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

(Source: DG Trade)

SIZE of Market (source: DG Trade):

- EU exports in total goods to the Philippines in 2015: EUR 6,159 million
- EU imports in total goods from the Philippines in 2015: EUR 6,814 million
- Total trade in goods in 2015: EUR 12,973 million
- EU exports in services to the Philippines in 2014: EUR 1,455 million
- EU imports in services from the Philippines in 2014: EUR 1,848 million
- Total trade in services in 2014: EUR 3,303 million

Philippines GDP in 2015: EUR 263.2 billion (source: DG Trade)
Philippines GDP growth in 2015: 5.8% (source: DG Trade)

The EU is in 2015 the Philippines’ 4th largest trading partner after Japan, China and the US. Whereas, the Philippines is the EU’s 41st largest trading partner in 2015.

Key INDUSTRY SECTORS - 2015 (source: DG Trade):

- The EU main exports to the Philippines are (i) Machinery and appliances (35.1%), followed by (ii) Transport equipment (16.6%) and (iii) Products of the chemical or allied industries (12.2%).
- The EU main import items from the Philippines include (i) Machinery and appliances (60.3%), followed by (ii) Optical and photographic instruments, etc. (10.5%) and (iii) Animal or vegetable fats and oils (5.2%).
2. IPR in the Philippines for SMEs: BACKGROUND

Intellectual Property Rights 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 (see EC definition here) when they internationalise their business to areas such as South-East Asia. Not only does it provide a way to help protect innovations from competitors, IP assets can also be an important source of cash-flow for SMEs through licensing deals or selling IP, 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 could lead to loss of business, revenue, reputation and competitive advantage, both in South-East Asia and in core domestic markets, unless proactive steps are taken to protect IP and deter potential infringers.

The Philippines is developing overarching strategies to strengthen its IP system and to protect rights holders. In an increasingly globalising environment, IPRs 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, the legal and policy structures in the Philippines are being strengthened through laws that are responsive to the contemporary technological environment. Moreover, the capabilities of enforcement agencies are also being enhanced to ensure more effective management of IPR-related issues. The judicial sector is also 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. These steps are aimed to encourage 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 concerned company. To SMEs, such loss and damages may often lead to the end of a business venture.

How does the Philippines’ IP legal framework compare to INTERNATIONAL STANDARDS?

The Philippine authorities are aware of the significant challenges that a 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”) recognizes that an effective intellectual property system is vital to; the development of domestic and creative activity, facilitating the transfer of technology, attracting foreign investments, and ensuring market access for products. Thus, it has become a state policy to streamline administrative procedures for registering patents, trademarks and copyright, to liberalize the registration on the transfer of technology, and to enhance the enforcement of intellectual property rights in the Philippines.

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

- Convention Establishing the World Intellectual Property Organization, since 14 July 1980;
- Paris Convention for the Protection of Industrial Property, since 27 September 1965;
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), since 1 January 1995;
- Patent Cooperation Treaty, since 17 August 2001; and

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, you will not be able to register Geographical Indications (GIs) in the Philippines as there are no existing regulations for its registration.

Bad faith registration is a process which commonly involves a local company first registering the trade mark of a foreign company in the Philippines with the express intention of selling it back to the foreign company at an inflated price. The online database of the Philippines Intellectual Property Office (IPO), especially for trademarks, is promptly updated and shall be used to monitor applications filed before the IPO.
3. IP Rights in the Philippines: THE BASICS

A. Copyrights

WHAT are Copyrights?
Copyright is a legal term used to describe 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 of an original work, such as books, pamphlets, and illustrations including the works listed in Section 172 of the IP Code.

Copyrights in the Philippines: What you need to know
Works are protected from the moment of their creation, irrespective of their mode or form of expression, content, quality and purpose.

The IP Code defines “author” as the person who has created the work. Therefore, when applying for copyright registrations in the Philippines, the author of the work indicated must be a natural person.

There are two (2) types of rights under the copyright system of the Philippines: economic rights and moral rights. Economic rights consist of the exclusive right of the creator or author of a work to carry out, authorize or prevent acts such as the reproduction of the work (e.g. photocopying a book or copying a DVD), public performance of the work (e.g. playing copyrighted songs in public areas), or transformation of the work (e.g. adaptation of a book to a movie).

Moral rights entitle the author or creator to take measures to protect the connection between himself and the work, which includes the right to:
1) Require authorship of the works be attributed to him;
2) Make alterations to his work prior to, or withhold it from, publication;
3) Object to any distortion, mutilation or other modification of, or other derogatory action in relation to, his work; and
4) Restrain the use of his name with respect to any work not of his own creation or in a distorted version of his work.

Moral rights are independent of economic rights. These are not assignable and may be subject to a license.

The fair use of a copyrighted work for criticism, comment, news reporting, teaching (including a limited number of copies for classroom use), scholarship, research, and similar purposes is not an infringement of copyright.

(d) 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 others, initiated the following:

- Establishment of the Bureau of Copyright, which has policy formulation, rule making and adjudication functions to serve copyright based industries;
- Grant of visitorial powers to the IPO, which allows IPO to act on complaints or reports and visit establishments that violate IP rights, including copyrights; and
- Introduction of landlord liability, that is, owners of establishments or malls may now be held liable for copyright infringement if, after being given notice, they 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 fifty (50) years after the death of the author of the original or derivative work. For photographic and audio-visual works, the term is fifty (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 work or works with the Copyright Division of the National Library or with the IPO, submitting the following documents:
1) Duly notarized copyright application form and affidavit;
2) Two (2) copies of the document subject of the application;
3) Certified copy of the notarized assignment document if the applicant/owner is not the author of the work;
4) Copy of the business registration certificate of the applicant;
5) 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 IPO);

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 Division of the National Library and the IPO can be found below:

**National Library of the Philippines:**
Copyright Section
S/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**
Copyright Support Services
28 Upper McKinley Road, McKinley Hill Town Center
Fort Bonifacio, Taguig City 1634, Philippines

WHO can register?
The author or creator of the work, his heirs, or assignee may apply in person or through a duly authorized representative.

Foreigners are permitted to apply for registration but non-resident applicants must be represented by a duly authorized resident agent to whom notice or process for judicial or administrative procedure relating to the application or the registration may be served.

Which LANGUAGES can I use?
English or Filipino

How much does it COST?
The typical cost of Copyright registration in the Philippines is between EUR 350 to EUR 380 (including official costs of PHP 625.00 approximately EUR 12).

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For more information on copyright protection in The 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 – http://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 rights granted to an inventor of a technical solution of a problem in any field of human activity that is:
• NEW
• involves an INVENTIVE STEP
• and is INDUSTRIALLY APPLICABLE.

A patent confers its owner the exclusive right to restrain, prohibit and prevent any unauthorized 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 unauthorized 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 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:
1) Discoveries, scientific theories and mathematical methods;
2) Schemes, rules and methods of performing mental acts, playing games or doing business, and programs for computers;
3) Methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practiced on the human or animal body. This provision shall not apply to products and composition for use in any of these methods;
4) Plant varieties, animal breeds, or essentially any biological process for the production of plants or animals. This provision shall not apply to micro-organisms and non-biological and microbiological processes.
5) Aesthetic creations; and
6) Anything which is contrary to public order or morality.

Chemical compositions are patentable. However, under the amendments introduced by the Cheaper Medicines Act to the IP Code, the following are excluded from patent protection:
• a new form or new property of a known substance which does not result in the enhancement of the known efficacy of that substance
• a 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.

This means that while pharmaceuticals are patentable, second use of known drugs and medicines are not patentable in the Philippines. Also, new forms of known drugs that are not significantly different with regard to efficacy are not patentable. Examples provided are salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations, and other derivatives of a known substance.

Likewise, methods for treatment of the human body by surgery or therapy and diagnostic methods practiced on the human body are not patentable.

Biological materials are patentable except for plants and animals. Plant varieties are not patentable but can be protected under the Plant Variety Protection Act of 2002 [Republic Act No. 9168].

Licensing of all forms of intellectual property rights including patent, fall 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.

Other types of patents

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 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 quicker protection of their IP assets.

Likewise, methods for treatment of the human body by surgery or therapy and diagnostic methods practiced on the human body are not patentable.
Patent related international treaties
Apart from the Paris Convention and TRIPS, the Philippines is a signatory to the Patent Cooperation Treaty (PCT) and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. The PCT makes it easier and cheaper for foreign businesses to obtain patents in the Philippines as formal examinations, searches and publications are done at the central International Bureau. After the PCT international phase, or 10 months from the filing or priority date, the applicant can then decide whether they want to pursue the patent directly before the IPO.

How LONG does legal protection last?
Protection for patents lasts for twenty (20) years from filing of application, subject to payment of annuities for validity.

A utility model registration’s term is seven (7) years after the filing date of the application and is not renewable.

Patent rights belong to the inventor, his heirs, or assignees. When two or more persons have jointly made an invention, the right to a patent shall belong to them jointly.

HOW do I register?
A patent application can be assigned a filing date when the following are filed with the IPO:
1) an express or implicit indication that a Philippine patent is sought (a Request for Grant of a Philippine Patent form must be submitted);
2) information identifying the applicant; and
3) description of the invention and one or more claims in Filipino or English.

The request for the grant of a patent contains the following:
1) Petition for the grant of a patent.
2) Applicant’s name and address.
3) Title of the invention.
4) Inventor’s name.
5) If with a claim for convention priority it shall contain the file number, country of origin and the date of filing in the said country where the application was first filed.
6) Name and address of the resident agent/representative (if any).
7) Signature of the applicant or resident agent/representative.

Once all application requirements have been met, the application will be published after eighteen (18) months from filing, afterwards it 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 invention subject of the patent application is new, inventive and industrially applicable, then a patent is granted for the invention.

Applications must be filed with the IPO at the following address:
Intellectual Property Office (IPO)
World Finance Plaza Building
#28 Upper McKinley Road
McKinley Hill Town Center
Fort Bonifacio, Taguig City

WHO can register?
Patent rights belong to the inventor, his heirs, or assignees. When two or more persons have made an invention, the patent right will be made jointly. Foreigners or non-residents can apply, but they must appoint a local agent who shall take care of the application procedure and to whom notice or process for judicial or administrative procedure relating to the application or the registration may be served.
Which LANGUAGES can I use?
- English or Filipino

How much does it COST?
The basic filing fees are as follows:
- Patent registration
  - PHP 3,636 (approximately EUR 70) and upwards
- Utility Models and Designs
  - PHP 3,030 or (approximately EUR 60) and upwards

The cost of the application fee is based on whether the applicant is considered a small-medium or large entity. Entities with assets worth PHP 20 Million (approximately EUR 385,000) or less are considered small entities while entities with assets exceeding the said amount are considered large entities. In practice, foreign companies are presumed as large entities unless they are able to prove the quantitate requirement regarding their assets. In order to qualify as a small entity, the foreign company must submit an affidavit stating that it is in reality a small entity.

Agent fees are around EUR 525.

The annual fees for maintaining the validity of invention Patents ranges from PHP 1,151.00 (approximately EUR 30) to PHP 54,843.00 (approximately EUR 1,056).

Once all application requirements have been met, the application will be published after eighteen (18) months from filing, afterwards it undergoes substantive examination.

Patents TIPS and WATCH-OUTS in the Philippines

- Apart from the Paris Convention and TRIPS, the Philippines is a signatory to the Patent Cooperation Treaty (PCT) and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure. The PCT makes it easier and cheaper for you to obtain patents in the Philippines because formal examinations, searches and publications are done centrally at the International Bureau. After the PCT international phase, or 10 months from the filing or priority date, the applicant can then decide whether they wish to pursue the grant of patents directly before the IPO.
- Always indicate the wording as “Philippine Patent No.” or “Philippine Patent Pending” in your products. This is to establish the presumption that the infringer had known of the patent. Otherwise, damages may not be recovered for acts of infringement if the infringer shows that he/she has not known, or had no reasonable grounds to know of the patent.
- Patent infringement is considered a criminal offence only if the infringement is repeated by the infringer, or by anyone in association with him, after the judgment of the court against the infringer. Otherwise, the patent holder’s cause of action is limited to a civil act of infringement.
- Patent infringement cases are not yet common in the Philippines. Thus, there is a strong likelihood that in case of patent infringement, judges will not be familiar with patent matters and will have to rely on the opinion of appointed experts.

For more information on patent 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 - http://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/EN_patent.pdf
C. Industrial designs

WHAT are Industrial designs?
An industrial design is any composition of shape, lines, colors, or a combination thereof, or any three-dimensional form, whether or not associated with shape, lines, or colors, which produce an aesthetic and ornamental effect in their tout ensemble or when taken as a whole. Provided, that such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft. Industrial products include articles of manufacture that belong to the useful or practical art, or any part including thereof, which can be made and sold separately.

An industrial design must be any new or original creation relating to the ornamental features of shape, configuration, form, or combination thereof, of an article of manufacture, whether or not associated with lines, patterns or colours, which impart an aesthetic and pleasing appearance to the article.

Industrial Design in the Philippines: What you need to know
Industrial designs can also be protected in the Philippines and owners of industrial design registrations possess the same rights and remedies as patentees under the IP Code.

The following industrial designs shall not be registrable:
1) Industrial designs that are dictated essentially by technical or functional considerations to obtain a technical result;
2) Industrial designs which are mere schemes of surface ornamentations existing separately from the industrial product or handicraft; and
3) Industrial designs which are contrary to public order, health, or morals.

How LONG does legal protection last?
An industrial design registration is valid for a period of five (5) years from the date of the application and is renewable for two consecutive five (5) year periods by paying the renewal fee. The maximum total duration is fifteen (15) years.

HOW do I register?
All applications for industrial design shall be registered without substantive examination provided that all required fees, including fees for publication are paid and all formal requirements are met. The IPO shall conduct a formality examination of the application and a report will be transmitted to the applicant. The application shall be evaluated taking into consideration the following formality requirements:

(i) Contents of the request for the registration of an industrial design;
(ii) Priority documents, if with claim of convention priority (i.e. file number, date of filing, and country of the priority applications);
(iii) Proof of authority, if the applicant is not the designer;
(iv) Deed of assignment, if applicable;
(v) Payment of all fees;
(vi) Signatures of the applicants;
(vii) Identification of the designer;
(viii) Contents of the description (characteristic feature); and
(ix) Formal drawings.

Applications must be filed with the IPO at the following address:
Intellectual Property Office (IPO)
World Finance Plaza Building
#28 Upper McKinley Road
McKinley Hill Town Center
Fort Bonifacio, Taguig City

WHO can register?
Foreigners or non-residents can apply, but they must appoint a local agent who shall take care of the application procedure and to whom notice or process for judicial or administrative procedure relating to the application or the registration may be served.

Which LANGUAGES can I use?
English or Filipino

How much does it COST?
The basic filing fees for design registrations are PHP 3,030 (approximately EUR 60) and upwards.

The cost of the application fee is based on whether the applicant is considered a small-medium or large entity.

For further details, please see http://ipophil.gov.ph/patents/fees and http://ipophil.gov.ph/design/fees

An industrial design would have to be new in the Philippines or elsewhere if it is to be registrable.

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 patent and industrial 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 - http://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/EN_patent.pdf

An industrial design must be any new or original creation relating to the ornamental features of shape, configuration, form, or combination.
D. Trade Marks

WHAT are Trade Marks?
A trade mark is any visible sign capable of distinguishing the goods (trade mark) or services (service mark) of an enterprise and can include a stamped or marked container of goods.

The IP Code highlights marks that cannot be registered, this may consist of:
- immoral, deceptive or scandalous matters,
- the flag or coat of arms or other insignia of the Philippines, any of its political subdivisions or that of a foreign nation, or any simulation thereof;
- a 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;
- colour alone, unless defined by a given form; or
- something contrary to public order or morality.

Three-dimensional marks and collective marks can be registered. Certification marks, associated marks or series of marks are not applicable in the Philippines.

Trade Marks in the Philippines: What you need to know
Applications are subjected to formality and substantive examination.

Opposition prior to registration is possible. This gives the trade mark owner the opportunity to oppose the registration of a mark that is identical or confusingly similar to their trademarks.

In order to maintain the application for or the registration of a mark, a Declaration of Actual Use (DAU) of the mark together with proof of use of the mark must be filed as follows:
- 3rd year DAU - within three (3) years from the application date of the mark; and
- 5th year DAU - within one (1) year from the 5th anniversary of the registration.

The Madrid Protocol entered into force in the Philippines on 25 July 2012. Under this system, foreign entities may seek to protect their marks in the Philippines as part of a single international registration, subject to compliance to local requirements, particularly the filing of the DAU.

Owners of well-known marks may also benefit from the Philippines membership to the Paris Convention. Foreign nationals may request the refusal or cancellation of a registration of a trademark which constitutes a reproduction, imitation or translation of a well-known mark in another country that is also a member of the Convention.

The Philippines follows the first-to-file rule. Therefore, identical applications may be objected to in view of a prior application/registration. Nevertheless, a party showing superior right (through prior use or prior registration in a different jurisdiction) over the mark may oppose the prior application. Cancellation of a prior registration, although costly, is also available.

How LONG does legal protection last?
Ten (10) years from registration date, subject to filing of DAU within three (3) years from application filing date and within one (1) year from the 5th anniversary of the registration date. The registration may be renewed for periods of ten (10) years.

HOW do I register?
The application must be accompanied by a request for registration, signed by the applicant or his representative.

A filing date is assigned to an application once the IPO has received the filing fee and the following:
1) an express or implicit indication that the registration of a mark is sought;
2) the identity of the applicant;
3) indications sufficient to contact the applicant or his representative, if any;
4) a reproduction of the mark whose registration is sought; and
5) the list of the goods or services for which the registration is sought.

The information above is listed in a request for registration of a mark (form provided by the IPO). Additional information that is required includes: applicant’s name, country of residence or incorporation and complete address, telephone; facsimile and email; and the name and address of the resident agent or authorized representative.

Applications are subjected to formality and substantive examination.
There are numerous cases of bad faith registrations. Examiners normally review new applications against prior marks but will not always take notice of famous marks. Thus, you may have to resort to opposition or cancellation proceedings in order to protect your rights. There are also applicants that deliberately file bad faith registrations in order for them to be approached by the real owners to abandon their application for consideration.

Undertaking research on trade marks before registration is highly recommended. Marks published for opposition are published through the IPO’s e-Gazette. Please see http://121.58.254.45/tmgazette/.

- Owners of marks that are not in use in the Philippines may still choose to register their marks as a form of defensive filing to prevent bad faith registrations. Cancellation of a mark through non-use is possible, therefore you should always collect proof of use of your registered trade mark in the Philippines.
- You may seek to protect your marks in the Philippines as part of a single international registration under the Madrid Protocol, subject to compliance to local requirements, particularly with the filing of the DAU.
- The provision of the IP Code amendment on landlord liability applies only to copyright infringements and does not apply in cases of trade mark infringements.

Applications must be filed with the IPO, addressed to the Director of the Bureau of Trademarks of the IPO.

**Intellectual Property Office (IPO)**
World Finance Plaza Building
#28 Upper McKinley Road
McKinley Hill Town Center
Fort Bonifacio, Taguig City

The IPO recently launched a new eFiling system for trade marks. It introduces new features not found in the old system such as providing an automatic preliminary search report and filing of the declaration and proof of use together with the application. It also allows entities to file online even if they do not have accounts with designated local banks as filing fees may be paid over-the-counter.

The Philippines IPO (IPOPHL) eTMfile is linked to two other tools - ‘ASEAN TMclass’ and the ‘National IPOPHL TMview’, the latter allowing the generation of preliminary search reports that applicants may use as reference prior to filing.

For further details, please see the website of the Intellectual Property Office of the Philippines: [http://121.58.254.39:8080/sp-ui-tmefiling/wizard.htm?execution=e1s1](http://121.58.254.39:8080/sp-ui-tmefiling/wizard.htm?execution=e1s1)

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 - [http://www.southeastasia-iprhelpdesk.eu/?q=en/helpdesk-guides](http://www.southeastasia-iprhelpdesk.eu/?q=en/helpdesk-guides)

A trade mark is any visible sign capable of distinguishing the goods (trade mark) or services (service mark) of an enterprise and can include a stamped or marked container of goods.
Those who believe that they would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication, file with the registry an opposition to the application. If no opposition is filed within the 30-day period, then the mark is officially registered as of the date of publication.

WHO can register?
The following may apply for registration of a trade mark:

a. Individuals; and
b. Corporate entities/registered organisations

Foreigners and non-residents can apply but they must be represented by a duly authorized local agent to whom notice or process for judicial or administrative procedure relating to the application or the registration may be served and who can take care of the application procedure.

Which LANGUAGES can I use?
English or Filipino

How much does it COST?
The basic filing fee for trade mark registration in the Philippines is PHP 1,818 (approximately EUR 35) and upwards but an Agent’s fee is typically around EUR 390.

For further information, please see http://ipophil.gov.ph/images/Trademark/TrademarkFees.pdf

E. Geographical Indications (GIs)

Geographical indications (GIs) are recognised and provided for in the Philippines IP Code. However, there is no established system yet for the regulation and registry of GIs in the Philippines. Efforts to formulate the regulations for GIs are still on-going. Until the said regulations are set in place, it is recommended for owners to register their GIs as trade marks. Those that have not sought registration of their GIs as trademarks in the Philippines face the risk of a possible bad faith registration of their GIs.

F. Trade Secrets

WHAT are Trade Secrets?
Whilst the IP Code includes “protection of undisclosed information” as one of the intellectual property rights, 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. v. Pennswell Inc., G.R. 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 penalize revelation of trade secrets such as the 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 of trade secrets, SMEs should take steps to protect any trade secrets that they possess; this includes 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 from prohibition agreements that protect intellectual property rights, confidential information or trade secrets.

Trade Secrets TIPS and WATCH-OUTS in the Philippines

Criminal cases for violation of laws on trade secrets are rarely enforced in the Philippines. In practice, should you want to get compensation for trade secrets revealed in the Philippines you should stipulate contractual obligations to all parties involved and, resort to civil action for breach of contract and damages in the case of any violations.

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

HOW can Customs help in protecting IP?
The Bureau of Customs (BOC) handles applications for recordal of IPRs and products covered therein. At present, only importations are covered by customs regulations and there is no record of goods exported from the Philippines.

Customs in the Philippines: What you need to know
Upon registration of their IPRs with the BOC (see below for details), a trade mark holder who has valid grounds for suspecting that counterfeit trade mark or pirated copyright goods have been imported, may lodge an application in writing with the Commissioner of the BOC for the issuance of a hold order on the release of such goods.

The IP owner or agent shall request in writing from the Commissioner of Customs the issuance of a hold order on suspected counterfeit goods, providing as much detail as possible regarding the shipment, e.g., date shipment is coming in, on what ship, from what port, etc.

In the event of seizure, the IP owner or agent is requested to inspect the seizure and certify that the goods are counterfeit. The BOC may proceed at a later time to dispose the seized items.

WHAT can be registered?
Rights holders can register their intellectual property rights (patents, 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?
Two (2) years from the date that the recordal is confirmed. The recordal may thereafter be renewed for another two (2) years.

HOW do I register?
Submitting the following documentation is required:
1) Completed BOC Forms
2) Affidavit of applicant’s rightful ownership of the mark, copyright, patent or design.
3) Certification that the IP Code and Customs Administrative Order No. 6-2002 has been read and understood by the applicant.
4) Samples/pictures of products bearing the mark.
5) Three (3) certified copies of the certificates of registration of the trade mark, utility model, industrial design, copyright or patent.
6) For copyright and related rights, affidavit by the IP owner (or agent) that the copyright subsists in the work, that applicant is the copyright owner and that a copy of the work annexed to the application is a true copy.
7) Power of Attorney for the representative

WHO can register?
IPR owners and/or their authorized 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 39) up to a maximum of PHP 20,000 (approximately EUR 385) for unlimited number of goods per mark.
5. ENFORCING your IP

Besides using customs to block counterfeits (customs are described separately in Part 4 above), in the case of IP assets being infringed in the Philippines, there are three (3) avenues to enforce intellectual property rights: 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

The Bureau of Legal Affairs of the Intellectual Property Department has jurisdiction over administrative complaints for IP violations, provided the total damages claim, as indicated in the complaint, is over approx. EUR3076.

The procedure is similar to a simplified civil action procedure, with parties exchanging a complaint and reply and evidence upon which a decision is made. Administrative authorities have the power to impose preliminary injunctions, 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 recovery of damages and injunctions. Civil actions for IP infringements are filed at the regional trial courts. Such cases are not common because they tend to last many years. First instance civil trials normally take two to three years, but are usually followed by appeals which drag the case on much longer.

The procedure is similar to a simplified civil action procedure, with parties exchanging a complaint and reply and evidence upon which a decision is made.

The amount of damages recoverable shall be either the reasonable profit which the complaining party would have made, had the defendant not infringed his 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 then the court may award a reasonable percentage based on the amount of gross sales of 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 knowledge that such imitation is likely to cause confusion, or to cause mistake, or 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, in the discretion of the court, the damages may be doubled.

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

1) On application of the complainant, the court may impound, during the pendency of the action, sales invoices and other documents evidencing sales.
2) The complainant, upon proper showing, may also be granted injunction.
3) Anytime a violation of a registered mark is established the court may order that the infringing goods, be without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or destroyed; 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.

Besides using customs to block counterfeits (customs are described separately in Part 4 above), in the case of IP assets being infringed in the Philippines, there are three (3) avenues to enforce intellectual property rights: 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

The Bureau of Legal Affairs of the Intellectual Property Department has jurisdiction over administrative complaints for IP violations, provided the total damages claim, as indicated in the complaint, is over approx. EUR3076.

The procedure is similar to a simplified civil action procedure, with parties exchanging a complaint and reply and evidence upon which a decision is made. Administrative authorities have the power to impose preliminary injunctions, 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 recovery of damages and injunctions. Civil actions for IP infringements are filed at the regional trial courts. Such cases are not common because they tend to last many years. First instance civil trials normally take two to three years, but are usually followed by appeals which drag the case on much longer.
Criminal Prosecution
Under the IP Code, the criminal penalties of imprisonment and fines may be imposed to persons 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 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 for large scale infringement.

The IP holder should request the enforcement agencies, particularly the Philippine National Police ("PNP") or the National Bureau of Investigation ("NBI"), to 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 are not required in order to institute criminal proceedings against infringers, they are necessary in order to preserve the chain of custody of evidence, which are normally questioned by defence lawyers in seeking the dismissal of a criminal action.

In practice, counterfeiting and piracy are typically dealt with by the criminal system, usually under copyright, trade mark and unfair competition laws.

Enforcement TIPS and WATCH-OUTS in the Philippines
- You are not required to establish a business presence in the Philippines to enforce your rights but, in the case of trademark infringement, you must make sure you secure trademark registration.

- Awareness of IP rights is growing in the Philippines but enforcement proceedings are still constrained by the inexperience of courts, especially those outside of major cities. Settlement outside of 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 costs and length of time involved in pursuing civil or criminal action against infringers, you are recommended to use alternatives such as:
  - Sending a cease and desist letter to the infringer and negotiating with the infringer;
  - Utilizing takedown system of websites in case of online infringement; and

- 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.
6. RELATED LINKS and Additional Information

> Visit the South-East Asia IPR SME Helpdesk website for further relevant information, such as how to deal with business partners in the South-East Asia region.

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


> The European Chamber of Commerce of the Philippines (ECCP) - http://www.eccp.com/


> Intellectual Property Office of the Philippines - (http://ipophil.gov.ph/)

> Bureau of Customs - (http://customs.gov.ph/)
7. TEAR-OUT Supplement

In the case of IP assets being infringed in the Philippines, there are three (3) avenues to enforce intellectual property rights: 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**
The Bureau of Legal Affairs of the Intellectual Property Department has jurisdiction over administrative complaints for IP violations, provided the total damages claim, as indicated in the complaint, is over approximately EUR 3,076 (in local currency). The procedure is similar to a simplified civil action procedure, with parties exchanging a complaint and replying to the evidence upon which a decision is made. This is initiated by the filing of a required pleading. There are no enforcement forms/templates, although lawyers have to observe certain formalities, this would need to be drafted on ‘ad hoc’ basis by lawyers under specific mandate.

**Civil Litigation**
The relevant documents to initiate a civil lawsuit in the Philippines would need to be drafted on an ‘ad hoc’ basis by lawyers licensed to represent clients in the country.

**Criminal Prosecution**
The IP holder should request the enforcement agencies, particularly the Philippine National Police (“PNP”) or the National Bureau of Investigation (“NBI”), to file a complaint with the District Court that has jurisdiction over the crime committed (usually the court in the area where the infringement occurred). No official standard forms are publicly available.

**Customs Enforcement**
Upon registration of IPRs with the Bureau of Customs of the Philippines (BOC), a trade mark holder who has valid grounds for suspecting that counterfeit trade mark or pirated copyright goods have been imported may lodge an application in writing with the Commissioner of the BOC for the issuance of a hold order on the release of such goods.

The IP owner or agent shall request in writing from the Commissioner of Customs the issuance of a hold order on suspected counterfeit goods, providing as much detail as possible regarding the shipment, e.g., date the shipment is coming in, on what ship, from what port, etc. No official standard forms are publicly available for this application and SMEs shall be assisted by local lawyers.

In addition to the information on enforcement avenues available above, and based on the input received by the SEA HD local External Experts, only the following two official forms are available for the Philippines for the actions as described below.

- **DTI Complaint Form**
  - This is submitted by consumers, individuals and/or entities seeking the assistance of the Department of Trade and Industry (DTI). The complaint may involve a consumer complaint or a request for revocation of an infringing business name registered with the DTI.
  - The complaint form must be supported by letters, photos, registration copies and/or affidavits, as necessary.

- **DOJ Investigation Data Form**
  - This is submitted together with the complaint-affidavit and supporting documents in initiating a criminal complaint against infringers to the Department of Justice (DOJ).

TWO FORMS ATTACHED:
1. **DTI COMPLAINT FORM**
2. **DOJ INVESTIGATION DATA FORMS**
COMPLAINT

THE UNDERSIGNED COMPLAINANT/S TO THIS HONORABLE OFFICE, MOST RESPECTFULLY ALLEGE/S THAT:

1. NAME/S OF COMPLAINANT/S: AGE STATUS

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<th>Name: ___________________________</th>
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2. ADDRESS: __________________________________________________
   __________________________________________________

3. NAME/S OF RESPONDENT/S:

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<th>Company Name: ____________________</th>
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<td>Tel No: __________________________</td>
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<td>Email Add: ________________________</td>
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4. ADDRESS: __________________________________________________
   __________________________________________________

5. OWNER/MANAGER: __________________________________________

6. CAUSE/S OF ACTION:

   ( ) VIOLATION OF THE CONSUMER ACT OF THE PHILIPPINES
   (R.A. 7394), MORE PARTICULARLY:

   ( ) PROVISIONS ON CONSUMER PRODUCT QUALITY & SAFETY
   ( ) PROVISION ON DECEPTIVE, UNFAIR AND UNCONSCIONABLE ACTS/PRACTICES
   ( ) PROVISIONS ON CONSUMER PRODUCT AND SERVICE WARRANTIES
   ( ) PROVISIONS ON LABELING AND FAIR PACKAGING
( ) PROVISIONS ON DEFECTIVE PRODUCTS AND SERVICE IMPERFECTION
( ) PROVISIONS ON ADVERTISING AND SALES PROMOTION
( ) CHAIN DISTRIBUTION PLANS OR PYRAMID SALES SCHEMES
( ) OTHER PROVISIONS CONTAINED THEREIN, SECIFICALLY:

__________________________________________________

__________________________________________________

__________________________________________________

__________________________________________________

( ) VIOLATION OF PHILIPPINE LEMON LAW (RA 10642)
( ) VIOLATION OF THE BUSINESS NAME LAW
( ) VIOLATION OF THE LAW REGULATING THE BROKERAGE BUSINESS
( ) VIOLATION OF R.A. NO. 71, AS AMENDED (PRICE TAG LAW)
( ) OTHER FAIR TRADE LAWS
SPECIFY: _________________________________________

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________________________________________

AND/OR

( ) NARRATION:

___________________________________________________________

___________________________________________________________

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7. PROOFS/EVIDENCES (ATTACHED):

___________________________________________________________

___________________________________________________________

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___________________________________________________________
8. RELIEF: COMPLAINTANT/S PRAY FOR THE FOLLOWING:

( ) REFUND
( ) REPLACEMENT
( ) OTHERS:

____________________________________
____________________________________
____________________________________

IN WITNESS WHEREOF, I HAVE HERUNTO SET MY HAND THIS ___ DAY
OF ____________________, 200___, IN _______________________________.

____________________________________
COMPLAINANT

VERIFICATION/CERTIFICATION

THE COMPLAINANT/S, UNDER OATH, HEREBY DEPOSE/S AND SAY/S:

A) THAT HE/SHE/THEY IS/ARE THE COMPLAINANT/S IN THE
INSTANT CASE:
B) THAT HE/SHE/THEY HAS/HAVE READ AND UNDERSTOOD THE
CONTENTS THEREOF:
C) THAT THE ALLEGATIONS THEREIN ARE TRUE AND CORRECT
OF HIS/HER/THEIR OWN PERSONAL KNOWLEDGE AND BELIEF
D) THAT FURTHER HE/SHE/THEY CERTIFY THAT AS OF THIS DATE,
HE/SHE/THEY HAS/HAVE NOT FILED IN ANY COURT, TRIBUNAL,
OR QUASI-JUDICIAL AGENCY, OTHER ACTION/S OR CLAIMS
INVOLVING THE SAME PARTIES AND THE SAME ISSUES. SHOULD
HE/SHE/THEY FIND/S THEREAFTER THAT A SIMILAR ACTION OR
CLAIM IS FILED OR PENDING IN ANY OTHER COURT, TRIBUNAL,
OR QUASI-JUDICIAL AGENCY, HE/SHE/THEY SHALL REPORT THE
SAME WITHIN FIVE (5) DAYS THEREFROM TO THIS HONORABLE
OFFICE.

____________________________________
COMPLAINANT
SUBSCRIBED AND SWORN TO THIS ____ DAY OF ____________, AFFAINT/S HAVING EXHIBITED TO ME HIS/HER/THEIR COMMUNITY TAX CERTIFICATE NO. ________________ ISSUED ON ___________________ AT _______________ AND HIS/HER/THEIR GOVERNMENT-ISSUED IDENTIFICATION CARD NO. ________________, AS FOLLOWS:

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ADJUDICATION OFFICER
Republic of the Philippines
Department of Justice
NATIONAL PROSECUTION SERVICE
OFFICE OF THE CITY PROSECUTOR
Manila

INVESTIGATION DATA FORM

To be accomplished by the Office

DATE RECEIVED: ____________________________
(stamped and initialed) _________________________
Time Received: ____________________________
Receiving Staff: ____________________________

NPS DOCKET NO.: XV-07-INV _________________________
Assigned to: ____________________________
Date Assigned: ____________________________

To be accomplished by the complainant / counsel / law enforcer.
(Use back portion if space is insufficient)

COMPLAINANT/s: Name, Sex, Age & Address

RESPONDENT/s: Name, Sex, Age & Address

OFFENSE/s COMMITTED / LAW/s VIOLATED:

WITNESS/es: Name & Address

DATE & TIME OF COMMISSION:

PLACE OF COMMISSION:

1. Has a similar complaint been filed before any other office?* YES NO
2. Is this complaint in the nature of a counter - charge?* YES NO If yes, indicate details below
3. Is this complaint related to another case before this office?* YES NO If yes, indicate details below

I.S. / NPS Docket No
Handling Prosecutor

CERTIFICATION

I CERTIFY, under oath, that all the information on this sheet are true and correct to the best of my knowledge and belief, that I have not commenced any action or filed any claim involving the same issues in any court, tribunal, or quasi-judicial agency, and that, if I should thereafter learn that a similar action has been filed and/or is pending, I shall report that fact to this Honorable Office within five (5) days from knowledge thereof.

(Signature over printed name)

SUBSCRIBED AND SWORN TO before me this day of_________________________ 20

Administering Officer / Prosecutor

*1,2,3and CERTIFICATION need not be accomplished for repeat cases.
The South-East Asia IPR SME Helpdesk provides free, business-focused advice relating to South-East Asia IPR to European Small and Medium Enterprises (SMEs).

**Helpdesk Enquiry Service:** Submit further questions to the Helpdesk via phone or email (question@southeastasia-iprhelpdesk.eu), or visit us in person and receive free and confidential first-line advice within three working days from a South-East Asia IP expert.

**Training:** The Helpdesk arranges training on South-East Asia IPR protection and enforcement across Europe and South-East Asia, tailored to the needs of SMEs.

**Materials:** Helpdesk business-focused guides and training materials on South-East Asia IPR issues are all downloadable from the online portal.

**Online Services:** Our multilingual online portal (www.ipr-hub.eu) provides easy access to Helpdesk guides, case studies, E-learning modules, event information and webinars.

**For more information please contact the Helpdesk:**

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Fax: +84 28 3827 2743
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Website: www.ipr-hub.eu
Blog: www.yourIPinsider.eu

An initiative co-funded by the European Union

Project implemented by:

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