which the applicant seeks to be protected, abstract of the invention);
- Drawings of the invention;
- POA;
- Priority document (if any);
- Cheques for the payment of fees.

For non-resident applicants, a local agent must be authorised to file the application on their behalf.

In-person applications can be filed at the following address:

Intellectual Property Office of the Philippines (IPOPHL)
Bureau of Patents
Intellectual Property Center,
#28 Upper McKinley Rd,
Taguig, 1634 Metro Manila,
Philippines

Once all application requirements have been met, the application will be published 18 months from the filing or priority date. Next, the application undergoes substantive examination. Following the publication of the patent application, any person may present observations in writing concerning the patentability of the invention. Such observations will be communicated to the applicant who may then comment on them.

If the examiner finds that the subject of the patent application is new, inventive and industrially applicable, then a patent is granted for the invention. The average time for patent registration in the Philippines is around four years.

For the utility model, the process is much faster. The average time to obtain a registration is just around eight months from the filing date.

WHO can register?
Any person, natural or juridical, may apply for a patent. Patent rights belong to the inventor, their heirs, or assignees. When two or more people have made an invention, the patent will be awarded jointly. Foreigners or non-residents can apply, but they must appoint a local agent to take care of the application procedure and whom notice of, or processes regarding, judicial or administrative procedures relating to the application or the registration, may be served.

Which LANGUAGES can I use?
English or Filipino.

How much does it COST?
The cost for patent registration is based on whether the applicant is considered to be a small or big entity (see above). The basic official registration fees are as follows:
- **Patent registration**
  - PHP 6600 (approximately EUR 118) for small entities
  - PHP 11800 (approximately EUR 211) for big entities
- **Utility model registration**
  - PHP 4300 (approximately EUR 77) for small entities
  - PHP 6800 (approximately EUR 122) for big entities

The annual fees for maintaining the validity of invention patents ranges from PHP 1550 (approximately EUR 28) to PHP 65160 (approximately EUR 1148). For further information, please visit the IPOPHL website at https://www.ipophil.gov.ph/services/patent/.

For more information on patent and design protection in the Philippines, check out our South-East Asia IPR SME Helpdesk Guide to Patent Protection in South-East Asia, which is available to download from our website, https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/industrial_designs_protection_in_south-east_asia.pdf.
C. Industrial designs

**WHAT are industrial designs?**

An industrial design is the ornamental or aesthetic aspect of an article. Design may include three-dimensional features (shape or surface of an article), or two-dimensional features (patterns or lines of colours). Subjects of industrial designs range from fashion to industrial goods and include handicrafts, jewellery, vehicles, and appliances.

In order to be registrable, an industrial design must be a new or original creation. The following industrial designs are not registrable:

a. Industrial designs that are dictated essentially by technical or functional considerations to obtain a technical result;

b. Industrial designs that are merely schemes of surface ornamentations existing separately from the industrial product or handicraft;

c. Industrial designs that are contrary to public order, health, or morals.

**Industrial designs in the Philippines: what you need to know**

The owners of industrial design registrations possess the same rights, and have the same remedies available to them, as patentees under the IP Code. The registered design allows the owner of that design to control its use, exploit the design and prohibit others from copying, using, selling, importing or exporting objects with that design without their permission.

The Philippines is party to the Paris Convention for the Protection of Industrial Property; applicants for industrial designs are entitled to a ‘right of priority’ if the same filing has been made within six months in any other country also party to the convention. This is very useful to the design owner because, after filing your first application, you have up to six months of leeway to decide which other countries you want to register in before having to commence international filing.

**How LONG does legal protection last?**

An **industrial design** registration is valid for a period of five years from the date of the application, and is renewable for two consecutive five year periods by paying the renewal fee. The maximum total duration is 15 years.
### WHO can register?
Any person, natural or juridical, may apply for industrial design registration. Foreigners or non-residents can apply, but they must appoint a local agent to take care of the application procedure and to whom notice of, or processes regarding, judicial or administrative procedures relating to the application or the registration, may be served.

### Which LANGUAGES can I use?
English or Filipino.

### How much does it COST?
As for the other IP types, the cost for registration of industrial designs is based on whether the applicant is considered a small or big entity.

The basic fees for design registrations are as follows:
- PHP 4,300 (approximately EUR 77) for small entities;
- PHP 6,800 (approximately EUR 122) for big entities.

For further details, please visit the IPOPHL website at [https://www.ipophil.gov.ph/services/industrial-design/](https://www.ipophil.gov.ph/services/industrial-design/).

### HOW do I register?
It is possible to file a single application for multiple designs. However, in order to do so the designs must relate to the same subclass of the International Classification or to the same set or composition of articles. A ‘set of articles’ which is customarily sold or used together as a set may be made a proper subject matter in one application for design registration, provided that each article is of, or has, the same design or a substantially similar design. An application for registering an industrial design can be filed online or in person at the IPOPHL. The following documents are required at filing time:

- Request for the registration of an industrial design (the official form can be downloaded at [http://www.ipophil.gov.ph/industrial-design-filing/](http://www.ipophil.gov.ph/industrial-design-filing/));
- Specification and description of the industrial design (title, brief explanation of the drawings, characteristic features, claim, etc.);
- Drawing of the industrial design;
- Claim for priority (if any);
- POA;
- Cheques for the payment of fees.

For non-resident applicants, a local agent must be authorised to file the application on their behalf.

In-person applications can be filed at the following address:

**Intellectual Property Office of the Philippines (IPOPHL)**

Intellectual Property Center  
#28 Upper McKinley Rd,  
Taguig, 1634 Metro Manila,  
Philippines

All applications for industrial designs can be registered without substantive examination provided that all formal requirements are met. At the formality stage, the office will examine whether: the application has been filed within the prescribed time, the required fees were paid, all the required accompanying documents have been provided and the substantive conditions for design protection have been fulfilled. If all the conditions have been met, the application will proceed for registration and will be published in the IPOPHL’s e-Gazette.

Usually, it takes around six months to obtain an industrial design registration in the Philippines.

### Industrial design TIPS and things to WATCH OUT for in the Philippines

- **To be registrable, an industrial design has to be new both to the Philippines and elsewhere. The regulations regard this as a substantive condition for protection.**
- **SMEs should consider applying for industrial designs as soon as possible in the Philippines in order to secure their rights and to be able to enforce them.**
- **Original ornamental designs or models for articles of manufacture, whether or not they can be registered as an industrial design, are also copyrightable. Thus, an original ornamental work may be protected both under an industrial design registration and under copyright. Consider adding layered protection for your designs in the Philippines.**

For more information on industrial design protection in the Philippines, check out our South-East Asia IPR SME Helpdesk Guide to Industrial Designs Protection in South-East Asia, which is available to download from our website [https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/industrial_designs_protection_in_south-east_asia.pdf](https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/industrial_designs_protection_in_south-east_asia.pdf).
D. Trade Marks

**WHAT are trade marks?**
A trade mark is any visible sign in the form of words, letters, images, symbols, logos or a combination thereof that identifies and differentiates the source of the goods or services of one entity from those of others.

The IP Code highlights marks that cannot be registered. They may consist of:
- Immoral, deceptive or scandalous matters;
- A flag or coat of arms, name, portrait or signature identifying a particular living individual (except by his written consent);
- Shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;
- Signs identical with the registered marks of others;
- Signs identical with, or confusingly similar to, or constituting a translation of, a well-known mark;
- Signs likely to mislead the public about the nature, quality, characteristics or geographical origin of goods or services;
- Generic signs for the goods and services in question;
- Colour alone, unless defined by a given form;
- Signs contrary to public order or morality.

Three-dimensional marks, collective marks, and stamped or marked containers of goods are registrable in the Philippines. Certification marks, associated marks or series of marks are not recognised in the Philippines.

**Trade marks in the Philippines: what you need to know**
The Philippines follows the first-to-file rule, it is therefore very important to register your trade mark as early as possible, before entering the market, so as to diminish the risk of your trade mark being registered by others.

The Philippines is party to the Paris Convention for the Protection of Industrial Property; applicants for trade marks are entitled to a ‘right of priority’ within six months of the filing date of the first application for the same trade mark in other countries also party to the convention. The trade mark application filed in the Philippines will then be measured from the date on which the application was first filed in the foreign country.

When filing your trade mark application you have to keep in mind that identical applications may be objected to in view of a prior application/registration. Nevertheless, you can prove your superior right (through prior use or prior registration in a different jurisdiction) over the Filipino mark and oppose the prior application. Cancellation of a prior registration, although costly, is also available.

You should also regularly check the trade marks published by the IPOPHL, as opposition is possible between publication and registration. This gives the trade mark owner the opportunity to oppose the registration of a mark that is identical or confusingly similar to theirs, before the registration is completed.

Applications are subjected to a formal and substantive examination.

The Madrid Protocol entered into force in the Philippines on 25 July 2012. The Madrid System administered by the WIPO is a convenient and cost-effective solution for registering and managing trade marks worldwide. The system allows brand owners to seek protection for their trade marks in up to 122 countries by filing one application, using one language and paying one set of fees. Foreign entities may seek to protect their marks in the Philippines by submitting an international trade mark application in their home office and choosing the Philippines as one of the designated countries.

Owners of well-known marks also benefit from the relevant Filipino regulations. It is possible to oppose a trade mark application or cancel a trade mark registration on the grounds that the mark is identical or confusingly similar to, or even constitutes a translation of, a well-known trade mark. To determine whether a trade mark is well known, the competent authority usually considers the duration, extent, geographical area, reputation, sale volume, etc. associated with the mark.

In the Philippines, the applicant is not required to submit proof that the trademark is being used commercially at the time of filing. However, in order to maintain the application or the registration of a mark, a Declaration of Actual Use (DAU) of the mark, together with proof of its use in the Philippines must be filed:
- Within three years of the filing date of the application;
- Within one year of the fifth anniversary of the registration;
- Within one year of the date of renewal;
- Within one year of the fifth anniversary of each renewal.

Otherwise, the application shall be refused registration or the registered mark shall be removed from the Register by the Director.

**How LONG does legal protection last?**
Once a trade mark is registered, the registration will be valid for 10 years from the registration date, provided that the DAU is filed in due course. The registration can be renewed every 10 years.
**How much does it COST?**

The cost for trade mark registration is based on whether the applicant is considered to be a small or big entity. Entities with assets worth PHP 100 million (approximately EUR 1 788 909) or less are considered as small entities, while entities with assets exceeding that amount are considered to be big entities.

The basic official fees for the registration of a trade mark in one class of goods/services in the Philippines are as follows:
- PHP 3 700 (approximately EUR 66) for small entities;
- PHP 5 800 (approximately EUR 104) for big entities.

Additional fees are required if there is a claim relating to a colour or colours and/or a priority claim in the application. As such, total charges will vary depending on the number of classes and/or claims.

For further information on trade mark registration, please visit the IPOPHL website at [https://www.ipophil.gov.ph/services/trademark/](https://www.ipophil.gov.ph/services/trademark/).

**Trade mark TIPS and things to WATCH OUT for in the Philippines**

- Before filing a trade mark application, conduct pre-filing searches to ascertain the registrable availability of your trade mark in the Philippines. Running a trade mark search for the Philippines at [https://www3.wipo.int/branddb/ph/en](https://www3.wipo.int/branddb/ph/en) is highly recommended. The Philippines is a member of the Madrid System. You may consider submitting an international trade mark application in your home office, in which you can choose the Philippines as one of the designated countries.
- There are still numerous cases of bad faith registrations. Examiners usually review new applications against prior marks but are not always aware of famous marks. Thus, you may have to resort to opposition or cancellation proceedings in order to protect your rights. You can monitor new trade mark applications in order to launch a timely opposition against pending marks published on the IPOPHL’s e-Gazette at [http://121.58.254.45/tmgazette/](http://121.58.254.45/tmgazette/).
- In order to maintain the application or the registration of a mark, a DAU of the mark, together with proof of use of the mark in the Philippines must be filed in due course. Otherwise, the application shall be refused registration or the registered mark shall be removed from the Register.
- The provision of the IP Code amendment on landlord liability applies only to copyright infringements and does not apply in cases of trade mark infringement.

For more information on trade mark protection in Philippines, check out our South-East Asia IPR SME Helpdesk Guide to Trade Mark Protection in South-East Asia, which is available to download from our website, [https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/EN_TM.pdf](https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/EN_TM.pdf).
E. Geographical indications (GIs)

In compliance with the TRIPS Agreement, the Philippines included GIs in the enumeration of recognised forms of IPR under the IP Code.

However, the remaining provisions of the IP Code do not make further express reference to GIs. The IP Code does not even define GIs.

While the IP Code does not provide a legal framework specific to the registration and enforcement of rights relating to or arising from a GI, it does extend some protection to GIs, allowing them to be registered as collective trade marks.

F. Trade secrets

WHAT are trade secrets?

Whilst the IP Code includes ‘protection of undisclosed information’ as one of the IPR listed, it does not define it. Presently, there is no law that defines trade secrets in the Philippines but the Supreme Court, in the case of Air Philippines Corp. vs Pennswell Inc., G.R. No. 172835 (13 December 2007), adopted the definition of the term from Black’s Law Dictionary: ‘A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it.’

Trade secrets in the Philippines: what you need to know

There are laws that prohibit and penalise the revelation of trade secrets, such as Article 40(e) of RA 7394 or the Consumer Protection Act and Article 292 of the Revised Penal Code. However, these are rarely enforced.

Given the lack of legal protection for trade secrets, SMEs should take steps to protect any trade secrets that they possess; these include inserting confidentiality provisions into employee contracts, internally restricting access to sensitive information and ensuring that confidential information is revealed on a need-to-know basis only.

In 2015, Republic Act No. 10667, or the Philippines Competition Act, prohibited anti-competitive agreements and entities abusing their dominant position, but it expressly exempted agreements that protect IPR, confidential information or trade secrets from prohibition.

Trade secret TIPS and things to WATCH OUT for in the Philippines

- Exercise caution when sharing your trade secrets with potential trading partners or investors. Any trade secret should only be shared with a recipient after he or she has signed a non-disclosure agreement (NDA). In addition, it is always advisable to sign a NDA with your employees.
- The violation of laws on trade secrets are rarely enforced in the Philippines by criminal courts. In practice, if you want to get compensation for trade secrets revealed in the Philippines you should stipulate contractual obligations to all parties involved, and resort to a civil action for breach of contract and damages if any violations take place.

For more information on trade secret protection in the Philippines, check out our South-East Asia IPR SME Helpdesk Guide to Trade Secrets in South-East Asia, which is available to download from our website, https://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/en_trade_secrets_201704.pdf.
4) Using CUSTOMS to Block Counterfeits

**HOW can customs help in protecting IP?**
The Bureau of Customs (BOC) handles applications for the recordal of IPR and products covered therein. At present, only importations are covered by Customs regulations and there is no record made of goods exported from the Philippines. If an IP holder has not recorded their IPR with the BOC, they may still ask the BOC to issue an alert or enact a Hold Order against the suspected infringing goods being imported into the Philippines.

In addition, on the basis of reliable information, the BOC can also carry out random inspections on their own initiative and issue alerts or Hold Orders against the suspected infringing products.

**Customs in the Philippines: what you need to know**
Upon registration of the IPR with the BOC (see below for details), the bureau will have access to IPR data on the products covered, which front-line Customs assessment officers may use to monitor imports and exports accordingly.

When a request for an Alert or Hold Order on suspected counterfeit goods is being made, the IP owner needs to provide as much detail as possible regarding the shipment (e.g. date of shipment, loading port, ship number, estimated date of arrival, etc.) and then the BOC agent will examine the suspected goods in the presence of the holders or their agents within 24 hours of the time of receiving the Alert or Hold Order Notices. If a basis for IPR infringement is found, a Warrant of Seizure and Detention against the shipment will be issued within 24 hours. Otherwise, the Alert or Hold Order will be lifted and the processing of the import shipment will continue.

In the event of a seizure, the BOC will notify the relevant parties (the importer or the owner of the seized goods or the agent) in writing and work with them to verify their counter-argument. The IP owner may be required to inspect the seizure and provide proof that the goods are counterfeited. The BOC may proceed at a later time to dispose of the seized items.

**WHAT can be registered?**
Rights holders can register their IPR (patents, designs, trade marks, copyrights) with the BOC and include supporting information pertaining to their rights to make them readily identifiable by the BOC.

**How LONG does legal protection last?**
The recordal is valid for a period of two years. The recordal can be renewed for two years thereafter.

**HOW do I register?**
Submitting the following documentation is required:
- BOC recordal forms;
- Affidavit of applicant’s rightful ownership of the mark, copyright, patent or design;
- Certification that the IP Code and Customs Administrative Order No. 6-2002 has been read and understood by the applicant;
- Samples/pictures of products;
- Three certified copies of the certificates of registration of the trade mark, utility model, industrial design, copyright or patent;
- For copyright and related rights, affidavit by the IP owner (or agent) that the copyright subsists in the work, that the applicant is the copyright owner and that the copy of the work annexed to the application is a true copy;
- POA for the representative.

**WHO can register?**
IPR owners and/or their authorised representatives.

**Which LANGUAGES can I use?**
English or Filipino.

**How much does it COST?**
The official fees vary depending on the number of goods covered by the recordal: from PHP 2,000 (approximately EUR 36) up to a maximum of PHP 20,000 (approximately EUR 358) for an unlimited number of goods.

For detailed guidelines, please visit the Philippines’ BOC website, [http://customs.gov.ph/](http://customs.gov.ph/).

**Customs TIPS and things to WATCH OUT for in the Philippines**
- The BOC has the authority to seize goods and there is a registration system for IPR. The BOC also welcomes brand familiarity trainings provided by IP owners.
- IP holders/owners should be proactive about monitoring infringing imported goods. Details of illegal shipments should be collected and provided to the BOC in a timely fashion, so that the BOC has enough time to verify and seize the infringing goods.
- The BOC conducts inland raids of warehouses used to store goods imported into the country in violation of Customs’ laws and regulations (which include imported infringing goods).
5) ENFORCING your IP

Besides using Customs to block counterfeits (described in Part 4 above), where IP assets are being infringed in the Philippines, there are three avenues that can be used to enforce IPR: administrative actions, civil litigation and criminal prosecution. In many cases, however, negotiations between the parties, if possible, are more cost effective and should be considered as a viable option.

Administrative actions
Through the Intellectual Property Rights Enforcement Office (IEO)

The IEO implements administrative enforcement functions of the IPOPHL, such as:

- Receiving and docketing complaints or reports relating to IPR violations from rights holders or their authorised representatives, other government agencies, and the public in general;
- Evaluating complaints or reports and taking appropriate actions thereon to ensure the enforcement of IPR;
- Coordinating with the rights holders, industry associations and/or relevant government agencies as it conducts its enforcement functions;
- Providing assistance for the enforcement of orders, writs, and processes issued by the Bureau of Legal Affairs (BLA) and the Office of the Director General;
- Undertaking enforcement functions supported by related agencies, such as the Philippine National Police (PNP), the National Bureau of Investigation (NBI), the BOC, the Optical Media Board, and local government units;
- Conducting visits during reasonable hours to establishments and businesses engaging in activities violating IPR (based on reports, information or complaints received by the office).

The administrative enforcement action of the IPOPHL can be initiated by a report or through the filing of a verified complaint.

For further information, check out the IPOPHL’s IP enforcement services at https://www.ipophil.gov.ph/intellectual-property-rights-enforcement-office-ieo/.

Through the BLA

Administrative complaints for IPR Violation (IPV) and/or Unfair Competition are filed with the BLA of the IPOPHL.

The procedure is similar to a civil action, with parties exchanging a complaint and a reply, and evidence upon which a decision is made. Administrative authorities have the power to impose preliminary injunctions and preliminary attachments (a provisional remedy wherein the court / administrative body is asked to take custody of the property of the adverse party as security for satisfaction of any judgment) as well as damages and administrative fines.

Civil litigation

The IP owner also has the option to file a civil action for the recovery of damages and injunctions. Civil actions for IP infringements are filed at the Regional Trial Courts, designated as Special Commercial Courts. Such cases are not common because they tend to last many years. Initial civil trials usually take about three years, but are very often followed by appeals that drag the case on much longer.

The amount of damages recoverable shall be either the reasonable profit that the complaining party would have made had the defendant not infringed their rights, or the profit which the defendant actually made out of the infringement. In the event that the degree of damages is not easily calculable, the court may award a reasonable percentage based on the amount of gross sales made by the defendant or the value of the services in connection with which the mark or trade name was used in the infringement of the rights of the complaining party.

In any instance of infringement, the owner of the registered mark is entitled to recover profits or damages only if the acts have been committed with the knowledge that the imitation was likely to cause confusion or a mistake, or that it was intended to deceive. Such knowledge is presumed if the registrant gives notice that his mark is registered by displaying ‘Registered Mark’, or ®, or if the defendant had obvious knowledge of the registration. In cases where actual intent to mislead the public or to defraud the complainant is shown, at the discretion of the court, the damages may be doubled.

In addition to damages, other remedies that are available to the complainant are as follows:

- On application of the complainant, the court may impound, during the pendency of the action, sales invoices and other documents evidencing sales;
- The complainant, presenting proper evidence, may be granted an injunction;
- If a violation of a registered mark is established, the court may order that the infringing goods are not compensated in any way, and are disposed of or destroyed outside the channels of commerce in such a manner as to avoid any harm to the right holder; and all labels, signs, prints, packages, wrappers, receptacles and advertisements in the possession of the defendant, bearing the registered mark or trade name or any reproduction, counterfeit, copy or colourable imitation thereof, all plates, moulds, matrices and other means of making the same, shall be delivered up and destroyed.
**Enforcement TIPS and things to WATCH OUT for in the Philippines**

- You are not required to establish a business presence in the Philippines to enforce your rights.
- Awareness of IP rights is growing in the Philippines, but enforcement proceedings are still constrained by the inexperience of the courts, especially those outside major cities. Settlement outside the courts is often a more cost-effective approach to addressing infringement.
- Lengthy response times to requests for raids by enforcement authorities can often result in infringers relocating their activities; in many cases it is more beneficial to concentrate on faster enforcement avenues, such as administrative and out-of-court actions.
- Due to the costs and the length of time involved in pursuing civil or criminal actions against infringers, you are advised to use alternatives, such as:
  - Sending a cease-and-desist letter to the infringer, and negotiating with them;
  - Using the takedown systems provided by websites in cases of online infringement;
  - Educating the relevant market about the dangers of counterfeits and advising them of the legitimate channels that can be used for their goods and services.

**Criminal prosecution**

Under the IP Code, the criminal penalties of imprisonment and fines may be imposed on people found guilty of trade mark infringement, unfair competition, false designation of origin, and false description or representation. As mentioned previously, there is also criminal liability if the patent infringement is repeated.

In practice, counterfeiting and piracy are typically dealt with by the criminal system, usually under copyright, trade mark and unfair competition laws. As criminal litigation tends to take years to be completed, criminal prosecution is normally advised only for large scale infringement.

The IP holder should request that the enforcement agencies, particularly the PNP or the NBI, file a complaint with the District Court that has jurisdiction over the crime committed (usually the court in the area where the infringement occurred). Although the participation of the PNP and the NBI is not required in order to institute criminal proceedings against infringers, they are necessary to preserve the chain of custody of evidence (which is usually questioned by defence lawyers seeking the dismissal of a criminal action).

**Alternative dispute resolution**

Alternative dispute solutions, such as mediation or arbitration, are considered as efficient and cost-effective resolutions compared to the tedious and protracted litigation process. Mediation is a process of settling disputes with the help of a third neutral party called the mediator. The main function of the mediator is to facilitate the discussion and negotiation; and skilfully enjoin the parties to cooperate in order to come up with a mutually satisfactory settlement.

Mediation is provided to the parties as the first viable option in resolving their dispute. Once mediation is not successful, the case is submitted to litigation.

The following cases are required to undergo mediation:
- Administrative complaints for violation of IPV and/or Unfair Competition;
- Inter partes cases (IPC);
- Disputes involving technology transfer payments;
- Disputes relating to the terms of a license involving the author’s rights to public performance or other communications of their work;
- Cases appealed to the Office of the Director General from the decisions of the Bureau of Copyright and Other Related Rights (BCORR), the BLA, and the Documentation, Information and Technology Transfer Bureau (DITTB);
- Other cases determined by the IPOPHL.

Beginning in October 2018, the IPOPHL implemented the mandatory mediation of IP disputes for all of the above cases.

To provide further options to parties in dispute, the IPOPHL considers offering other alternative IP dispute resolution procedures, such as arbitration. Arbitration is described as a binding procedure in which the dispute is submitted to one or more neutral parties (called arbitrators or tribunals), who make a final decision on the dispute.

In July 2019, the IPOPHL also formally offered the parties the option to seek mediation outside of litigation. This mediation option does not require parties to file a formal IPV or IPC complaint before the BLA.

For further details on alternative dispute resolution procedures in the Philippines, please visit [https://www.ipophil.gov.ph/services/alternative-dispute-resolution/](https://www.ipophil.gov.ph/services/alternative-dispute-resolution/).
6) RELATED LINKS and Additional Information

- Visit the South-East Asia IPR SME Helpdesk website https://www.southeastasia-iprhelpdesk.eu/ for further relevant information, such as how to protect your IP in the ASEAN region.

- For confidential advice from our team, send us an email to question@southeastasia-iprhelpdesk.eu.


- Visit the Helpdesk blog www.yourIPinsider.eu for relevant articles on IP in South-East Asia and China.


- Bureau of Customs - http://customs.gov.ph/
Free South-East Asia IP advice for European SMEs

> For more information and to discuss how we can work together, please contact us:
Tel: +84 28 3825 8116 | Tel: +32 2 663 30 51
Email: question@southeastasia-iprhelpdesk.eu
Online: www.ipr-hub.eu

> If you have a question about protecting intellectual property in any South-East Asia country, please contact our free confidential helpline at:
question@southeastasia-iprhelpdesk.eu

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