

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. 5674



Introduced by Representatives Mariano Michael M. Velarde Jr. and Irwin C.
Tieng (BUHAY Party List)

EXPLANATORY NOTE

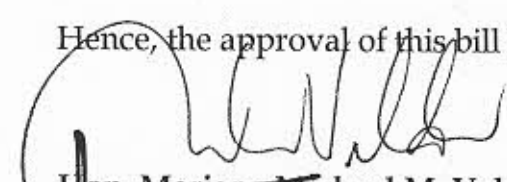
In this age of information, the minds of people are easily conditioned through wide ranging forms of media. Consequently, marketing and advertising bombardment of modern society gave rise to the commercialism phenomenon.

Although the ill effect of commercialism is a different issue altogether, the manner by which commercialism is carried out through information fed to the public is a matter that the State must address.

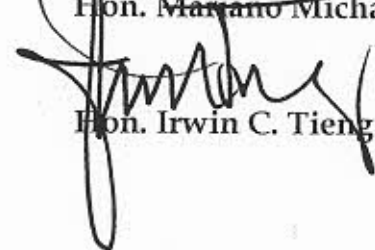
To illustrate, the public is beset with advertisements of food products claiming the same to be nutritious despite public knowledge of them containing a whole gamut of preservatives. Moreover, there is widespread marketing of various cosmetic products that promise instant beauty within a specific time frame.

These advertising, among many others, must be checked for their truthfulness in order to not only ensure the welfare of the consuming public, but to guarantee a stable Philippine market as well.

Hence, the approval of this bill is earnestly requested.



Hon. Mariano Michael M. Velarde Jr.



Hon. Irwin C. Tieng

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**AN ACT PENALIZING FALSE OR FRAUDULENT ADVERTISING AND FOR
OTHER PURPOSES**

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

SECTION 1. False or Fraudulent Advertising, Prohibited. - It shall be unlawful for any person, firm or corporation to advertise or promote his or its products, goods and services, underwrite any obligation, such as, pre-need educational, medical or other related services, through newspapers, magazines, radio, television, internet or other means accessible to the public view, such as billboards, flyers, newsletters, leaflets, etc. when such products, goods, services or pre-need benefits are inexistent, in whole or in part, or are incapable of being produced, delivered, performed, paid or discharged, and which false or fraudulent advertising shall have induced another to part with his money or valuable consideration to buy, acquire or avail of such products, goods, services or pre-need benefits.

SEC. 2. Prima Facie Evidence of False or Fraudulent Advertising. - The failure or inability of such person, firm or corporation to fully or completely produce, deliver, perform, pay or discharge the obligation, products, goods or services so promoted or advertised, within a period of ninety (90) days from date of written demand from the person defrauded shall be prima facie evidence of a violation of this Act.

SEC. 3. Liability Under this Act, Distinct from other Crimes Committed. - The liability of persons found violating this Act shall be distinct from and in addition to the penalties that such person, firm or corporation shall incur under the Revised Penal Code and other special laws; provided, however, that the prosecution for violation of this Act shall proceed independently and regardless of the status, stage or result of the prosecution under the Revised Penal Code or other special laws; provided, further, that no filing fee shall be imposed for the commencement of the criminal charge under this Act.

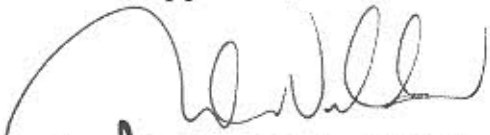
SEC. 4. Liability, if Violator is a Corporation or Unregistered Entity. - If the violation under this Act is committed by a corporation, partnership or other unregistered entity, the directors, president, treasurer, general manager or one performing similar functions and other corporate officers or persons responsible for such false or fraudulent advertisement shall be personally liable for such violation.

SEC.5. Multiple Liability. - Any person found violating this Act shall be charged and convicted with as many counts of such violations as there are victims who have been defrauded by reason of such false or fraudulent advertising.

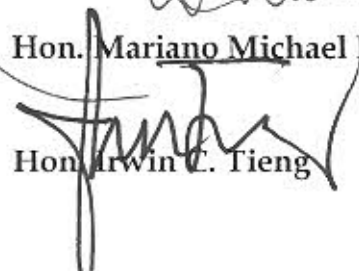
SEC 6. Penalty. - Any person found liable for violating this Act shall be sentenced to an imprisonment of not less than one (1) year but not exceeding six (6) years or a fine of not less than twice the value of the amount defrauded; provided, that in case the person convicted fails or refuses to pay the fine, he, shall suffer subsidiary imprisonment at the rate of P200 per day but not exceeding six (6) years.

SEC. 7. Effectivity. - This Act shall take effect fifteen (15) days after publication in a newspaper of general circulation.

Approved,



Hon. Mariano Michael M. Velarde Jr.



Hon. Irwin C. Tieng