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HOUSE OF REPRESENTATIVES

H. No. 11616

BY REPRESENTATIVES SALCEDA, DALOG, DY (F.), MARCOS, PADIERNOS, RODRIGUEZ (R.), LAGDAMEO (J.M.), BOCOBO, GARCIA (M.A.), GATCHALIAN, BULUT-BEGTANG, ARENAS AND BAUTISTA-LIM

AN ACT
STRENGTHENING THE POWERS AND FUNCTIONS OF THE INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8293, AS AMENDED, OTHERWISE KNOWN AS THE "INTELLECTUAL PROPERTY CODE OF THE PHILIPPINES"

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

SECTION 1. Section 4 of Republic Act No. 8293, as amended, otherwise known as the "Intellectual Property Code of the Philippines", is hereby amended to read as follows:

SEC. 4. Definitions. – 4.1 x x x.

4.5 THE TERM "COUNTERFEIT GOODS" REFER TO GOODS OR MATERIALS INCLUDING PACKAGING BEARING WITHOUT AUTHORIZATION A TRADEMARK WHICH IS IDENTICAL TO A TRADEMARK VALIDLY REGISTERED WITH THE INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES (IPOPHL), OR ALREADY DECLARED AS A WELL-KNOWN MARK INTERNATIONALLY OR BY A COMPETENT AUTHORITY IN THE PHILIPPINES IN RESPECT OF SUCH GOODS, OR WHICH CANNOT BE DISTINGUISHED IN ITS ESSENTIAL ASPECTS FROM SUCH A TRADEMARK AND WHICH THEREBY

VIOLATES THE RIGHTS OF THE OWNER OF THE TRADEMARK IN QUESTION.

4.6. THE TERM "PIRATED GOODS" REFER TO GOODS OR MATERIALS OR CONTENT, WHETHER TANGIBLE OR INTANGIBLE, IN ELECTRONIC OR DIGITAL FORM, WHICH ARE MADE, PRODUCED, COPIED, REPRODUCED, DISSEMINATED, DISTRIBUTED, IMPORTED, USED, REMOVED, ALTERED, SUBSTITUTED, MODIFIED, STORED, UPLOADED, DOWNLOADED, COMMUNICATED, MADE AVAILABLE TO THE PUBLIC, OR PROTECTED MATERIAL BROADCASTED, OR REPLICATED WITHOUT THE CONSENT OF THE RIGHT HOLDER OR PERSON DULY AUTHORIZED BY THE RIGHT HOLDER AND WHICH ARE MADE, PRODUCED, OR REPLICATED DIRECTLY OR INDIRECTLY FROM AN ARTICLE WHERE THE MAKING OF THAT COPY WOULD HAVE CONSTITUTED AN INFRINGEMENT OF COPYRIGHT OR RELATED RIGHTS."

SEC. 2. Section 5 of Republic Act No. 8293, as amended, is hereby amended to read as follows:

"SEC. 5. Functions of the Intellectual Property Office of the Philippines (IPOPHL) – x x x

x x x

5.3. THE IPOPHL SHALL UNDERTAKE TO PERFORM ENFORCEMENT FUNCTIONS, IN COORDINATION WITH THE CONCERNED AGENCIES:

(A) GATHER INTELLIGENCE INFORMATION RELATED TO THE VIOLATIONS OF THIS ACT, CONDUCT INQUIRIES AND INVESTIGATION, AND DEVELOP EFFECTIVE COUNTERMEASURES TO DETER THE PROLIFERATION OF COUNTERFEIT OR PIRATED GOODS;

(B) CONDUCT VISITS, DURING REASONABLE HOURS, TO ESTABLISHMENTS AND BUSINESSES ENGAGED IN ACTIVITIES SUSPECTED TO BE IN VIOLATION OF THIS ACT IN ACCORDANCE WITH THE PROCEDURES PRESCRIBED HEREIN;

(C) DEVELOP A DATABASE OF CASES INVOLVING VIOLATIONS OF THIS ACT;

(D) UNDERTAKE ANY OR ALL OF THE FOLLOWING ENFORCEMENT ACTIONS;

(1) SERVE AND EXECUTE THE ADMINISTRATIVE ORDERS DULY ISSUED BY THE OFFICE OF THE DIRECTOR GENERAL IN ACCORDANCE WITH ITS POWERS UNDER THIS ACT;

(2) ISSUE NOTICE OR WARNING TO THE RESPONDENT OR RESPONDENTS;

(3) RECOMMEND THAT THE CONCERNED LOCAL GOVERNMENT UNIT, OTHER GOVERNMENT AGENCY, OR BOTH, CANCEL LICENSES AND BUSINESS PERMITS OF ESTABLISHMENTS OR BUSINESSES FOR ENGAGING IN SELLING OR MAKING AVAILABLE TO THE PUBLIC COUNTERFEIT OR PIRATED GOODS OR FILE CHARGES AGAINST THE RESPONDENTS FOR VIOLATION OF APPLICABLE LAWS, RULES OR REGULATIONS;

(4) REQUEST THE CONCERNED LOCAL GOVERNMENT UNIT OR OTHER GOVERNMENT AGENCIES TO IMPLEMENT THE DECISIONS OF THE INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT PURSUANT TO THEIR RESPECTIVE MANDATES; AND

(5) SUCH OTHER ORDERS OR ACTION NECESSARY TO ENSURE COMPLIANCE WITH THE PROVISIONS OF THIS ACT.

(E) COORDINATE WITH OTHER GOVERNMENT AGENCIES AND PRIVATE SECTOR EFFORTS ON MATTERS RELATED TO INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT;

(F) EXECUTE AND IMPLEMENT ITS ORDERS AND DECISIONS AND ASSIST IN THE SERVICE OR EXECUTION OF ORDERS, WRITS, AND PROCESSES ISSUED BY THE BUREAU OF LEGAL AFFAIRS AND THE OFFICE OF THE DIRECTOR GENERAL;

(G) CONDUCT MONITORING ACTIVITIES RELATED OR RELEVANT TO INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT;

(H) EXERCISE INTER-AGENCY SPECIAL ENFORCEMENT COORDINATION FUNCTIONS; AND

(I) SUCH OTHER POWERS AND FUNCTIONS AS MAY BE NECESSARY OR INCIDENTAL TO THE ATTAINMENT OF THE PURPOSES AND OBJECTIVES OF THIS ACT OR AS

MAY BE ASSIGNED BY THE DIRECTOR GENERAL OR THE DEPUTY DIRECTOR GENERAL-IN-CHARGE."

SEC. 3. Section 10 of Republic Act No. 8293, as amended, is hereby further amended to read as follows:

"SEC. 10. *The Bureau of Legal Affairs.* – The Bureau of Legal Affairs shall have the following functions:

10.1 x x x;

10.2 (a) x x x.

10.2 (b) After formal investigation, the Director for Legal Affairs may impose one (1) or more of the following administrative penalties:

x x x

(v) The imposition of administrative fines in such amount as deemed reasonable by the Director of Legal Affairs, which shall in no case be less than [Five thousand pesos (Php 5,000)] ONE HUNDRED THOUSAND PESOS (PHP 100,000) nor more than [One hundred fifty thousand pesos (Php 150,000)] ONE MILLION PESOS (PHP 1,000,000). FURTHERMORE, an additional fine of not LESS than [One thousand pesos (Php 1,000)] TEN THOUSAND PESOS (PHP 10,000) shall be imposed for each day of continuing violation;

x x x

THE DECISIONS OF THE ADJUDICATION OFFICERS ARE APPEALABLE TO THE DIRECTOR.

10.3. ESTABLISH AND ADMINISTER ALTERNATIVE DISPUTE RESOLUTION MECHANISMS; AND

10.4. PROVIDE ASSISTANCE TO OTHER BUREAUS AND OFFICES OF THE IPOPHL, INCLUDING LEGAL REVIEW, STUDY, AND SIMILAR TASKS.

10.[3]5. The Director General may by Regulations establish the procedure to govern the implementation of this Section."

SEC. 4. Section 121.1 of Republic Act No. 8293 is hereby amended to read as follows:

"SEC 121.1. "Mark" means any [visible] sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)"

SEC. 5. Section 216 of Republic Act No. 8293, as amended, is hereby further amended to read as follows:

"SEC. 216. *Infringement.* – Any person infringes a right protected under this Act when one:

(a) x x x;
(b) x x x;
(c) x x x.

216-A. PREVENTIVE ACTION ON ONLINE INFRINGEMENT. – UNLESS OTHERWISE PROVIDED BY LAW, OR UNLESS OTHERWISE ORDERED BY THE APPROPRIATE COURT OF LAW, THE IPOPHL SHALL HAVE THE POWER, AFTER DUE NOTICE AND HEARING, TO DISABLE ACCESS TO, OR PREVENT FURTHER ACCESS TO, AN

ONLINE LOCATION WHOSE PRIMARY PURPOSE OR PRIMARY EFFECT IS TO INFRINGE COPYRIGHT OR FACILITATE COPYRIGHT INFRINGEMENT.

THE COPYRIGHT OWNER OR THE RIGHTS HOLDER OF COPYRIGHT, HEREINAFTER REFERRED TO AS THE "ELIGIBLE PARTY" MAY FILE A COMPLAINT FOR THE ISSUANCE OF AN ORDER TO DISABLE ACCESS TO INFRINGING ONLINE LOCATIONS IDENTIFIED IN THE COMPLAINT.

THE COMPLAINT SHALL BE FILED WITH THE IPOPHL IN THE MANNER AND FORM AS REQUIRED BY THE OFFICE.

FOR PURPOSES OF THIS CHAPTER, "ONLINE LOCATION" SHALL REFER TO ANY SINGLE OR COLLECTION OF RELATED WEB PAGES ACCESSIBLE BY A USER THROUGH A DOMAIN, INTERNET PROTOCOL (IP) ADDRESS, OR UNIFORM RESOURCE LOCATOR (URL), OR A SPECIFIC DOMAIN IP ADDRESS, OR UNIFORM RESOURCE LOCATOR (URL) WHICH SERVES TO OPERATE IN WHOLE OR IN PART, AN APPLICATION ON THE INTERNET.

216-B. *PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION.* – THE IPOPHL SHALL FORMULATE THE PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION ON ONLINE INFRINGEMENT, ACCORDING TO THE FOLLOWING STANDARDS:

(1) MINIMUM REQUIREMENTS OF THE COMPLAINT BY AN ELIGIBLE PARTY. THE COMPLAINT REFERRED TO IN SECTION 216A SHALL INDICATE THE FACT THAT, AND THE MANNER BY WHICH, THE INFRINGING ONLINE LOCATION IS ACCESSIBLE; AND OTHER

MATTERS WHICH THE IPOPHL MAY TAKE INTO ACCOUNT, INCLUDING:

(I) WHETHER THE ONLINE LOCATION MAKES AVAILABLE OR CONTAINS DIRECTORIES, INDEXES OR CATEGORIES OF THE MEANS TO INFRINGE, OR FACILITATE AN INFRINGEMENT OF COPYRIGHT;

(II) WHETHER THE OWNER OR OPERATOR OF THE ONLINE LOCATION DEMONSTRATES A DISREGARD FOR COPYRIGHT GENERALLY; OR

(III) WHETHER ACCESS TO THE ONLINE LOCATION HAS BEEN DISABLED BY ORDERS FROM ANY COURT OF ANOTHER COUNTRY OR TERRITORY ON THE GROUND OF OR RELATED TO COPYRIGHT INFRINGEMENT.

(2) ONE COMPLAINT MAY BE SUBMITTED FOR MULTIPLE INFRINGING ONLINE LOCATIONS, AND THE REQUIREMENTS OF THIS SECTION MUST BE MET AND SET OUT IN THE COMPLAINT.

(3) THE COMPLAINANT MUST NOTIFY THE PERSON WHO OPERATES THE ONLINE LOCATION OF THE MAKING OF A COMPLAINT UNDER SECTION 1, BUT THE IPOPHL MAY DISPENSE, ON SUCH TERMS AS IT SEES FIT, WITH THE NOTICE REQUIRED TO BE SENT TO THE PERSON WHO OPERATES THE ONLINE LOCATION IF THE IPOPHL IS SATISFIED THAT THE APPLICANT IS UNABLE, DESPITE REASONABLE EFFORTS, TO DETERMINE THE IDENTITY OR ADDRESS OF THE PERSON WHO OPERATES THE ONLINE LOCATION, OR TO SEND NOTICES TO THAT PERSON.

(4) UPON RECEIPT OF THE COMPLAINT, THE IPOPHL SHALL EVALUATE THE SAME AND DETERMINE WHETHER THE ONLINE LOCATION MEETS THE REQUIREMENTS OF PARAGRAPH (A). IF A COMPLAINT MEETS THE REQUIREMENTS OF PARAGRAPH (A), THE IPOPHL SHALL GIVE DUE NOTICE OF THE SAME TO THE PERSON WHO OPERATES THE ONLINE LOCATION EITHER BY DIRECTLY CONTACTING SUCH PERSON OR BY POSTING IN THE WEBSITE. THE IPOPHL SHALL, AFTER DUE NOTICE, ISSUE AN ORDER REQUIRING INTERNET SERVICE PROVIDERS TO TAKE REASONABLE STEPS TO DISABLE ACCESS TO THE INFRINGING ONLINE LOCATION. A COPY OF THE SAID ORDER SHALL BE SERVED TO THE ELIGIBLE PARTY.

(5) THE INTERNET SERVICE PROVIDERS MUST COMPLY WITH THE DISABLING ORDERS WITHIN 48 HOURS OF THE ISSUANCE OF THE DISABLING ORDER AND MUST DISABLE THE IDENTIFIED INFRINGING ONLINE LOCATIONS BY IMPLEMENTING AN EFFECTIVE TECHNICAL MEASURE, OR A MEASURE UNDERTAKEN BY THE INTERNET SERVICE PROVIDER TO DISABLE OR PREVENT ACCESS TO AN INFRINGING ONLINE LOCATION, AND MAY INCLUDE DOMAIN NAME SYSTEM (DNS) BLOCKING, IP BLOCKING, URL BLOCKING, SERVER NAME INDICATOR BLOCKING, OR OTHER MEANS.

(6) THE IPOPHL MAY AT ANY TIME DURING THE OPERATION OF THE ORDERS, NOTIFY THE INTERNET SERVICE PROVIDERS SHOULD IT BECOMES AWARE THAT ANY INFRINGING ONLINE LOCATION IS ACCESSED FROM AN ADDITIONAL ONLINE LOCATION, INCLUDING ONE THAT APPEARS TO BE ASSOCIATED WITH ANY INFRINGING ONLINE LOCATION BASED ON ITS NAME, BRANDING OR THE

IDENTITY OF ITS OPERATOR, AND MAKE SUCH DIFFERENT ONLINE LOCATION SUBJECT TO THE ORDERS.

x x x."

SEC. 6. Within ninety (90) days from the effectivity of this Act, the IPOPHL shall promulgate the necessary rules and regulations for the implementation of this Act.

SEC. 7. If any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

SEC. 8. All laws, decrees, executive orders, administrative orders, proclamations, rules and regulations or parts thereof inconsistent with any of the provision of this Act, are hereby repealed, amended, or modified accordingly.

SEC. 9. This Act shall take effect immediately upon its publication in the *Official Gazette* or in a newspaper of general circulation in the Philippines.

Approved,