

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 3823

Introduced by HON. IRWIN C. TIENG
and HON. MARIANO MICHAEL M. VELARDE

EXPLANATORY NOTE

Piracy creates a big dent in the profits of music and motion picture industries. The proliferation of pirated CDs and DVDs seems to grow and now a major player in the black market. It does not only hurt the country's international image to do business, but it also greatly affects local performers and manufacturers. Availability of pirated CDs, DVDs and CD-ROMs (and burned CD-Rs and DVD-Rs) remains stable from the malls to neighboring streets outside the mall vicinity.

Market intelligence reported an increase of locally burned pirated discs from various places in the Philippines. Recent news showed most manufacturers and distributors of these merchandise leased premises to avoid being caught by law enforcers. To curb this rampant piracy, liability for infringement should extend beyond direct infringers. This includes landlords whose tenants manufacture, distribute and sell this illegal merchandise on or out of the leased premises.

This bill seeks to penalize landlords and owners of establishments that contribute to, or control and financially benefit from, piratical activities occurring in leased premises on their properties. In view thereof, immediate passage of this bill is sought.

In view of the urgency of this measure, passage of this bill is earnestly sought.



IRWIN C. TIENG



MARIANO MICHAEL M. VELARDE

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AN ACT PENALIZING LANDLORDS AND BUILDING OWNER'S WHOSE
TENANTS MANUFACTURE, DISTRIBUTE AND SELL PIRATED CD'S AND
DVD'S ON OR OUT OF THE LEASED PREMISES.

*Be it enacted by the House of Representatives and Senate in Congress
assembled:*

Section 1. **Short Title.** This Act shall be known as "Landlords and Building
Owners Liability on Piracy Act."

Section 2. A landlord who knowingly leases premises, wholly or partly for
manufacture, distribution or sale of pirated discs including CD's and DVD's or
knowingly permits the same to be used shall be punished by imprisonment of not
less than six (6) months but not more than three (3) years or by a fine not less
than twenty thousand (P20,000.00).

"Willful blindness" is sufficient to establish the landowner's knowledge in
the context of secondary liability. "To be willfully blind, a person must suspect
wrong-doing and deliberately fail to investigate"

Landlord shall mean owner of a facility or building or any other person
making space available to another party by contract.

Section 3. **Implementing Rules and Regulations.** – The Optical Media
Board, in coordination with the Philippine National Police (PNP) and other
government agencies and instrumentalities it may deem essential, within sixty
(60) days from the effectivity of this Act, formulate and develop the implementing
rules and regulations for the proper execution of the provisions of the law.

SECTION 4. Any laws, decrees, ordinances or rules and regulations which
are inconsistent with or contrary to the provision of this Act is hereby amended or
repealed.

SECTION 5. If any provision of this Act is declared invalid, other parts or
provisions thereof not affected thereby shall remain and continue to be in full force
and effect.

SECTION 6. This Act shall take effect fifteen (15) days after its complete
publication in at least two (2) national newspapers of general circulation.

Approved,