

INTELLECTUAL PROPERTY RIGHTS: Protecting Economic Interests

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I. Introduction

Intellectual property rights are about economic interests. Of this there is no doubt. Consideration of these rights was one of the priorities of the Uruguay Round of the *General Agreement on Tariffs and Trades* that engendered the World Trade Organization.

Investor confidence and the punctilious enforcement of these rights are directly related, and international pressure is brought to bear on those countries that by the frequency and gravity of intellectual property rights violations earn notoriety as arrant violators. The Philippines, unfortunately, has frequently appeared on the lists of IP miscreants!

But intellectual property is also - and principally at least, in the contemplation of the Constitution of 1987 - about benefiting the public. The monopolies that the law grants creators and inventors are incentives so that eventually their creative output and useful inventions may be made available to the public.

Precisely because the public has a stake in the creations and inventions of its members there is good reason to abide by the general rule: If you want to enjoy the protection of your intellectual property rights, avoid all that may render your work freely available in the public domain and do all that is required to obtain protection. Where the opportunity exists then for the operation of the law to make your creation freely available, it will put it beyond the pale of any monopoly.

This is the reason for such requirements as application and registration, priority dates, the rule against prejudicial disclosures, the doctrines of fair use and the exclusions from protection, as well as the rules on compulsory licensing and transfer of technology.

II. Scope of Relevant Laws:

1. R.A. 8293: The Intellectual Property Code

- Patents
- Utility Models
- Industrial Designs
- Trademarks, Service Marks and Trade names

- Copyright
- Performers' Rights
- Rights of Producers of Sound Recordings
- Rights of Broadcasting Organizations

2. *Electronic Commerce Act of 2002:*

- Material on the Internet and other telecommunication network facilities

3. *R.A. 9150: Protection of Lay-Out Designs (Topographies) of Integrated Circuits*

- Lay-Out Designs (Topographies) of Integrated Circuits

4. *R.A. 9168: Protection of New Plant Varieties*

- Plant Variety Protection

5. *R.A. 9239: Optical Media Act*

- Optical and Magnetic Media

III. *Reviewing the Basic Principles of Intellectual Property Law Protection*

A. *Copyright Law*

1. Copyright is acquired by the mere creation of a work. No formality is required for the acquisition of copyright, and therefore the present rule is also known as the "no-formality rule". There is no registration requirement for copyrights, and the National Library does not grant copyrights.

2. The dichotomy between **idea** and **expression** has been reiterated by recent jurisprudence. cf. *Joaquin v. Drilon*, G.R. 108946 (January 28, 1999). Ideas enjoy no protection and hence no monopoly can attach to schemes, methods, procedures and formats.

3. There should be no confusion about the ambit of protection afforded by different aspects of intellectual and industrial property rights law. Publishing a sketch, drawing or a photograph and announcing that what is published enjoys copyright protection does not operate as patent protection of the item so sketched, drawn or photographed. The only protection one obtains thereby is against the unauthorized reproduction, distribution or exploitation of the sketch, the drawing or the photograph.

4. It is not necessary that an entire work be reproduced in order to infringe copyright. *Habana v. Robles*, G.R. 131522 (July 19, 1999) held: "If so much is taken that the value of the original work is substantially diminished, or the labors of the original author are substantially and to an injurious extent appropriated by

another, that is sufficient in point of law to constitute piracy.” The determining consideration will then be whether or not that which is supposedly copied constitutes an original contribution of the author or the artist, and whether or not the unlawful exploitation injures the protected economic interests of the copyright holder.

5. The so-called “pirated” CD’s, VCD’s and DVD’s are instances of violations of copyright law. Aside from musical compositions and literary-musical works that are protected by law, sound recordings also are. Unlike the works principally covered by copyright (e.g., literary-musical works), sound recordings enjoy a mere fifty (50) year period of protection from the time of the recording. They also constitute a violation of the *Optical Media Act*, R.A. 9239.

6. Computer software (programs and databases) are protected by copyright. Computer hardware is protected by patent. The economic right of the copyright holder of software programs is limited by the right of the legitimate owner of a copy thereof to produce what is known as an “archival copy”, as well as the adaptation right such an owner enjoys.

B. *Industrial Property: Trademarks, Service Marks and Trade Names*

1. Unlike a trademark, a trade name is protected even prior to or without registration from unlawful acts by third parties. Clearly, one such unlawful act would be the appropriation by a junior competitor of the trade name of a senior. Trade names, insofar as they are corporate names, are governed not only by the Intellectual Property Code but by the Corporation Code as well, and subject to the regulatory authority of the Securities and Exchange Commission. Change in the ownership of a trade-name can come only with the transfer of the enterprise, or of that portion of the enterprise identified by the trade-name.

2. Even without registering a mark, an entrepreneur who has identified in the public mind his goods or services with such a mark and has established goodwill will have cause of action against another who makes use of the known mark in order to pass off his goods as those of the entrepreneur who has already established goodwill. This is the essence of an *unfair competition* case. In an unfair competition case it is goodwill that is protected. The plaintiff then as a matter of evidentiary necessity must prove goodwill.

3. When “A” obtains an exclusive dealership or distributorship of x products and discovers shortly that “B” is marketing the same products, “A” has no cause of action against “B” under the unfair competition provisions of the Intellectual Property Code. If anything at all, “A” should go after the source, producer or manufacturer of x goods with whom he entered into a contract of exclusive dealership or distributorship and it will be up to such a producer or manufacturer to pursue whatever legal remedies are available against “B”. See: *Solid Triangle Sales Corporation v. The Sheriff of R.T.C.*, G.R. 144309 (November 23, 2001)

4. Under the anti-dilution provisions of the Intellectual Property Code, the owner of a registered mark may sue for the use of the mark in relation to non-identical goods and services when a connection is indicated between the new

goods and services with the senior producer in such wise as to be prejudicial to the original right holder.

C. *The Law on Patents:*

1. Creations for which patents are sought must contain the following:
 - a. Novelty: they must not be barred by prior art
 - b. Inventive step: they must be non-obvious to a person skilled the art.
 - c. Industrially applicable: they must be reducible to practice.

2. *Is a patent awarded to the inventor who invents first?*

Not necessarily, because the rule in patents is the "first to file rule", therefore it is the person who files for patent protection first who is awarded the patent.

3. *Are scientific or mathematical theories patentable?*

No, they are not. Bare ideas, solutions to mental problems or games are not patentable.

4. *Are computer programs patentable?*

No, they are not. Computer programs are entitled to copyright protection.

5. *What may be the subject of patent protection?*

- a. Products
- b. Processes
- c. Improvements

6. *What special protection attaches to a process patent?*

The holder of a process patent can exclude others from the use, transaction in or importation of the product of his patented process, whether direct or indirect.

7. *If the applicant himself has disclosed his invention earlier than his application date, is he still entitled to a patent?*

Yes, he is, provided that he applies for a patent within twelve (12) months of such disclosure, otherwise his own disclosure bars him from patent protection.

8. *What are the rights of a patentee?*

His rights are:

- a. The making, using, offering for sale, selling or importing of a patented product, or a product obtained directly or indirectly from a patented process;

- b. To assign or transfer by succession the patent and to conclude licensing contracts for the sale.
9. *When a professor without authority of the patentee discusses the invention with his class, dismantles the product, and re-assembles it, and introduces modification, is this a violation of patent?*

No, it is not, because scientific or experimental uses of the patented object do not constitute infringement.

10. *What is the doctrine of equivalents?*

It is the doctrine that if two devices do the same work, in substantially the same way, and produce the same result, no matter what slight modifications or changes may be introduced, they are the same product. Therefore a competitor cannot introduce minor modifications or changes to acquire a patent that competes with the original patentee, if the result of his so-called invention is a mere equivalent.

IV. Optical Media and Magnetic Media Cases

1. *What, in popular language, are these?*

- Cassette tapes
- Betamax and VHS tapes
- Diskettes; floppy disks; micro-floppy disks
- Compact disks, whether:
 - Audio or Video CD's
 - DVD's

2. *What cases may be brought involving optical or magnetic media?*

- The most common cases would be infringement cases both civil and criminal.
- Criminal prosecution can result from the raids conducted by operatives of the Optical Media Board on establishments engaged in the "piracy" of optical media.

3. *Civil Cases for infringement:*

a. The plaintiff must be a right-holder under intellectual property law that makes him or her a real party in interest.

b. The provisions of the Intellectual Property Code that are relevant in a civil case for infringement:

- On sound recordings, such as audiotapes, audio-cassettes, audio CD's, etc., *Chapter XIII, Section 208 et seq.* apply;

- On video recordings, such as Betamax or VHS tapes, or video CD's or DVD's, *Chapter II, Section 172.1, l* apply;
- On computer programs (software), *Chapter II, Section 172.1, n* in relation to *Chapter VIII, Section 189* apply.

c. The following remedies are available:

- The provisional seizure of articles that may evidence infringement. (*Section 216.2*) The matter is governed by the *Rule on Search and Seizure in Civil Actions for Infringement of Intellectual Property Rights* outlined in the foregoing section.
- An order to the defendant to deliver under oath:
 - Sales invoices
 - Other documents involving sales
 - Articles infringing copyright
 - Implements for the production of infringing materials
- TRO, Writ of Preliminary Injunction and Permanent Injunction to restrain infringement.
- Award of damages
 - Actual damages
 - Legal costs
 - Other expenses
 - Profits of the infringer
 - Moral and exemplary damages
- Destruction of infringing copies, including plates, molds and other implements for the production of infringing materials, even if the accused in a criminal case should be acquitted.

d. In order to state a cause of action, what must the complaint aver?

- That the plaintiff is the holder of copyright to the audio or video recording or production; and
- That the defendant has reproduced without authority a sound or an audio-visual recording, OR
- That the defendant has distributed without authority copies of the audio or audiovisual recording, OR
- That the defendant has rented out copies of the audio or audio-visual work to the public without authority

e. Reminders in regard to evidence:

- To establish existence of copyright, it is enough that the plaintiff execute an affidavit declaring that copyright subsists in the work, that he is the

holder of such right, and that the attached or annexed copy is a copy of the work. These presumptions stand until proved otherwise. (*Section 218.1*).

- It is presumed that:
 - The person or corporate body whose name appears in an audio-visual work in the usual manner is the maker thereof. (*Section 219.2*)
 - The copyright subsists in the work or subject matter to which the action relates unless the defendant puts this in issue. (*Section 218.2, a*)
 - The plaintiff is presumed owner of copyright, unless this is put in issue by the defendant. (*Section 218.2, b*)
- In proving the unlawful profit made by the infringer, the plaintiff merely has to prove sales. It is for the defendant to prove every element of cost. When this cannot be established with preponderant evidence, the court determines the amount that appears just. (*Section 216.1, b*)

f. Possible defenses:

- Expiry of protection. The protection for sound or image and sound recordings is fifty (50) years from the end of the year in which the recording took place. (*Section 215.1, b; Section 213.6*)
- Exclusive personal use. (*Section 212.1*)
- Use of short excerpt for reporting current events. (*Section 212.2*)
- Use for the sole purpose of teaching or for scientific research. (*Section 212.3*)
- In case of a copy of a computer software, adaptation necessary for the operation of the computer software program. (*Section 189.1, a*)
- Archival copy of computer software. (*Section 189.1, b*) This defense can be availed of however only by one who is in lawful possession of computer software. The moment the software has been conveyed lawfully, it also ceases to be lawful to retain the archival copy that must be destroyed.
- Fair use in accordance with *Section 185.1* that would include:
 - Criticism, comment, news reporting
 - Teaching; scholarship; research
 - Rendering a computer program inter-operable with other programs in the same computer.

- In the case of computer programs or shows (such as Television Programs) the defense can be rightly raised that what is reproduced is the idea, and not the expression of the idea. Thus format, method and concept do not enjoy protection. (*Section 175*; applied in *Joaquin v. Drilon*, G.R. 108946 [January 28, 1999])
- In the case of databases (e.g., Encyclopedias or compilations of data in digital form) the protection that is extended to the database itself by way of the selection or arrangement of data is different from whatever protection there may or may not be in the data themselves. It would therefore be a good defense that it is unprotected data on which the plaintiff's claim is based, and not the database itself. *WIPO Copyright Treaty, Article 5. Section 175* of the I.P. Code expressly excludes "mere data as such" from the ambit of protection.

4. Punishable acts:

Provision of law	Indictable acts	Penalty
<i>Section 217.1, Intellectual Property Code</i>	<ul style="list-style-type: none"> • Infringing • Abetting or aiding infringement 	<ul style="list-style-type: none"> • First offense: 1 to 3 years imprisonment; AND a fine from 50,000 Pesos to One 150,000 Pesos. • Second offense: 3 years, 1 day to 6 years AND a fine from 150,000 Pesos to 500,000. • Third offense: 6 years, 1 day to 9 years AND a fine of from 500,000 to 1,500,000 Pesos <p>WITH Subsidiary imprisonment in case of insolvency.</p>
<i>Section 217.3, IP Code</i>	<p>Possession of an infringing article for the purpose of:</p> <ul style="list-style-type: none"> • Selling or letting • Distributing in trade • Trade Exhibit 	- ditto -
<i>Section 19,a R.A. 9239</i>	<ul style="list-style-type: none"> • Importation, exportation, acquisition, sale, 	<ul style="list-style-type: none"> • First offense: Imprisonment of at least 3

	<p>distribution, possession or operation of equipment, parts or accessories for the manufacture of magnetic or optical media;</p> <ul style="list-style-type: none"> • Manufacturing, replication, importation or exportation of optical or magnetic media; • Non-affixing of required Source Identification Codes, or use of fake SID's; • Allowing the use of SID's assigned to oneself by others not so authorized. <p>WITHOUT THE NECESSARY OMB LICENSE</p>	<p>years but not more than 6 years AND a fine of not less than 500,000 but not more than 1,500.00.</p> <ul style="list-style-type: none"> • Subsequent offenses: Imprisonment of 6 years, not exceeding 9 years and a fine of not less than 1,500,000 but not more than 3,000,000.
<p><i>Section 19,b, R.A. 9239</i></p>	<ul style="list-style-type: none"> • Importing, exporting, selling or distributing, possession or acquiring in commercial quantities materials used or intended for the mastering, manufacture or replication of optical or magnetic media. • Knowingly rendering the service of mastering, manufacturing or replicating optical or magnetic media for another in infringement of intellectual property rights; 	<ul style="list-style-type: none"> • First offense: Imprisonment of at least 1 year but not more than 3 years AND a fine of not less than 1,000 pesos but not more than 500,000. • Subsequent offenses: Imprisonment of 3 years to not more than 6 years, AND a fine of not less than 500,000 but not exceeding 1,500.000.

	<ul style="list-style-type: none"> Refusing inspection by OMB, or to surrender articles, equipment, materials found in inspection operations by the OMB 	
Section 19, subsection after "b"	<ul style="list-style-type: none"> Possession of items in violation of R.A. 9239 with intent to profit; Engaging in sale, rental, distribution, importation, exportation of optical or magnetic media in violation of the law. 	Imprisonment of at least 30 days but not more than 90 days OR a fine of not less than 25,000 but not exceeding 50,000;

a. Will prosecution under BOTH the I.P. Code and R.A. 9239 lie?

Yes, an offender may be prosecuted both under the I.P. Code and R.A. 9239, and the penalties imposed by the latter law do not prejudice penalties that the I.P. Code may impose. (Section 19, last paragraph, R.A. 9239)

b. How does the judge determine the penalty to be imposed when there is a range provided?

The judge, in cases under R.A. 9239, considers the size of the operations, the value of the articles, and the period of violation. (Section 20) In cases under the I.P Code, he considers the value of the infringing materials and the damage to the copyright owner. (Section 217.2)

c. When the right holder in an optical or magnetic media infringement case does not file action against the offender, who files the criminal complaint?

One of the powers given the Optical Media Board is to "act as complainant in the criminal prosecution of violators of this Act". (Section 10,f)

d. To prove illegality of replication or reproduction, is it necessary to present the master-tape or optic or magnetic master?

It is only when there is a doubt as to whether the supposed infringing copies are indeed copies is it necessary to present the master in evidence but when the copying or replication can otherwise be competently proved then there is no

	whether he has notes or not.	delivered pieces <i>Section 176.2</i>
4. Letters		Besides the I.P. Code provisions, see <i>Art. 723, Civil Code</i>
5. Dramatic, dramatico-musical works; choreography	Operas, operettas, musicals; Note: Popular dance steps - "ballroom dancing" - not included.	<ul style="list-style-type: none"> Public performance or other forms of communication to the public <i>Section 177.6</i> - ditto -
6. Musical compositions		
7. Drawings, paintings, architecture, sculpture, other works of art and models thereof	Architectural plans Paintings of Joya; Clay models of sculptural works	<ul style="list-style-type: none"> Constructing the building that reproduces the whole or a substantial part of the architectural work <i>Section 186</i>
8. Works of applied art	Decorative prints of shirts or blouses or skirts; Creatively devised formats of blank forms or even receipts;	
9. Illustrations, maps, plans, sketches, charts		
10. Drawings or plastic works of a scientific or technical character	Acetate transparencies found in medical books illustrating body parts; Plastic models of molecular structures	
11. Photographs and similar products	Photographs whether on traditional film or digital format.	
12. Audio-visual and cinematographic works		<ul style="list-style-type: none"> Piracy of optical and magnetic media

13. Pictorial illustrations and advertisements		media R.A. 9293, Section 19
14. Computer programs	Software; including databases (excluding mere data)	
15. Other literary, scholarly and scientific work. Section 172		

1. *Will a claim of copyright protection be sustained in the absence of a certificate of registration from the National Library?*

Yes, it is an elementary postulate of copyright law that protection is by virtue of the sole fact of the creation of a work. (Section 172.2; See also Section 172.1) There is no statutory requirement of registration. The only registration mentioned in the law is the registration and deposit of two complete copies of the work "for purposes of completing the records of the National Library and the Supreme Court Library." (Section 191) It is not therefore the copyright that is registered but the copies of the work.

Failure to deposit and register copies DOES NOT DENY a right holder protection under the law. It only exposes the creator of the work to pay a fine, the equivalent of the required fee per month of delay aside from the payment of the best edition of the work.

The notice of copyright IS NOT NECESSARY. It may be affixed, but the fact that it does not appear does not affect the right-holder's claims. (Section 192)

2. *Will copyright protection of a drawing, sketch or diagram of a useful item protect the copyright holder from the unauthorized manufacture of the item depicted in the drawing, sketch or diagram?*

No, it will not. What would effectively bar an unauthorized person from manufacturing or fabricating the item so depicted, sketched or drawn would be patent registration. Copyrights and patents have different offices, and one cannot be used as a substitute for the other. In sum, the only protection copyright would extend would be to the drawing, sketch or diagram itself, not to the item or object drawn, sketched or diagrammed. *Pearl and Dean v. Shoemart*, G.R. 148222 (August 15, 2003)

3. *In regard to articles or books, how much must be copied so that a case of infringement may be sustained?*

When the reproduction or other act of infringement results in the diminution of the value of the original work (as when one chapter containing the original contribution of the writer is extensively plagiarized, even though it be only one

chapter in a multi-chapter work) then there is infringement. *Habana v. Robles*, G.R. 131522 (July 19, 1999)

4. *Does the fact that there is virtual identity between entries in the later work and those of the earlier work establish infringement on the part of the later work?*

Not necessarily, for where both writers or authors follow the same syllabus, write for the same purpose, write on the same subject matter, and rely on the same source materials, it can only be expected that there will be similarities if not identity between entries in the senior and junior works. *See dissent of Davide, CJ in Habana v. Robles.*

5. *When the author has a publisher who between the author and the publisher has the right to sue, and who has the right to claim damages?*

The only rights transferred by the author to the publisher are the rights to reproduce or replicate (publish) and the right to distribute or vend. All other rights of copyright remain vested in the author. Both author and publisher then have standing to sue for infringement, the author as holder of copyright, the publisher as transferee of the right to publish and to distribute. It is for both author and publisher to establish the extent of their claim, although in conformity with *Section 216.1,b* all that the plaintiffs have to prove is sales on the part of the defendant.

6. *In derivative works (works themselves derived from other works) does the creator, producer, or writer of the derivative work enjoy copyright protection?*

Yes, she does to the extent of her original contribution. A script-writer who produces the script for a stage play from a novel does not enjoy copyright protection to the story, characters or plot itself, as these are found in the novel that enjoys a distinct copyright. It is the original contribution of the script-writer – the dialogue format, the distribution of speaking roles, the blocking instructions – that are protected by copyright. If therefore the script is plagiarized or performed without authority, both the script-writer and novelist have a cause of action against the infringer.

If the author or creator of the derivative work did not have the authority of the author or creator of the original work, the derivative work would still enjoy copyright protection (since no condition is laid down by *Section 173.1*) but would also make such an author or creator liable for infringement claims by the author of the original work, since one of the rights of copyright is the right to prepare adaptations. (*Section 177.2*)

7. *How does one distinguish between idea (that is unprotected) and expression (that is protected) in infringement cases?*

Whoever is the sculptor of the Oblation at the UP Diliman Campus enjoys -- or enjoyed -- copyright to his work of sculpture. Any artist who would have copied

the original and fashioned an identical "Oblation" even in a different medium would have been infringing the copyright of the sculptor. The idea of the statue however is that of a naked man, arms outstretched in a gesture of oblation. There is nothing to stop the judge, for example, from striking the same pose – except perhaps a becoming sense of modesty – and asking that his picture be taken, or that a painting be taken of his pose, or that a likeness of his peculiar pose be fashioned in whatever medium he should choose. There would be no infringement in the latter case because it is the idea, not the expression, that has been reproduced.

8. *What is the effect of the inclusion of an unprotected work within a protected work?*

The unprotected work included within a protected work (such as an anthology or a compilation, or an album) remains unprotected. What protection there is extends to the selection, editing, arranging, presenting, annotating, editing of the included material. (See *Section 173.2*)

9. *The question has been asked whether or not the first distribution or sale by an author or creator of his work abroad exhausts his right also for the Philippines, i.e., he has already exhausted his right to distribute even in the Philippines? (See the very useful article by Vicente B. Amador, "Significant Developments in IP Law: Treaties, Statutes and Jurisprudence", I.B.P. L.J., XXVIII:1, 2002, 29-92)*

Section 190.1 sets limits and conditions for the importation of works, and therefore it seems that public distribution in foreign jurisdictions does not exhaust the right of the author to distribute in the Philippines, else there would be no reason for the limit to the right to import.

10. *Is the theft of files stored in the memory of one's computer dealt with as infringement?*

No, but it is defined and penalized as "hacking" under *Section 33* of R.A. 8792 otherwise known as the Electronic Commerce Act of 2000.

"Hacking or crackling with refers to unauthorized access into or interference in a computer system/server or information and communication system; or any access in order to corrupt, alter, steal, or destroy using a computer or other similar information and communication devices, without the knowledge and consent of the owner of the computer or information and communications system, including the introduction of computer viruses and the like, resulting in the corruption, destruction, alteration, theft or loss of electronic data messages or electronic documents shall be punished by a minimum fine of One Hundred Thousand pesos (P 100,000.00) and a maximum commensurate to the damage incurred and a mandatory imprisonment of six (6) months to three (3) years;"

11. *Can decisions of the Supreme Court still be freely appropriated?*

They are appropriated subject to conditions laid down by the Supreme Court itself. Authors of textbooks or treatises may reproduce in whole or in part

decisions of the Supreme Court without need of prior approval provided that they provide the Supreme Court Library with two copies of the book or treatise – distinct from the copies required under the deposit provisions of the IP Code. The Supreme Court also reserves to itself the right to digitize such works for the exclusive use for research purposes of the court in connection with judicial proceedings.

Decisions of the Court may likewise be compiled, but upon prior approval of the Court, subject to the condition that twenty (20) copies of such compilation – whether printed or digitalized – be provided the Supreme Court Library, and if they are printed form, with the proviso that the Court enjoys the authority to cause its digitalization. Permission to commercially appropriate is given subject also to the condition that the Court shall have the right to purchase additional copies of the compilation at cost. *A.M. No. 04-7-06-SC (20 July 2004)*

12. *What is the duration of the protection granted various categories of works?*

Category of Work	Duration of Protection	Provision of Law
Books, writings, articles, musical composition, dramatico-musical works, etc.	Life-time of author PLUS fifty years thereafter	<i>Section 213.1, et seq.</i>
Works of applied art	Twenty-five years from the time of making	<i>Section 213.4</i>
Photographic works	Fifty years from publication, if published, or from making, if unpublished	<i>Section 213.5</i>
Audio-visual works, including recordings on optical or magnetic media	Fifty years from date of making if unpublished and from publication if published.	<i>Section 213.6</i>

12. *What other protection is afforded under Part IV of the Intellectual Property Code?*

Category	Scope of Protection	Provision of Law
Performances of actors, singers, musicians, dancers, and others in similar positions	<ol style="list-style-type: none"> 1. Broadcasting or telecasting of their performance; 2. Fixation of their unfixed performance; 3. Authorizing the direct or indirect reproduction of their performance in any form; 4. Authorizing the first public distribution of the original and copies of the fixed forms of their 	<i>Section 203.1 et seq.</i>

	<p>fixed forms of their performance;</p> <p>5. Authorizing commercial rental of the original and copies of the fixed forms of their performance;</p> <p>6. Authorizing communication to the public of their performance by such means as television.</p> <p>Important: These rights cease the moment the performer authorizes broadcast/telecast or fixation of her performance.</p> <p>She is entitled though to additional remuneration per broadcast or communication to the public to at least 5% of original compensation.</p>	<p><i>Section 205</i></p> <p><i>Section 206</i></p>
Producers of sound recordings	<p>1. Right to reproduce</p> <p>2. Right to distribute: either through sale or rental</p> <p>3. Right to authorize commercial rental</p> <p>4. Right to single equitable remuneration when recording directly used for broadcasting or communication to the public.</p>	<p><i>Section 208</i></p> <p><i>Section 209</i></p>
Broadcasting organizations (Broadcast = Telecast)	<p>1. Right to prevent re-broadcasting of broadcasts;</p> <p>2. Recording of their broadcasts for the purpose of communicating to the public;</p> <p>3. The use of such recording for fresh transmission or recording.</p> <p>Note though:</p>	<p><i>Section 211</i></p>

	<p>There is no prohibition of the private recording of any broadcast or telecast, as long as this is for private, education, etc. use.</p> <p>It is however a legal possibility for a foreign broadcasting organization to which we have access in the Philippines to prohibit altogether the fixation of their broadcasts.</p>	<p><i>1961 Rome Convention, Article 13,b</i></p>
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VI. Trademark Infringement Cases: The “fakes”

1. How does one distinguish between “trademarks”, “service-marks” and “trade-names”?

- A trademark is a visible sign distinguishing the GOODS of an enterprise.
- A service-mark is a visible sign distinguishing the SERVICES of an enterprise. *Section 121.1*
- A trade-name is the name or designation identifying or distinguishing an enterprise. It is a business-identifier. *Rule 100,l, IRR on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers (hereafter “IRR Trademarks”)*

2. What happens if the trade-name is also a corporate name?

If the trade-name is also the corporate name – as is usually the case – then it is also subject to *Section 18* of the *Corporation Code of the Philippines* that prohibits corporate names that are:

- Deceptively or confusingly similar to that of any existing corporation;
- Deceptively or confusingly similar to any other name already protected by law;
- Patently deceptive name;
- Name confusing or contrary to existing laws. When the name is that of a corporation, it is included in the Articles of Incorporation submitted to the SEC that can decide to disallow a corporate name. When allowed by the SEC it names the corporation.

To allow it to name the trade or the enterprise, and to enjoy the protection accorded by the IP Code it must be registered in accordance with *Part III* of the IP Code.

HOWEVER:

Section 165.2 extends to protection to trade names even before registration (or even without registration) against unlawful acts perpetrated by third parties, particularly when such a use tends to mislead the public.

3. *What remedies are available in cases of mark infringement?*

- A suit for damages and for the recovery of profits:
 - Measure of damages = reasonable profit anticipated OR
 - Actual profit of the defendant OR
 - A reasonable percentage based on the amount of gross sales of the defendant, when damages cannot readily be ascertained. (*Section 156.1*)
 - Doubled where actual intent to mislead the public or defraud the complainant is shown. (*Section 156.3*)
- Impounding of sales invoices and other documents evidencing sales *pendente lite* (*Section 156.2*)
- Searches and seizure under the Special Rule
- Injunctive relief (*Section 156.4*)
- Cancellation of mark as incidental to infringement case (*Section 151.2*)
- Cancellation of registration in whole or in part, or rectification of registry incidental to any action involving a registered mark (*Section 161*)
- Criminal prosecution (*Section 170*)
 - Punishable acts:
 - Infringement (as will hereafter be outlined)
 - Unfair competition
 - False designations of origin; False descriptions or representation
 - Penalties:
 - Imprisonment: 2 to 5 years AND

- Fine: 50,000 to 200,000

4. *Does the court have jurisdiction to order the cancellation of the registration of a trademark?*

YES, PROVIDED that the cancellation is incidental to its adjudication on the rights of a suit to enforce trademark or service-mark rights. A pending action for cancellation before the Bureau of Legal Affairs of the Intellectual Property Office DOES NOT constitute a prejudicial question in regard to the prayer for cancellation incidental to a suit for enforcement of trademark or service-mark rights (*Section 151.2*).

As however taught in *Shangri-la International v. Court of Appeals*, G.R. 111580 (June 21, 2001) when the court has ruled, in the context of an infringement case, on the registration, the IPO-BLA should not proceed with the action for cancellation, even if the court decision is still on appeal.

4. *Under what provision is a suit filed against a retailer, or store-owner, or merchant or peddler who vends clothes to which have been attached registered marks despite the fact that such clothes are not produced by or did not originate from the registered owners of the marks?*

Civilly or criminally, action is pursued under *Section 155.1* that defines as infringement the use in commerce of a reproduction or counterfeit copy of a registered mark on goods that are offered for sale or distribution or that are advertised in such a way as is likely to cause confusion, mistake or deception.

5. *What constitutes infringement of trademark?*

A basic requirement in actions for infringement under this heading is the "requirement of notice".

- Without notice: no recovery of profits or damages
- How notice given:
 - Display of mark with the words "Registered Mark"
 - Display of mark with the sign: ® OR
- If the defendant had actual notice of registration. *Section 158*

Category of Mark	Infringing Acts	Provision of Law
For a registered mark identical in respect to identical or similar goods or services	Use of identical or similar signs resulting in likelihood of confusion	<i>Section 147.1;</i> <i>Rule 800,a, IRR</i> <i>Trademarks</i>
For a well-known mark registered in the Philippines	Use of the same mark in respect to DISSIMILAR goods or services indicating a connection between the goods and	<i>Section 147.2 in relation to</i> <i>Section 123.1,f;</i> <i>Rule 800,b, IRR</i> <i>Trademarks</i>

	services and the holder of the registered mark.	
For a mark considered by the IPO or the Special Commercial Court or the Secretary of Trade and Industry as well-known internationally and in the Philippines	Use of identical or confusingly similar or translation of such mark in respect to identical or similar goods and services	<i>Section 123.1, e TRIPS, Article 16,3</i>

6. ***How does the court determine whether or not there is LIKELIHOOD OF CONFUSION?***

- In the case of IDENTICAL marks or signs for IDENTICAL goods and services, likelihood of confusion is PRESUMED. (*Section 147.1*)
- Likelihood of confusion is an issue of fact, and it is immaterial that none has ever been confused. What is in issue is whether or not there is “likelihood of confusion”. It is for the court to consider the totality of facts by looking not only at the *contested marks* but also at the *average purchasers* of the product. Thus where the purchasers of a particular product tend to be more discriminating (such as purchasers of medical equipment, or micro-chips) then the court may find that similarities may not necessarily lead to confusion. It would clearly arrive at a different finding were the item a household item purchased by the ordinary housewife or domestic helper. *Societe des Produits Nestle v. Court of Appeals*, G.R. 112012 (April 4, 2001)

7. ***How does the court determine IDENTITY OR SIMILARITY OF MARKS?***

In general, identity or similarity of marks is a matter of perception. Two tests, however, have been evolved by Philippine jurisprudence, consonant with international industrial property law practice. These tests are set forth in several cases. One of them is *Amigo Manufacturing v. Cluett Peabody*, G.R. 139300 (March 14, 2001). Earlier cases included *Asia Brewery v. Court of Appeals*, 224 SCRA 437 (1993) and *Del Monte Corporation v. Court of Appeals*, 181 SCRA 410 (1990).

- The HOLISTIC test: The entirety of the marks of the registered mark is compared with the entirety of the marks of the allegedly infringing mark. The holistic test therefore directs a point-by-point comparison. The holistic test rejects a dissection of the marks and a finding that there is similarity or identity when one or the other element of the dissected marks is identical or similar.
- The DOMINANCY test: This test is applied when the trademark has a main, essential or dominant feature. When this is so, it is enough that there be identity, similitude or imitation of the dominant or essential feature of the marks and not identity, similitude or imitation of all the features of the mark. Before it can apply this test, however, the court must

first find, as a matter of fact, that the registered mark contains a dominant or essential feature or element.

8. *How does the court determine whether or not the mark is WELL-KNOWN?*

The Intellectual Property Offices proposes the following criteria or a combination thereof for determining whether or not a mark is well-known:

- Duration, extent and geographical spread of use of any mark
- Market share in the Philippines and in other countries
- Degree of inherent or acquired distinction
- The reputation acquired by the mark
- Extent of registration world-wide
- Exclusivity of registration world-wide
- Commercial value attributed to the mark world-wide
- Degree of protection it has enjoyed in judicial and administrative actions
- Absence of identical or similar marks

Rule 102, IRR Trademarks

Important note:

It must be stressed that these criteria should be merely INDICATIVE or SUGGESTIVE of whether or not the mark is well known and should not be taken as determinative.

9. *Under what conditions must the court find infringement when the assailed mark is identical or similar to a registered mark for DISSIMILAR goods or services?*

This is new to our Intellectual Property laws. It was introduced by the IP Code. It brings into Philippine law *anti-dilution* provisions that have existed in foreign intellectual property law. Anti-dilution provisions are meant to preserve the goodwill an enterprise has generated against the deleterious attribution to such an enterprise of goods or services of inferior quality, though these goods and services be dissimilar to those of the enterprise. It is however directly a product of TRIPS. The following must be proved in a full-blown hearing and not at a preliminary hearing. (See *246 Corporation v. Daway*, G.R. 157216 [November 20, 2003])

- That the mark is registered in the Philippines
- That it is well-known abroad. Cf. *Article 16,2 TRIPS*
- That such a use would indicate a connection between such goods or services and the enterprise of the registered mark holder
- That there is likelihood of damage to the interests of the owner of the registered mark. *Section 123,c and Rule 800,b, IRR Trademarks*

10. *Since this is a new provision, what suggestions can be given to aid the court in determining whether or not the use in dissimilar goods or services may indicate a connection with the enterprise of the registered mark holder?*

The impression that dissimilar goods or services emanate from the registered mark holder when:

- A connection is suggested by the physical attributes or essential characteristics of the goods;
- There is a connection between the service or function for which they are intended;
- There is similarity or likeness in the manner the goods of the applicant and those of the right-holder are advertised, displayed or sold;
- The goods of the applicant are sold in the same place as the goods of the right-holder;
- The customers to whom the goods and services of the right-holder and those to whom the goods and services of the applicant are destined are the same. cf: Peter Rosenberg, *Patent Law Fundamentals*, 2nd Ed., Vol. 1, "Trademarks", § 4.03[1][a][ii]

In *Canon Kabushiki v. Court of Appeals*, G.R. 120900 (July 20, 2000), the Court found that because the goods were so foreign to each other (paints and chemical products against sandals) and were to be distributed along "different channels of trade" there was no danger of false attribution.

11. *What are some examples of this kind of cases?*

- The use of "Rolls-Royce" for watches or clothing
- "Vogue" - which is a publication's name - opposed registration of costume jewelry and photo albums, since Vogue, the magazine, also peddles dress patterns and includes fashion photos
- "Sunlife" - the trade-name of insurance service - barred registration of Sunlife for fruit juice
- "Toronto Maple Leaf" stopped registration of "Leaf" superimposed on a maple leaf for bubblegum as children might be duped into thinking that the bubblegum was produced by the club. cf: David Vaver, *Intellectual Property Law. Essentials of Canadian Law*, 1997 Ed., 225

Note:

- No presumption lies either way. It will not be presumed that the customers will conclude a connection between the new goods or services and the senior registrant. Neither is it presumed that they will not make such a connection.
- It is for the plaintiffs who claim infringement to prove these matters by preponderant evidence.

12. *Are trademarks and trade-names transferred in the same manner?*

- No. Change in the ownership of a trade name is made with the transfer of the enterprise identified by that name. (Section 165.4)
- The registration of a mark however may be transferred with or without the transfer of the business using the mark. To be enforceable against third parties, however, such a transfer must be recorded with the Intellectual Property Office. (Section 149,1 and Section 149,5)

VII. *Unfair Competition*

1. *What makes an unfair competition case different from a trademark infringement case?*

In an infringement case the plaintiff sues to vindicate his exclusive right to the use of a registered mark. It is therefore basic to an infringement case that there be a registered mark, with the exception of an internationally well-known mark. In an unfair competition case the plaintiff sues to protect the goodwill he has earned from being unlawfully appropriated by a competitor, whether or not a registered mark is employed. (Section 168.1)

2. *What are the elements of unfair competition?*

- Employment of deception or any means contrary to good faith
- To pass off goods he deals in
- As those of one who has established goodwill (Section 161.2)

With good reason have authorities therefore found in PASSING OFF the *gravamen* of unfair competition.

3. Non-exclusive itemization of unfair competition cases: (Section 168.3)

<p>1. Selling goods and giving them the appearance of the goods of another:</p> <ul style="list-style-type: none"> • As to the goods themselves • As to the wrapping or packages • The devices or words thereon • Any feature of their appearance 	<ul style="list-style-type: none"> • Has the defendant appropriated a term that has acquired a "secondary meaning" in favor of the plaintiff? • Did the defendant place his goods in containers or use labels similar in appearance to those of the plaintiff? • Did the defendant use advertisements identical or deceptively similar to the plaintiff's 	<p><i>Section 168.3,a</i></p> <p><i>61 Cal Jur 3d, "Unfair Competition", § 10</i></p> <p><i>18 Proof of Facts, "Unfair Competition", 18-265</i></p>
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<p>likely to mislead purchasers as to the source of the goods</p> <p>Trade dress: part of the format in which goods are presented to the market; it consists of the peculiar visual appearance of colors, symbols, words, designs on a label, package or product.</p>	<p>similar to the plaintiff's distinctive advertisements?</p> <ul style="list-style-type: none"> • Has the defendant made use of a slogan associated by the public with the products of the plaintiff? • In regard to simulation of "trade dress": <ul style="list-style-type: none"> ○ Plaintiff must prove that the trade dress has been associated by the public with its products. ○ The plaintiff must then show that the defendant's trade dress must be close enough to that of the plaintiff's so that it is likely that consumers would be deceived as to origin. 	<p><i>3 Proof of Facts, "Trade Dress (Packaging) Simulation", 3-577</i></p>
<p>2. The use of any artifice, device or any other means calculated to induce the false belief that the services one offers are those of another.</p>	<ul style="list-style-type: none"> • Did the defendant use the same identifying marks as the marks by which the services of the plaintiff are identified? • Do such items as shingles, stationeries, forms resemble confusingly those of the plaintiff? • Did the defendant give the public any reason to believe that the services he offers are those of the plaintiff? 	<p><i>Section 168.3,b</i> <i>61 Cal Jur 3d, "Unfair Competition", § 10</i></p>

<p>3. Making a false statement in the course of trade, or committing any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another.</p> <p>Unlawful disclosure of trade secrets Violation of undisclosed information.</p>	<ul style="list-style-type: none"> • Advertisements or public statements falsely denigrating the business interests of another (e.g., foisting results of spurious surveys or defective tests known to be defective) • The unauthorized disclosure of undisclosed information or violation of trade secrets. 	<p><i>Section 168.3,c</i></p> <p><i>TRIPS, Article 39, 2</i></p>
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4. *What legal protection is there for undisclosed information or for trade secrets?*

a. *TRIPS Article 39, 2* expressly provides protection for undisclosed information. The conditions set forth are:

- The information is not in its details known or readily accessible to persons within the circles that normally deal with the kind of information in question;
- The information has commercial value (e.g., the formula of a famous soft-drink)
- Has been subject to steps by the owner or holder of the secret to keep it secret.

The third requisite is necessary so that it can be established that the holder or owner of the secret intended it to be a secret.

b. It is generally settled that unfair competition may consist in the wrongful appropriation of a trade secret, defined as “any formula, pattern, device or compilation of information which is used in a person’s business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. *61 Cal Jur 3d, “Unfair Competition”, § 15*

c. As such it falls within the unfair competition provisions of our I.P. Code and is in fact a way of committing “any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another”. The elements of a cause of action for unfair competition through misappropriation of a trade secret are:

- The existence of a trade secret or secret manufacturing process
- The value and importance of the trade secret to the employer in the conduct of his business
- The employer’s right by reason of discover or ownership to the use and enjoyment of the secret

- The communication of the secret to the employee while he was employed in a position of trust and confidence and under circumstances making it inequitable and unjust for him to disclose it to others or to use it himself to the employer's prejudice. *55 Am Jur 2d, "Monopolies, Restraints of Trade and Unfair Trade Practices", § 704*

5. *What remedies are available to an aggrieved party in an unfair competition case?*
- Civil action for damages (*Section 156.1*): same measure as infringement of trademark
 - Injunctive relief (*Section 156.4*)
 - Searches and Seizures under the Special Rule
 - Criminal prosecution (*Section 170*)
 - Imprisonment: 2 to 5 years AND
 - Fine: 50,000 to 200,000

6. *When a party complains that his right to sole distributorship has been trespassed by the accused who imported the very items to which he has a right to sole distributorship in order to sell them, will criminal prosecution for unfair competition prosper?*

No, it will not. The goods sold by the accused were not passed off as those of another. They were genuine goods purchased from a supplier abroad. *Solid Triangle Sales Corporation v. The Sheriff of R.T.C.*, G.R. 144309 (November 23, 2001)

7. *What effect does the penal provision on unfair competition in the IP Code have on Article 189 of the Revised Penal Code that defines and punishes the crime of unfair competition?*

This article is expressly repealed by the IP Code. Hence whatever act may have been punishable under the Revised Penal Code that is not now contemplated by the penal provisions on trademark infringement and unfair competition should not now be prosecuted and punished as a crime. *Savage v. Taypin*, G.R. 134217 (May 11, 2000)

8. *What happens if a product falsely announces itself to be Swiss when it is in fact produced in Barangay Maraburab, Alcala, Cagayan?*

Acts	Circumstances	Remedy
1. Goods and services Use of: <ul style="list-style-type: none"> • Word, term or name • Symbol or device • False designation of origin 	<ul style="list-style-type: none"> • When likely to cause confusion • Or likely to cause mistake • Or to deceive as to affiliation, connection or association 	Injunction Damages Searches and seizure in anticipation of litigation or <i>pendente lite</i>

<ul style="list-style-type: none"> • Misleading description of fact • Misrepresentation of fact <p><i>Section 169.1,a</i></p>	<ul style="list-style-type: none"> • Or as to the origin, approval 	
<p>2. Advertising or promotion</p> <p>Misrepresentation of:</p> <ul style="list-style-type: none"> • Nature • Characteristics • Qualities • Geographic origin <p>of one's goods or those of another.</p> <p><i>Section 169,1, b</i></p>		- ditto -

VII. Patents, Utility Models, Integrated Circuit Topographies and Plant Varieties

1. What reliefs can parties seek from regular courts in patents, etc. cases?

Category	Reliefs available	Provision of law
Patents	<ol style="list-style-type: none"> 1. Search and seizure in anticipation of litigation or <i>pendente lite</i> 2. Civil action for damages: <ul style="list-style-type: none"> • Damages • Attorney's fees • Costs 3. Injunction 4. Destruction of infringing material or disposal outside the channels of commerce 5. Cancellation of patent: when found invalid 6. Criminal prosecution and penalty for repeat-offenders: <ul style="list-style-type: none"> • 6 months to 3 years imprisonment AND/OR 	<p>Special Rule</p> <p><i>Section 76.2</i></p> <p><i>Section 76.2</i></p> <p><i>Section 76.5</i></p> <p><i>Section 82</i></p> <p><i>Section 94</i></p>

3. *What is the duration of the protection of items under this heading?*

Category	Term of Protection	Provision of Law
Patents	20 years from the date of the filing of the application. . Note however: Even before grant of patent, after publication of the application, the applicant enjoys standing to bring suit for infringement.	<i>Section 54</i> <i>Section 46</i>
Utility models	7 years from the date of the filing of the application	<i>Section 109.3</i>
Topographies of Integrated Circuits	5 years from the date of the filing of the application, twice renewable for 5 years each	<i>Section 118, R.A. 8293 as amended by R.A. 9150</i>
Plant varieties: 1. Trees and vines 2. All other types of plants	25 years from date of grant of the Certificate of Plant Variety Protection 20 years from date of grant of certificate HOWEVER: Even prior to the grant of the aforementioned Certificate, whoever performs acts requiring the authority of the applicant for the certificate becomes liable for remuneration after the grant of the Certificate, even if the acts were performed prior to the grant of such certificate.	<i>Section 33, R.A. 9168</i> <i>- ditto -</i> <i>Section 42, R.A 9168</i>

4. *What constitute acts of infringement?*

Category	Acts of Infringement	Provision of law
1. Product patent: e.g., machine, microorganism,	<ul style="list-style-type: none"> • Making • Using 	<i>Section 71.1,a</i>

	incorporated without authority of the right-holder	
Plant varieties	<ul style="list-style-type: none"> • Selling, offering for sale, exposing for sale, delivering, shipping, consigning, exchanging, soliciting an offer to buy, or any other transfer of title or possession of a protected variety; • Importing the novel variety into, exporting it from the Philippines • Sexually multiplying the novel variety as a step in marketing for growing purposes the variety; • Using the novel variety in producing a hybrid or different variety; • Using seed which has been marked "unauthorized propagation prohibited" or "unauthorized seed multiplication prohibited" or progeny thereof to propagate the novel variety; • Dispense the novel variety to another in a form which can be propagated • Failure to use an obligatory variety denomination 	<i>Section 47, a to i, R.A. 9168</i>

	<ul style="list-style-type: none"> • Performance of any of the foregoing acts by other than sexual means • Instigating or actively inducing any of the foregoing acts 	
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5. *What determines the scope of protection in patent infringement claims? How far does the protection go?*

- The extent of the protection is determined by the CLAIM – which must perforce be set forth in the complaint – as interpreted in the light of the description and the drawings.

- **HOWEVER:**

The “doctrine of equivalents” applies. This means that elements equivalent to the elements expressed in the claim will be deemed covered by the claim.

- According to the “doctrine of equivalents”, two devices that do the same work in substantially the same way and produce substantially the same result, though they differ in name, shape or form, are the same. Cf. *Primer on the Law on Patents of the Philippines*, Intellectual Property Foundation.

VIII. Protection of the Rights of Foreign Nationals and Persons

1. *Do intellectual property rights enjoyed by foreigners under the laws of their states enjoy protection in the Philippines?*

Unlike corporations that exist territorially, intellectual property rights, though conferred by statute, have extraterritorial protection in large measure due to international covenants entered into for their protection. They remain territorial, however, in the sense that whatever extraterritorial protection they enjoy is

dependent not on the laws of the state that conferred them their intellectual property rights but the agreements entered into between states.

2. *What are the conditions for and what is the extent of the protection accorded foreigners under our laws?*

- The following foreigners are benefited:
 - Those who are nationals, domiciliaries or business residents of a country that is a party to the same treaty as is the Philippines protecting intellectual property rights, including the repression of unfair competition;
 - Those who are nationals, domiciliaries or business residents of a country that extends reciprocal rights to nationals of the Philippines by law.
- Such foreigners enjoy the rights necessary to give effect to the provisions of such treaty or reciprocal law.
- If they comply with the requirements of the IP Code, they are also entitled to the very same benefits right-holders under the code enjoy. (*Section 3, R.A. 8293*)
- Effectively this means that foreign nationals can sue for the enforcement of the protection accorded them by such international covenants as the Paris Convention, the Rome Convention, the WIPO Copyright Treaty, the Patent Cooperation Treaty and TRIPS.
- This consequently means that these international covenants support causes of action that foreign nationals may bring, although they may not be entitled to protection under the IP Code and statutes *in pari materia*.

3. *What are the rights enjoyed by foreign persons under the I.P. Code and related statutes?*

Category	Right	Provision of law
Patents	1. Determination of priority of application: <ul style="list-style-type: none"> • The date of application of a foreigner for a Philippine patent who previously applied for a patent in his country - or another country - which by treaty, convention or law, recognizes a similar privilege for Filipinos -- shall be deemed the date of the filing of his foreign 	<i>Section 31</i>

	<p>of the filing of his foreign application.</p> <ul style="list-style-type: none"> • Conditions: <ul style="list-style-type: none"> ○ Express claim to priority ○ Philippine filing within 12 months of foreign filing ○ Certified copy of foreign application with English translation filed within 6 months of Philippine filing. 	<i>See Rule 306.1, IRR Inventions</i>
Patents	<p>Prior art that bars a Philippine patent:</p> <ul style="list-style-type: none"> • Includes anything that has been made available to the public anywhere in the world. • Third-parties, including patentees from foreign jurisdictions, may file their observations with the IPO following the publication of the patent application. 	<p><i>Section 24.1</i></p> <p><i>Section 47</i></p>
Patents	<p>Foreigners meeting the requirements of Section 3 of the I.P. Code have standing to sue for infringement, when awarded a Philippine patent, whether or not licensed to do business here.</p>	<i>Section 77</i>
Trademarks	<p>Non-registrability of a mark considered by IPO, courts, DTI to be well-known internationally and in the Philippines, although not registered here.</p>	<i>Section 123,1,e</i>
Trademarks	<p>Priority as to application: Date of the application of a foreign national deemed to be that of the date of foreign filing, provided filed in a country that accords same privilege to Filipinos</p>	<i>Section 131.1</i>
Trademarks	<p>Standing of foreign persons, natural or juridical, to bring suit for opposition, cancellation,</p>	<i>Section 160</i>

	infringement, unfair competition or false designation of origin, WHETHER OR NOT LICENSED to do business in the Philippines.	
Copyright	Since copyright vests by virtue solely of creation, then it vests also in works produced by foreigners, even if produced abroad.	
Plant varieties	The filing of an application for the protection of a plant variety even in a foreign country renders the variety a matter of public knowledge, and therefore renders the application ineligible for protection.	<i>Section 7, R.A. 9168</i>
Plant varieties	Priority date: Filing by foreign national is reckoned from the date of his filing in a country according the same privilege to Filipino nationals.	<i>Section 21, R.A. 9168</i>

4. *What effect does TRIPS have on the recognition of intellectual property rights of foreign nationals?*

Article 1,3 obligates Members of the World Trade Organization to “accord the treatment provided for in this Agreement to the nationals of other Members”, provided these meet the criteria set forth in the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits.

5. *What then do these conventions provide in regard to the works of foreign nationals?*

Category	Convention or Treaty	Protection Accorded
Literary and Artistic Works (Copyright)	Berne Convention for the Protection of Literary and Artistic Works (1971)	<p>1. Protection of the terms of the convention extended to authors who are not nationals of the countries of the Union (of State-Parties) but whose works are published in at least one country of the Union.</p> <p>2. Protection likewise extended to authors habitually residing in one of the countries of the Union. <i>Article 3, a and b</i></p>

		<p>3. Authors of cinematographic works the maker of which has his headquarters or habitual residence in one of the countries of the Union. <i>Article 4, a</i></p> <p>4. Authors of works of architecture erected in a country or the Union, or other artistic works incorporated in a building or structure located in a country of the Union. <i>Article 4, b</i></p> <p>5. Rights enjoyed by a foreigner in any member state of the Union: (a) the rights enjoyed by the nationals of such a member-state under its laws; (b) the rights guaranteed by the Convention; (c) independent of the protection in the country of origin of the work; (d) apart from provisions of the Convention, redress in a member-state shall be subject exclusively to the laws of that state. <i>Article 5, 1 and 2</i></p>
Performers, Sound Recordings, Broadcast organizations	Rome Convention (1961)	<p>1. National treatment extended to foreigner performers: (a) for performances in another Contracting State; (b) if the performance as recorded is subject to the protection of the Rome Convention; (c) the un-fixed performance is carried by broadcast protected under the Rome Convention; <i>Article 4, a, b and c</i></p> <p>2. Protection extended to foreigners producing sound recordings: (a) producers who are nationals of another Contracting State; (b) first fixation of the sound was in another Contracting State; (c) the recording was first published in one Contracting State; (d) if first published in a non-contracting State but within 30 days published also in a Contracting State; <i>Article 5, 1, a, b and c; Article 5,2</i></p>

		3. National treatment to foreign broadcasting organizations if: (a) headquarters is in another Contracting State; (b) transmitter in another Contracting State; <i>Article 6, 1, a and b</i>
Industrial Property: Patents, utility models, industrial designs, trademarks, service marks and trade names	Paris Convention for the Protection of Industrial Property (1967)	1. Nationals of States of the Union (of Contracting States) enjoy the protection provided by the Convention in all States of the Union. <i>Article 2,1</i> 2. No requirement of domicile or establishment shall be made of members of the Union for protection of industrial property rights. <i>Article 2,2</i> 3. Priority date as regards filing of application for patent registration shall be enjoyed by one who has filed in any member State, as of the date of such filing. <i>Article 4, A, 1 and 2</i>
Patents	Patent Cooperation Treaty	1. An application may be made for the protection of a patent in any of the Contracting States. This is treated as an "international application". <i>Article 3,1</i> 2. Such an application may be filed by a resident or a national of a Contracting State. <i>Article 9,1</i>

6. *Is there then no further need for nationals or domiciliaries of State Parties to intellectual property conventions or treaties to which the Philippines is a party to comply with the application and registration requirements of Philippine law?*

For a foreign national to enjoy the full extent of protection bestowed by R.A. 8293 and related laws, such a foreign national must comply with the requirements of national law.

HOWEVER: The rights of such a foreign national, irrespective of registration or non-registration in the Philippines, as guaranteed by international covenants and treaties must be enforced by the courts.

The difference in treatment between copyrights and neighboring rights on the one hand (Berne and Rome Conventions) and industrial property on the other (Paris Convention) is not too difficult to explain: Copyright subsists from the

moment of creation, subject to no formality. Patents and trademarks on the other hand are subject to application, publication and registration requirements.

7. When a plaintiff rests his cause of action on an international covenant or treaty whose obligation is it to prove before the Philippine court what the provisions of such a treaty or covenant are?

The court is obligated to know the provisions of such treaty or covenant. Treaties, when concurred in by Senate in accordance with constitutional requirements, become part of the Philippine legal system. As such courts are charged with knowledge of such covenants and treaties.