

CHECKLIST OF ISSUES ON ENFORCEMENT¹

Responses from the Philippines

Civil and Administrative Procedures and Remedies

(a) *Civil judicial procedures and remedies*

1. Specify the courts which have jurisdiction over IPR infringement cases.

Regional Trial Courts have original jurisdiction to hear and decide cases involving violations of intellectual property rights regardless of the amount involved.² Twenty-seven of these courts are specially designated to hear such cases.³

2. Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?

Natural and juridical persons who are owners or holders of intellectual property rights, including their assigns and successors-in-interests have standing to assert said rights. They may be represented either by themselves or by counsel authorised to practice law in the Philippines.⁴

The right holder must personally appear during the pre-trial conference, but may be represented by a counsel who must be authorised in writing, either by a power of attorney in case of a natural person or a corporate secretary's certificate in case of a juridical person, to compromise or enter into stipulations and admissions.⁵

3. What authority do the judicial authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence that lies within its control?

Judicial authorities may order, at the request of an opposing party, the issuance of *subpoena ad testificandum* requiring the other party to appear and testify in court, and/or *subpoena duces tecum* requiring the other party to produce and submit documentary evidence which lies within his control. The court, however, may not so order where the evidence is incriminatory, confidential, privileged, immaterial or irrelevant.⁶

¹ Document IP/C/5.

² Supreme Court Administrative Order N° 104-96 (1996).

³ Supreme Court Administrative Order N° 113-95 (1995).

⁴ Revised Rules of Civil Procedure (1997), Rule 3, Sec. 1.

⁵ Revised Rules of Civil Procedure (1997), Rule 18, Sec. 4.

⁶ Revised Rules of Civil Procedure (1997), Rule 21, Sec. 1 and Rule 23, Sec. 2.

The court may order the issuance of a *subpoena* at the request of a party that the testimony of the other party be taken by deposition upon oral examination or written interrogatories.⁷ The deponent may be examined regarding any matter that is relevant to the action, including the existence, nature, or location of any documents and identity of persons having knowledge of relevant facts.⁸

The Court may also issue an order for the production or inspection of documents or things upon motion of any party. The order may require the other party to produce and permit the inspection and copying of any designated documents or papers in his possession that are not privileged and which are material to the action.⁹

4. What means exist to identify and protect confidential information brought forward as evidence?

Confidential information introduced as evidence in the proceedings become part of the records of the case and may be accessed by the public. Judicial authorities, however, may prevent disinterested parties from prying into court records if the purpose is merely to satisfy curiosity.¹⁰

5. Describe the remedies that may be ordered by the judicial authorities and criteria, legislative or jurisprudential, for their use;

- **injunctions;**
- **damages, including recovery of profits, and expenses, including attorney's fees;**
- **destruction or other disposal of infringing goods and materials/implements for their production;**
- **any other remedies.**

Judicial authorities may order the following remedies in cases involving violations of intellectual property rights:

Damages

In patent infringement, the court may award damages not exceeding three (3) times the amount of actual damages sustained. If damages cannot be readily ascertained, the court may award damages equivalent to reasonable royalty.¹¹

In trademark infringement, the court may award damages equivalent to the reasonable profit, or the profit which defendant actually made out of the infringement. If damages cannot be readily ascertained, the court may award damages equivalent to a percentage of the gross sales of the defendant. Damages may be doubled if there is actual intent to mislead the public or defraud complainant.¹²

In copyright infringement, the court may award actual damages sustained including the profits which the infringer may have made due to such infringement, or such damages as may be just under the circumstances.¹³

⁷ Revised Rules of Civil Procedure (1997), Rule 23, Sec. 1.

⁸ Revised Rules of Civil Procedures, Rule 23, Sec. 2.

⁹ Revised Rules of Civil Procedure (1997), Rule 27, Sec. 1.

¹⁰ Rules of Court, Rule 132, Section 19, 20 (a) and Rule 135(2).

¹¹ Rep. Act N° 8293, Sec. 76.4.

¹² Rep. Act N° 8293, Secs. 156.1 & 156.

¹³ Rep. Act N° 8293, Sec. 216(b).

The court may also award attorney's fees and other forms of damages such as moral, nominal, temperate, liquidated and exemplary damages arising from the defendant's wrongful acts.¹⁴

Injunction

The court may order an injunction restraining infringement of intellectual property rights.¹⁵

Injunction may be granted upon a showing that the invasion of the right is material, the right of applicant is clear, and there is an urgent necessity for the writ to prevent serious damage to the applicant.¹⁶

The injunction may be refused if the court finds that the complaint is insufficient. It may also be dissolved if the defendant files a counter bond and presents evidence that he would sustain great damage. Plaintiff may be compensated for damages he may suffer if the injunction is dissolved.¹⁷

Destruction of infringing goods

The court may order that the infringing goods and materials be disposed of outside the channels of commerce to avoid causing harm to the right holder, or destroyed without compensation.¹⁸

Other remedies

In trademark infringement, the court may impound sales invoices and other documents evidencing sales.¹⁹

In copyright infringement, the court shall have the power to order the seizure and impounding of any article which may serve as evidence in court proceedings.²⁰

6. In what circumstances, if any, do judicial authorities have the authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods of services found to be infringing and of their channels of distribution?

Courts have the inherent power to compel obedience to their orders and processes, and to control conduct of persons connected with a case. In furtherance of justice, they may ask clarificatory questions or require the infringer to give information as to the identity of contributory infringers who shall be jointly and severally liable with the infringer.²¹

7. Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such a situation and what "remedial measures" are applicable to them?

A defendant wrongfully enjoined or restrained may recover damages from the applicant who will execute a bond to the effect that he will pay the defendant all damages the latter may sustain by

¹⁴ Rep. Act N° 8293, Secs. 216(e) & Sec. 76.2; Rep. Act N° 386, Articles 2216-2235.

¹⁵ Rep. Act N° 8293, Secs. 216(a), 156.4 & 76. 2.

¹⁶ Revised Rules of Civil Procedure (1997), Rule 58, Sec. 3.

¹⁷ Revised Rules of Civil Procedure (1997), Rule 58, Sec. 4.

¹⁸ Rep. Act N° 8293, Secs. 76.5, 157 & 216(d).

¹⁹ Rep. Act N° 8293, Sec. 156.2.

²⁰ Rep. Act N° 8293, Sec. 216.

²¹ Rules of Court, Rule 135 (5); Rep. Act 8293, Sec. 76.6.

reason of the injunction or temporary restraining order if the court should finally decide that the applicant is not entitled thereto.²²

Public authorities and/or officials are not liable for acts done in good faith in the performance of their duties. But they may be held liable for wilful or negligent acts done in a manner contrary to law which may subject them to criminal and administrative proceedings such as graft cases before the Ombudsman,²³ and/or suspension or disbarment in the case of lawyers.²⁴ The party wrongfully enjoined, may also move for the inhibition of the judge who rendered the order.

8. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

Length

The Regional Trial Courts have been directed to give priority to cases involving violations of intellectual property rights and are required to dispose of said cases within sixty (60) days. The parties' choice of proceedings, complexity or novelty of the issues, volume of evidence, and other attendant factors may shorten or lengthen the proceedings.

Cost

Filing fees are based on the amount of claims, and range from a minimum of 0.5% of the claims and upwards. Other costs of litigation including lawyer's fees may vary depending on the agreement between a party and counsel.²⁵

Data

There is no available statistical data on the actual length and cost of proceedings.

(b) *Administrative procedures and remedies*

9. Reply to the above questions in relation to any administrative procedures on the merits and remedies that may result from these procedures.

9.1 Specify the administrative bodies which have jurisdiction over IPR infringement cases.

The Intellectual Property Office (IP Office) exercises original jurisdiction in administrative cases involving violation of intellectual property rights where damage claimed is not less than two hundred thousand Pesos (Php200,000.00). Its decisions are appealable to the Court of Appeals and the Supreme Court. The Department of Trade and Industry (DTI) has jurisdiction over complaints regarding violations of intellectual property rights irrespective of the total amount of damages claimed, or if no damages are claimed. Decisions of the Secretary of Trade and Industry are appealable to the Office of the President. A complainant before the IP Office must state that he has no other similar pending administrative action in any other tribunal, agency or quasi-judicial body.²⁶

²² Revised Rules of Civil Procedure (1997), Rule 58, Sec. 4(b).

²³ Rep. Act N° 3019.

²⁴ Rules of Court, Rule 139.

²⁵ Supreme Court Administrative Matter N° 00-2-01.

²⁶ Rep. Act N° 8293, Sec. 10.2(a); IRR on Administrative Complaints, Rule 2, Sec. 2; Rule 14 Sec. 1(b); Dept. Administrative Order N° 01 (2000).

The IP Office exercises original jurisdiction to resolve disputes regarding the terms of a license of an author's right to public performance. The decision of the IP Office is appealable to the Secretary of Trade and Industry.²⁷

The Videogram Regulatory Board (VRB) has jurisdiction over violations of law involving videograms.²⁸

9.2 Which persons have standing to assert IPRs? How may they be represented? Are there requirements for mandatory personal appearances before the court by the right holder?

Natural and juridical persons who are owners or holders of intellectual property rights, including their heirs and successors-in-interests have standing to assert said rights. They may be represented either by themselves or by counsel authorised to practice law in the Philippines.²⁹

The personal appearance of the parties are required only during the pre-trial conference, but their presence may be dispensed with upon showing of a valid cause or if their counsel or representative is fully authorized through a power of attorney or corporate authorization.³⁰

9.3 What authority do the administrative authorities have to order, at the request of an opposing party, a party to a proceeding to produce evidence which lies within its control?

Administrative authorities may issue *subpoena ad testificandum* to compel attendance of parties and witnesses. Administrative officers of the IP Office and DTI have the authority to issue *subpoena duces tecum* for the production of any books, papers, documents, correspondence and other records which are material to the case.³¹ By leave of the hearing officer, a party may take the deposition of any person under written interrogatories.³²

9.4 What means exist to identify and protect confidential information brought forward as evidence?

The IP Code guarantees the confidentiality of records. The Director of the Bureau of Legal Affairs and other employees are strictly and absolutely forbidden to discuss the case or any phase thereof with either counsel in the absence of the other or with any person not having any interest or legal standing before the Bureau.³³ However, this rule must be understood in the light of the constitutional provision recognising citizens' right to information. Thus, the public has the right to access official records, documents and papers pertaining to official acts, transactions or decisions.³⁴

9.5 Describe the remedies that may be ordered by the administrative authorities and criteria, legislative or jurisprudential, for their use.

Administrative authorities may order the following remedies in cases involving violation of intellectual property rights:

²⁷ Rep. Act N° 8293, Sec. 7.1.(c).

²⁸ Pres. Decree N° 1987, Chapter IX, Sec. 21A(2).

²⁹ Rep. Act N° 8293, Secs. 28, 147, 177, 180 & 193; IRR on Administrative Complaints, Rule 2 Sec. 7.

³⁰ Rep. Act N° 8293, Sec. 10; IRR on Administrative Complaints, Rule 2, Sec. 10 (f) & Sec. 12.

³¹ Rep. Act N° 8293, Sec. 10; IRR on Administrative Complaints, Rule 3, Sec. 1; Trade and Industry Order N° 69 (1983), Rule XIII, Sec. 58 (3); VRB Rules of Procedure, Rule VI, Sec. 2.

³² Rep. Act N° 8293, IRR on Administrative Complaints, Rule 8, Sec. 1.

³³ IRR on Administrative Complaints, Rule 2, Sec. 7-

³⁴ Constitution, Article III, Sec. 7.

Attachment

The IP Office may grant preliminary attachment if there is sufficient cause for the adverse party's property to be attached as a security for the satisfaction of the judgment.³⁵

Injunction

The IPO may grant a preliminary injunction to restrain an action or require the performance of an action if there is an attempted injustice or violation of the rights of the applicant. A final injunction may be granted to have the acts complained of permanently enjoined.³⁶

Preliminary order

The Adjudication Officer of the DTI may issue a preliminary order, to require a person to refrain from, or perform, a particular act.³⁷

Preventive measures

In order to prevent the disposition or tampering of evidence, the Secretary of DTI may order the seizure of goods or paraphernalia and the padlocking of the building or warehouse where infringed goods are stored. He may also order the prevention of the departure from the country of the respondent and the vessel or aircraft used in the commission of the offence.³⁸

Other remedies

The Videogram Regulatory Board may impose a fine of not less than six thousand Pesos (Php 6,000.00) but not more than one hundred thousand Pesos (Php 100,000.00) and a non-monetary penalty consisting of closure, revocation of license or permit and confiscation of videograms involved in the violation.³⁹

The Director of the Bureau of Legal Affairs of the IP Office and the Secretary of the DTI may impose any of the following administrative penalties:

- cease and desist order;
- acceptance of voluntary compliance or discontinuance;
- condemnation or seizure of products subject of the offence;
- forfeiture of paraphernalia, real or personal properties;
- administrative fines;
- cancellation of permits licenses or registration granted;
- withholding of any permit, license or registration being secured;
- damages;
- censure;
- other analogous penalties and sanctions.⁴⁰

³⁵ Rep. Act N° 8293, Sec. 10; IRR on Administrative Complaints, Rule 4, Secs. 1 & 3.

³⁶ Rep. Act. N° 8293, Sec. 10; IRR on Administrative Complaints, Rule 5, Secs. 1 & 7.

³⁷ Trade and Industry Ministry Order N° 69, Rule IX, Sec. 9 (a).

³⁸ Exec. Order N° 913 (1983), Sec 11.

³⁹ VRB Revised Rules and Regulations, Sec. 21.

⁴⁰ Executive Order N° 913 (1983), Article III Sec. 6; Rep. Act N° 8293, Sec. 10.2(b).

The Director of Legal Affairs shall have the power to hold and punish for contempt all those who disregard orders or writs issued in the course of the proceedings.⁴¹

9.6 In what circumstances, if any, do administrative authorities have authority to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the goods or services found to be infringing and of their channels of distribution?

Hearing officers of administrative agencies may in the course of the proceedings propound clarificatory questions to witnesses during the perpetuation of their testimonies. As such, they are not prohibited to inquire into the identity of persons involved in the production and distribution of infringing goods.⁴²

9.7 Describe provisions relating to the indemnification of defendants wrongfully enjoined. To what extent are public authorities and/or officials liable in such situation and what "remedial measures" are applicable to them?

Administrative rules of the IP Office and DTI require an applicant for an injunction to file a bond to answer for damages that a person enjoined may sustain by reason of the injunction.⁴³ Public officers are not liable for acts done in good faith in the performance of their duties. They shall be criminally liable under the anti-graft laws for causing undue injury to parties through manifest partiality, bad faith and gross inexcusable negligence.⁴⁴ If the hearing officer is an attorney, disbarment or suspension proceedings may be instituted against him.⁴⁵

9.8 Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration proceedings and their cost.

Length

The actual length of the proceedings depends on the complexities of the issues raised and the course of action that the litigants are inclined to pursue.

Intellectual Property Office

- Inter partes proceedings

After the summon is sent, the respondent is required to answer the petition within fifteen (15) days. Upon joinder of the issues, a pre-trial conference shall be set within two (2) months from receipt of the answer or other pleading. During the hearing of the case, the petitioner and respondent shall submit sworn statements of the witnesses and other documentary evidence. Thereafter, they may present rebuttal and sur-rebuttal evidence. The parties shall be required to submit their memoranda within one (1) month from receipt of the order of admissibility of exhibits. Within one (1) month from the date the case is submitted for decision, the hearing officer shall submit his report, findings and draft decision to the Director for approval.⁴⁶

⁴¹ Rep. Act N° 8293 10.2 (a), IRR on Administrative Complaints Rule 6.

⁴² Rules of Court, Rule 135 Sec. 5.

⁴³ Rep. Act N° 8293, Secs. 10 & 10.2(a); IRR on Administrative Complaints, Rule 5, Sec. 5; Trade and Industry Ministry Order N° 69 (1983), Rule IX, Sec. 49(b).

⁴⁴ Rep. Act. N° 3019, Sec. 3(e).

⁴⁵ Rules of Court, Rule 139, Sec. 1.

⁴⁶ IRR on *Inter Partes* Proceedings, Secs. 9, 10, 13, 22 & 23.

- Administrative complaints

The respondent is required to answer the complaint within ten (10) days from receipt of the summons. Upon joinder of the issues, the notice of the pre-trial shall be delivered within two (2) days from receipt of the answer or other pleading. During the trial of the case, the complainant and respondent are each given thirty (30) days to present evidence, and another thirty (30) days for rebuttal and sur-rebuttal evidence. The hearing and reception of evidence, in the case of provisional remedies, shall be terminated in thirty (30) days. All cases or any incident thereof shall be decided or resolved within thirty (30) days from submission for decision or resolution by the hearing officer.⁴⁷

Department of Trade and Industry

The Secretary of the Department may provide for compulsory arbitration, conciliation and mediation systems. If there is a determination of a *prima facie* case, the Head of Office may direct that the complaint passes through mediation or elevate the complaint to the chief hearing officer. In mediation proceedings, the mediation officer has fifteen (15) days within which to mediate the case. If the case is set for formal hearing, the hearing officer within five (5) days from receipt of the Answer, shall send a Notice of Pre-Formal Hearing. During formal hearing, the complainant and respondent shall present statements of witnesses and other documentary evidence. Thereafter, they may present rebuttal and sur-rebuttal evidence. At the parties' request and at the hearing officer's discretion, the parties may file their Memoranda within ten (10) days. The case is decided thirty (30) days from the time the formal hearing is terminated.⁴⁸

Cost

The cost of proceedings in the IP Office is based on a fee structure issued by the IP Office on 8 June 2000. The filing fee for a complaint is eight thousand Pesos (Php 8,000.00) with an additional fee of 1/10 of 1% of the damages claimed in excess of five hundred thousand Pesos (Php 500,000.00).

Other costs of litigation including lawyer's fees may vary depending on the agreement between a party and counsel.⁴⁹

Data

There are no available statistical data on the actual length of the proceedings.

Provisional Measures

(a) *Judicial measures*

10. Describe the types of provisional measures that judicial authorities may order, and the legal basis for such authority.

The provisional measures that judicial authorities may grant to a party are as follows:

⁴⁷ IRR on Administrative Complaints, Rule 2, Sec. 9 & 10, Rule 9, Secs. 1 & 7.

⁴⁸ Exec. Order N° 913, Art III, Secs. 4 & 5, Trade and Industry Ministry Order N° 69 (1983), Rule III, Sec. 17; Rule IV Sec. 19; Rule V, Sec. 33; Rule VII, Sec. 42 (b).

⁴⁹ Intellectual Property Office Fee Structure, Part III, Sec. 6.0.

Preliminary attachment

At the commencement of the action or at anytime before entry of judgement, a plaintiff or any proper party may have the property of the adverse party attached as security for the satisfaction of any judgement that may be recovered.⁵⁰

Attachment is considered an advance execution of judgement to prevent ineffective victory.

Preliminary injunction

This is an order granted at any stage of an action or proceeding prior to the judgement or final order, requiring a party or a court, agency or a person to refrain from a particular act or acts. It may also require the performance of a particular act or acts, in which case it shall be known as preliminary mandatory injunction.⁵¹

Impounding and destruction

On the application of the complainant the court may impound during the pendency of the action, sales invoices and other documents evidencing sales.⁵²

Infringing goods are likewise subject to destruction without any compensation while the case is pending.⁵³

Seizure and impounding

The court is empowered to order the seizure and impounding of any article which may serve as evidence in the court proceeding.⁵⁴

11. In what circumstances may such measures be ordered *inaudita altera parte*?

Seizure and impounding

Whenever a party wants to prevent grave or irreparable damage or destruction of infringing evidence, the court is empowered to order the seizure and impounding of any article that may serve as evidence in the court proceedings.⁵⁵

Preliminary attachment

The only requisites for the issuance of the writ of preliminary attachment are the affidavit and bond of the applicant. No notice to the adverse party or hearing of the application is required as the time that the hearing would entail could be enough to enable the defendant to abscond or dispose of his property before the writ of preliminary attachment issues.⁵⁶

⁵⁰ Rules of Civil Procedure (1997), Rule 57, Sec. 1.

⁵¹ Rules of Court, Rule 58, Sec. 1.

⁵² Rep. Act N° 8293, Secs. 156.2.

⁵³ Rep. Act. N° 8293, Sec. 216.1 (d).

⁵⁴ Rep. Act N° 8293, Sec. 216.2.

⁵⁵ Rep. Act N° 8293, Secs. 156.2 & 216.2.

⁵⁶ Revised Rules of Civil Procedure (1997), Rule 57, Sec. 3.

Preliminary injunction

A temporary restraining order can be issued *ex parte* if the matter is of such extreme urgency that grave injustice and irreparable injury will arise unless it is issued immediately.⁵⁷

The requisites before an injunction can be issued are: (1) there must be a right to be protected; and (2) the act against which injunction is to be directed is a violation of such right.⁵⁸

12. Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time-limits and safeguards to protect the legitimate interests of the defendant.

Preliminary attachment

Any party, not only the plaintiff, can avail himself of preliminary attachment by filing a verified petition with the proper court. A defendant on his counterclaim, a co-party on his cross claim, and a third party plaintiff on his third party claim may move for the issuance of the writ.

Attachment basically involves three stages: first, the court issues the order granting the application; second, the writ issues pursuant to the order granting the same; and third, the writ is implemented. For the first two stages, it is not necessary that jurisdiction over the person of the defendant should first be obtained. However, once the implementation commences, the court must have acquired jurisdiction over the defendant, otherwise it has no power and authority to act in any manner against or bind the defendant.⁵⁹

Preliminary injunction

Any aggrieved party may apply for preliminary injunction by filing a verified complaint with the proper court showing the grounds relied upon and filing of the required bond.⁶⁰

Temporary Restraining Order (TRO)⁶¹

The court may issue *ex parte* a temporary restraining order to be effective for a period of seventy-two (72) hours from notice to the party or person sought to be enjoined on matters of extreme urgency that may result in a grave injustice and irreparable damage to applicant. Within that period the court must conduct a hearing to determine the propriety of the injunction. Ordinarily, a preliminary injunction has a lifetime of twenty (20) days, which cannot be issued in the absence of a hearing. The twenty day (20) period is inclusive of the seventy hours (72) temporary restraining order. However, if issued by the Court of Appeals, the temporary restraining order shall be effective for sixty (60) days from notice to the party or person sought to be enjoined. A restraining order issued by the Supreme Court shall be effective until further orders.

⁵⁷ Revised Rules of Civil Procedure (1997), Rule 58, Sec. 5.

⁵⁸ Revised Rules of Civil Procedure (1997), Rule 58, Sec. 3.

⁵⁹ Cuartero vs. Court of Appeals, et. al, 212 SCRA 260.

⁶⁰ Rule of Civil Procedure, Rule 58, Sec. 4.

⁶¹ Revised Rules of Civil Procedure (1997), Rule 58, Sec. 5.

Procedures common to the above remedies

Both preliminary attachment and preliminary injunction are initiated by filing a verified petition with the proper court and posting of bond.⁶² The petitioner must show facts entitling him to the relief demanded.

In both cases, the bond posted by the applicant serves as the security for the adverse party and answers for the damages and costs, which may be adjudged to the adverse party arising from and by reason of the attachment.

13. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost.

Length

All cases or matters filed must be decided or resolved within twenty four (24) months from date of submission for the Supreme Court, and unless reduced by the Supreme Court, twelve (12) months for all lower collegiate courts, and three (3) months for all other lower courts.⁶³

The above periods for decision are mandatory in nature and apply to all cases including preliminary attachment and preliminary injunction and pursuant to the constitutional right that all persons shall have the right to speedy disposition of their cases before all judicial, quasi-judicial or administrative bodies.⁶⁴

However, during the course of the trial, different factors may affect the duration of the proceedings including but not limited to the complexity of the issues and other circumstances affecting the case.

Cost

The cost of the proceedings, which includes the filing fees, research fees and other miscellaneous fees, varies depending on the damages claimed.

As to Attorney's fees, the same is left to the mutual agreement of the client and lawyer usually based on the prevailing standard of legal profession.

Data

Data on actual duration of proceedings and their cost are not readily available. However, prompt disposition of cases is assured considering the mandatory provision of the Constitution.

⁶² Rules of Civil Procedure (1997), Rule 57, Secs. 1 and 3, Rule 58, Sec. 4.

⁶³ Constitution, Article VIII, Sec. 15.

⁶⁴ Constitution, Article III, Sec.16.

(b) *Administrative procedures*

14. Reply to the above questions in relation to any administrative provisional measures.

Describe the types of provisional measures that administrative authorities may order, and the legal basis for such authority

The IP Office may issue preliminary orders in administrative actions for violations of intellectual property rights.⁶⁵

Upon verified application of the complainant, the Bureau of Legal Affairs (BLA) may issue preliminary injunction to require a person to refrain from a particular act or to perform a particular act, if the BLA is satisfied that the commission or continuance of the act complained of would probably work injustice to the complainant.⁶⁶

Furthermore, upon showing of its sufficiency, an order of attachment may be issued to have the property of the adverse party attached as security for the satisfaction of any judgement that may be recovered.

In what circumstances may such measures be ordered *inaudita altera parte*?

Preliminary orders may be granted with or without prior notice and hearing on the application for its issuance. In instances where these orders may be granted without prior hearing, it shall appear from facts shown by *affidavit* of the applicant that sufficient cause warranting the urgent issuance of these orders exists and that there is no other sufficient security for the claim sought to be enforced by the action.⁶⁷

Describe the main procedures for the initiation, ordering and maintenance in force of provisional measures, in particular relevant time limits and safeguards to protect the legitimate interests of the defendant

In administrative actions, the procedures are the following:⁶⁸

- the application for provisional remedies may be filed at any time after the commencement of the administrative action or at any time before entry of judgement;
- upon motion with notice and hearing or may be issued *ex parte*;
- the ground is established for the issuance thereof.

The party applying for the issuance of these orders must give a bond to answer for all costs and damages resulting from the grant of these provisional remedies, if the BLA shall finally adjudge that the applicant is not entitled thereto.⁶⁹

⁶⁵ Rep. Act. N° 8293, Sec. 10.2 (a).

⁶⁶ Rep. Act N° 8293, Sec. 156.4.

⁶⁷ IRR on Administrative Complaints, Rule 4, Sec. 2 & 3 and Rule5, Sec. 4.

⁶⁸ IRR on Administrative Complaints, Rule 4, Sec. 1 and Rule 5, Sec. 2.

⁶⁹ IRR on Administrative Complaints, Rule 4, Sec. 4.

Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their costs

- Length

Successive and continuous daily hearing for the reception of evidence in the granting of provisional remedies is required. The hearings or reception of evidence thereof shall be terminated within thirty (30) days from submission of the last motion.⁷⁰

In the proceedings for the granting of temporary restraining order by the IP Office, a summary hearing is required within twenty-four (24) hours after the Sheriff's return of service and/or receipt of records by the Bureau of Legal Affairs.⁷¹

- Costs

The movant or applicant is required to post a bond. The adverse party on the other hand may post a counter bond in an amount equal to the bond fixed by the BLA.⁷²

In applying for provisional remedies, a fee of two thousand Pesos (Php 2,000.00) shall be collected by the IP Office in the filing of motions for attachment or injunction.⁷³

- Data

Data on actual duration of proceedings and their cost are not readily available. However, prompt disposition of cases is assured considering the mandatory provision of the Constitution.

Special Requirements Related to Border Measures

- 15. Indicate for which goods it is possible to apply for the suspension by the customs authorities of the release into free circulation, in particular whether these procedures are available also in respect of goods which involve infringements of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the TRIPS Agreement (footnote to Article 51). Specify, together with relevant criteria, any imports excluded from the application of such procedures (such as goods from another member of a customs union, goods in transit or *de minimis* imports). Do the procedures apply to imports of goods put on the market in another country by or with the consent of the right holder and to goods destined for exportation?**

Customs authorities may suspend the release of goods which are imported in violation of the law.⁷⁴ Suspension of release also applies to goods which involve infringement of intellectual property rights other than counterfeit trademark or pirated copyright goods as defined in the Agreement on Trade-Related Aspects of Intellectual Property Rights, (footnote to Article 51) such as goods

⁷⁰ IRR on Administrative Complaints, Rule 9, Sec. 1.

⁷¹ IRR on Administrative Complaints, Rule 5, Sec. 3 (d).

⁷² IRR on Administrative Complaints, Rule 4, Sec. 4 & Rule 5, Sec. 3 (b).

⁷³ IP Office Fee Structure, Section 6.0.

⁷⁴ Rep. Act. N° 1937, Sec. 101 (k).

infringing patent rights,⁷⁵ and goods bearing false designation of origin, false or misleading description, or false or misleading representation.⁷⁶

Imports excluded from suspension of release are copyright works not exceeding one (1) copy for an individual, or three (3) copies for persons or a family arriving from foreign countries.⁷⁷ Goods put on the market in another country by or with the consent of the rights holder and goods destined for exports are not included in the list of goods that may be seized.⁷⁸

16. Provide a description of the main elements of the procedures relating to the suspension of the release of goods by customs authorities, in particular the competent authorities (Article 51), the requirements for an application (Article 52) and various requirements related to the duration of suspension (Article 55). How have Articles 53 (security or equivalent assurance), 56 (indemnification of the importer and of the owner of the goods) and 57 (right of inspection and information) been implemented?

Article 51: Suspension of Release by Customs Authorities

A patent holder, trademark or copyright owner, his assign, or his duly authorized agent or representative, desiring to prevent or prohibit the entry or importation of any cargo or shipment that may infringe upon his property rights shall file a written request to the Commissioner of Customs.⁷⁹

Article 52: Application

Any right holder initiating the above measure⁸⁰ must file a written request to the Commissioner of Customs attaching thereto duly authenticated copies of patent, trademark or copyright registration and facsimiles of his name, name of the locality in which his goods are manufactured, or of his registered mark or trademark. He shall also furnish the Commissioner with the following information:

- name and address of the patent holder, trademark, or copyright owner;
- name of the locality in which his goods or products are manufactured;
- name and address of the agent or representative;
- sufficiently detailed description of the goods, products or services of the patent holder, trademark or copyright owners to make them readily recognisable by the Customs authorities.

Upon receipt of the written request, the Commissioner of Customs shall direct the Legal Service to record the patent, trademark or copyright certificate and the foregoing information in the books kept for such purpose.

After proper evaluation and due recording in the registry, the Commissioner of Customs shall then issue a Memorandum Circular addressed to all Collectors of Customs, Customs Examiners/Appraisers and Hearing Officers of the Law Division, informing them of the request, directing them to strictly monitor and enforce the prohibition and attaching to such circular a copy of the request, the patent, trademark or copyright certificates of registration, the facsimiles and all the pertinent information thereto.

⁷⁵ Rep. Act N° 8293, Secs. 71 (a) & (b).

⁷⁶ Rep. Act N° 8293, Secs. 169 (a) & (b).

⁷⁷ Rep. Act. N° 8293 Secs. 190.1 and 190.2.

⁷⁸ See Rep. Act. N° 1937, Secs. 101(k) & 2530.

⁷⁹ Customs Administrative Order N° 7-93 (1993), II.3.

⁸⁰ Customs Administrative Order N° 7-93 (1993), II.3.

Upon receipt of the Memorandum Circular, all Collectors of Customs, Customs Examiners/Appraisers and Hearing officers, on their part, shall maintain and keep their own file of all such requests that will provide basis for monitoring and prohibiting the entry or importation of any incoming cargo or shipment that may infringe upon the property rights of the patent, trademark or copyright owners, and for notifying such owners or their authorised agent or representative to witness the examination of the said cargo or shipment.

In the performance of their duties, the Customs Examiners/Appraisers shall conduct an actual examination of the suspected cargo or shipment and shall immediately submit a recommendation to the Collector of Customs for the issuance of Warrant of Seizure and Detention against such cargo or shipment if there is *prima facie* case of infringement.

During the seizure proceeding of such goods, the patent holder, trademark or copyright owners or their duly authorised agents shall be notified so that they may participate as intervenor and present evidence to prove infringement on its patent, trademark or copyright.

Article 53: Security or Equivalent Assurance

The applicable implementing rules and regulations do not require the rights owner to provide a security or equivalent assurance when applying for suspension of release. Abuse of this measure is prevented by the strict requirements in the availment of said remedy.⁸¹

On the other hand, the owner or importer as a general rule may secure the release of seized goods upon filing of a cash bond, unless there is a *prima facie* evidence of fraud in the importation. However, articles the importation of which is prohibited by law shall not be released under any circumstances whomsoever.⁸²

Article 55: Duration of Suspension

The decision of the Collector of Customs to suspend the release of goods is considered valid until termination of the proceedings. His decision is considered affirmed if no action has been taken thereon by the Commissioner of Customs within thirty (30) days from the suspension order. The decision of the Commissioner is appealable to the Secretary of Finance, whose inaction within thirty (30) days shall render said decision final and executory.⁸³

In any seizure proceeding, the release of imported articles shall not be allowed unless the decision of the Collector has been affirmed in writing by the Commissioner of Customs.⁸⁴

Article 56 : Indemnification of the Importer and of the Owner of the Goods

The importer or the owner of the goods may file an application for damages on account of improper, irregular or excessive attachment.⁸⁵ The indemnification for damages shall comprehend not only the value of the loss suffered, but also that of the profits which the importer or the owner of the goods failed to obtain.⁸⁶ Damages may also be covered for injury to the business standing or

⁸¹ Customs Administrative Order N° 7-93 (1993).

⁸² Rep. Act N° 1937, Sec. 2301.

⁸³ Rep. Act N° 1937, Secs. 2312-2313.

⁸⁴ Rep. Act N° 7651 (1993), Sec. 1; Rep. Act N° 1937, Sec. 2313.

⁸⁵ Revised Rules of Civil Procedure, Rule 57, Sec. 20.

⁸⁶ Rep. Act N° 386, Art. 2200.

commercial credit.⁸⁷ Moreover, he can invoke his right to speedy disposition of his case under the Constitution of the Republic of the Philippines.⁸⁸

Article 57 : Right of Inspection and Information

The intellectual property right holder or his agent or representative shall be notified to witness the examination of the cargo or shipment. He may participate as intervenor and may present evidence to prove infringement.⁸⁹

17. Describe provisions governing the length and cost of proceedings. Provide any available data on the actual duration of proceedings and their cost. How long is the validity of decisions by the competent authorities for the suspension of the release of goods into free circulation?

Actual duration of proceedings and the cost vary depending on the peculiarities of each case and the remedies taken by the parties. Meanwhile, the decision of the Collector of Customs to suspend the release of goods is considered valid until termination of the proceedings. The decision of the Customs Collector is considered affirmed if no action has been taken thereon by the Commissioner of Customs within thirty (30) days from the suspension order of the Collector. The Commissioner's decision is appealable to the Secretary of Finance whose decision shall be deemed final and executory if not acted within thirty (30) days.⁹⁰

18. Are competent authorities required to act upon their own initiative and, if so, in what circumstances? Are there any special provisions applicable to *ex officio* action?

The Bureau of Customs, on the basis of an alert list or upon written request by the intellectual property rights holder, shall place under alert orders shipment known or suspected to be infringing intellectual property rights.⁹¹

However, the Bureau of Customs may still stop the entry of the infringing goods even if there is no alert list or requests because counterfeit shipment falls within the term "prohibited importation".⁹²

In the case of pirated videograms that passed border controls into commercial circulation, the state through the Videogram Regulatory Board has the power to cancel the permit of persons engaged in videogram business when there is violation of the law.⁹³ Under its regulatory and supervisory powers, it has the authority to inspect business premises on its own initiative.⁹⁴

19. Describe the remedies that the competent authorities have the authority to order and any criteria regulating their use.

In the performance of their duties, the Customs Examiners/Appraisers shall conduct an actual examination of the suspected cargo or shipment and shall immediately submit a recommendation to

⁸⁷ Rep. Act N° 386, Art. 2205 (2).

⁸⁸ Constitution, Article III, Sec. 16.

⁸⁹ Customs Administrative Order N° 7-93 (1993).

⁹⁰ Rep. Act. N° 1937, Sec. 2312-2313.

⁹¹ Custom Administrative Order N° 7-93.

⁹² Rep. Act. N° 1937, Sec. 101(k).

⁹³ Pres. Decree N° 1987, Sec. 3(1).

⁹⁴ Revised Rules and Regulations of Pres. Decree N° 1987, Chapter VIII, Sec. 20.

the Collector of Customs for the issuance of Warrant of Seizure and Detention against such cargo or shipment if there is *prima facie* case of infringement.⁹⁵

The Bureau of Customs has the power to conduct random checks on all imports to determine whether the goods match the description in the shipping documentation and are not otherwise infringing.⁹⁶

Criminal Procedures

20. Specify the courts which have jurisdiction over criminal acts of infringement of IPRs.

Regional Trial Courts have original jurisdiction to hear and decide cases involving violations of intellectual property rights regardless of the amount involved.⁹⁷ Twenty-seven of these courts are specially designated to hear such cases.⁹⁸

The decisions of the Regional Trial Court may be brought on appeal or on *certiorari* to the Court of Appeals, and to the Supreme Court.⁹⁹

21. In respect of which infringements of which intellectual property rights are criminal procedures and penalties available?

Criminal actions and penalties are available in the following violation of intellectual property rights:

- infringement of Patent, Utility Models and Industrial Designs¹⁰⁰
- infringement of Copyright and Related Rights¹⁰¹
- infringement of Trademarks, Service Marks and Geographical Indications¹⁰²
- unfair competition¹⁰³
- false Designations of Origin / False Description of Representation¹⁰⁴
- reproduction of cinematographic art¹⁰⁵
- piracy¹⁰⁶

22. Which public authorities are responsible for initiating criminal proceedings? Are they required to do this on their own initiative and/or in response to complaints?

Any peace officer or other public officer charged with the enforcement of the law violated may file a criminal complaint¹⁰⁷ in response to complaints or request for investigation.

Thus, law enforcement agencies such as the Philippine National Police (PNP), the National Bureau of Investigation (NBI), Department of Justice (DOJ) and the Videogram Regulatory Board

⁹⁵ Customs Administrative Order N° 7-93, III.5.

⁹⁶ Customs Administrative Order N° 7-93, II.7.

⁹⁷ Supreme Court Administrative Order N° 104-96 (1996).

⁹⁸ Supreme Court Administrative Order N° 113-95 (1995).

⁹⁹ Revised Rules on Criminal Procedure (2000), Rule 122, Sec. 2.

¹⁰⁰ Rep. Act N° 8293, Secs. 84, 108, 119.

¹⁰¹ Rep. Act. N° 8293, Sec. 217.

¹⁰² Rep. Act. N° 8293, Sec. 170.

¹⁰³ Rep. Act. N° 8293, Sec. 170.

¹⁰⁴ Rep. Act. N° 8293, Sec. 170.

¹⁰⁵ Pres. Dec. 1987, Sec. 7, 9.

¹⁰⁶ Rep. Act N° 8792, Sec. 33 (b).

¹⁰⁷ Revised Rules of Criminal Procedure(2000), Rule 110, Sec. 3.

may institute criminal proceedings or may file criminal complaint which shall be prosecuted under the direction and control of the prosecutor.¹⁰⁸

23. Do private persons have standing to initiate criminal proceedings and, if so, who?

Right holder, heirs or assigns, as the offended parties, may file or institute action for infringement.¹⁰⁹

The offended party is authorised to prosecute a criminal action subject to the direction and control of the public prosecutor.¹¹⁰

24. Specify, by category of IPR and type of infringement where necessary, the penalties and other remedies that may be imposed:

- **imprisonment;**
- **monetary fines;**
- **seizure, forfeiture and destruction of infringing goods and materials and implements for their production;**
- **other.**

PENALTY	Rep. Act No. 8293			Pres. Decree No. 1987	Rep. Act No. 8792
	INTELLECTUAL PROPERTY CODE			ACT CREATING THE VRB	E-COMMERCE ACT
	INFRINGEMENT OF PATENT	INFRINGEMENT OF TRADEMARK	INFRINGEMENT OF COPYRIGHT	VIOLATION OF DECREE & RULES & REGULATIONS	PIRACY
IMPRISONMENT	6 mos. to 3 yrs. ¹¹¹	2 to 5 yrs. ¹¹²	1 st offense: 1 to 3 yrs 2 nd offense: 3 yrs & 1 day to 6 yrs. 3rd & subsequent Offenses: 6 yrs. & 1 day to 9 yrs ¹¹⁵	3 mos. & 1 day to 1 yr. ¹¹³	6 mos. to 3 yrs. ¹¹⁴

¹⁰⁸ Revised Rules of Criminal Procedure(2000), Rule 110, Sec 5.

¹⁰⁹ Rep. Act N° 8293, Secs. 28, 147, 180, 193.; Revised Rules on Criminal Procedure (2000), Rule 110, Sec.3.

¹¹⁰ Revised Rules on Criminal Procedure (2000), Rule 110, Sec. 5; Guevarra vs. Del Rosario, 77 Phil. 615.

¹¹¹ Rep. Act N° 8293, Sec. 84.

¹¹² Rep. Act N° 8293, Sec. 170.

¹¹³ Pres. Decree 1987, Sec. 9.

¹¹⁴ Rep. Act 8792, Sec. 33b.

¹¹⁵ Rep. Act 8293, Sec. 217.1.a, b and c.

PENALTY	Rep. Act No. 8293			Pres. Decree No. 1987	Rep. Act No. 8792
	INTELLECTUAL PROPERTY CODE			ACT CREATING THE VRB	E-COMMERCE ACT
	INFRINGEMENT OF PATENT	INFRINGEMENT OF TRADEMARK	INFRINGEMENT OF COPYRIGHT	VIOLATION OF DECREE & RULES & REGULATIONS	PIRACY
(Continued)					
FINE	P100,000.00 to P300,000.00 ¹¹⁶	P50,000.00 to P200,000.00 ¹¹⁷	1 st offense: P50,000.00 To P150,000.00 2 nd offense: P150,000.00 to P500,000.00 3rd & subsequent offenses: P500,000.00 to P1,500,000.00 ¹²⁰	P50,000.00 to P100,000.00 ¹¹⁸	P100,000.00 min. to a maximum commensurate to damage incurred ¹¹⁹
DISPOSAL OR DESTRUCTION OF INFRINGING GOODS	Imposable ¹²¹	Imposable ¹²² * simple removal Of trademark for Exceptional cases ¹²⁴	Imposable ¹²³	Not imposable	Not imposable
IMPOUNDING OF DOCUMENTS EVIDENCING SALE	Not imposable	Imposable ¹²⁵	Imposable ¹²⁶	Not imposable	Not imposable
SUBSIDIARY IMPRISONMENT	Not imposable	Not imposable	Imposable ¹²⁷	Not imposable	Not imposable

¹¹⁶ Rep. Act 8293, Sec. 84.

¹¹⁷ Rep. Act 8293, Sec. 170.

¹¹⁸ Pres. Decree 1987, Sec. 9.

¹¹⁹ Rep. Act 8792, Sec. 33b.

¹²⁰ Rep. Act 8293, Sec. 217.1.a, b and c.

¹²¹ Rep. Act 8293, Sec. 76.5.

¹²² Rep. Act 8293, Sec. 157.1.

¹²³ Rep. Act 8293, Sec. 216.1.d.

¹²⁴ Rep. Act 8293, Sec. 157.2.

¹²⁵ Rep. Act 8293, Sec. 156.2.

¹²⁶ Rep. Act 8293, Sec. 216.1.c and Sec. 216.2.

¹²⁷ Rep. Act. 8293, Sec. 217.1.d.

25. Describe provisions governing the length and any cost of proceedings. Provide any available data on the actual duration of proceedings and their cost, if any.

Length

All cases or matters filed with the courts must be decided or resolved within twenty-four (24) months from date of submission for the Supreme Court, twelve (12) months for all lower collegiate courts, and three (3) months for all other lower courts. Furthermore, the Philippine Constitution under the Bill of Rights affirms the right of the people to a just and speedy disposition of their cases.¹²⁸

The Supreme Court has ordered the Regional Trial Courts to give priority to violations of intellectual property rights cases in their trial calendars. The proceeding shall undergo mandatory continuous trial and shall be terminated within sixty (60) days from commencement of trial. Judgement thereon shall be rendered within thirty (30) days from submission for decision unless a shorter period is provided by law or otherwise directed by the court.¹²⁹

Cost

There is no filing fee in the institution of criminal actions. However, in cases where the amount of damages, other than actual, is alleged in the complaint or information, the corresponding filing fees shall be paid by the offended party upon filing thereof in court for trial.¹³⁰

A party may maintain litigation through their private lawyers the compensation of which would depend on the agreements reached to. The private prosecutor, however, shall be under the control and supervision of the public prosecutor.¹³¹

¹²⁸ Constitution, Art. VIII Sec. 15 & Art. III, Sec. 16.

¹²⁹ Supreme Court Administrative Circular N° 104-96.

¹³⁰ Revised Rules on Criminal Procedure (2000), Rule 111, Sec.1.

¹³¹ Revised Rules on Criminal Procedure (2000), Rule 110, Sec. 5 & Sec. 16.