

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

13 AUG -1 P 4:40

SENATE
S. No. 1196

RECEIVED BY: *js*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, Section 20 provides:

SEC. 20. The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.

Throughout our history, the Philippines as a nation has been blessed by great minds. All over the world, countless Filipinos have won and have continually been recognized for their ingenuity. However, we currently do not have a solid program to recognize the achievement of our countrymen in research and development here in our country. Unfortunately, our inventors and innovators had to look elsewhere to gain recognition. This leads to our inventions being claimed by the foreign countries that recognized them.

We need to establish a recognition program that will encourage our inventors and innovators to develop new products and technologies that can be produced and exported from our country. This would not only help our economy, but would once again give our local minds their due for their countless achievements in the field of research and development.

This bill seeks to mandate the Department of Trade and Industry to establish a National Innovation Prizes Board who shall spearhead a program to solicit participation from various sectors of our country, encourage a competitive research and development drive and recognize and reward the best new inventions and innovations of our countrymen.*

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

* This bill was originally filed in the Fourteenth Congress, Second Regular Session.



13 AUG -1 P4 40

SENATE
S. No. 1196

RECEIVED BY: *js*

Introduced by Senator Miriam Defensor Santiago

1 AN ACT
2 TO ESTABLISH A PROGRAM TO AWARD INNOVATION PRIZES TO INDIVIDUALS
3 AND ENTITIES FOR RESEARCHING AND DEVELOPING INNOVATIVE
4 TECHNOLOGIES, AND FOR OTHER PURPOSES

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

5 SECTION 1. *Short Title.* – This Act shall be known as the “Pinoy Innovator Act.”

6 SECTION 2. *Definition of Terms.* – The purposes of this Act the term:

7 A. ADMINISTERING ENTITY – means an entity with which the Secretary enters
8 into an agreement under Section 11.

9 B. COMPETITION – means a competition for an innovation prize under the
10 program described in Section 5.

11 C. INNOVATION PRIZE – means a prize awarded to a participant who wins a
12 competition.

13 D. PARTICIPANT – means an individual or entity that participates in a competition.

14 E. SECRETARY – means the Secretary of Trade and Industry.

15 SECTION 3. *National Innovation Prizes Board.* – The Secretary shall establish in the
16 Department of Trade and Industry a National Innovation Prizes Board (referred to in this Act as
17 the “Board”). The Board shall be composed of noted individuals, appointed by the Secretary,
18 from both public and private sector whose qualification shall be determined by the Secretary to
19 carry out the purposes of this Act. The term of each member shall be no more than three years.

20 SECTION 4. *Purposes.* – The purposes of the Board are as follows:

- 1 A. To develop and administer the program described in Section 5;
- 2 B. To select the research topics for competitions;
- 3 C. To establish the rules of the competitions and the criteria for winning innovation
- 4 prizes;
- 5 D. To determine the amount of the innovation prize for each competition;
- 6 E. To certify the winners of the competitions; and
- 7 F. To determine the annual funding requirement for each competition.

8 SECTION 5. *Innovation Prizes Program.* – The Board shall carry out a program of
9 competitions to award innovation prizes to eligible individuals and entities to advance the
10 research, development, and commercial application of innovative technologies.

11 SECTION 6. *Eligible Individuals or Entities.* – An “eligible individual or entity” is an
12 individual, a university, or a small or large business that complies with the requirements of
13 paragraph (2).

14 SECTION 7. *Minimum Requirements for Eligibility.* – An eligible individual or entity:

- 15 A. shall have complied with such eligibility requirements for participation in a
- 16 competition as the Board may establish;
- 17 B. in the case of a private entity, shall be incorporated in and maintain a primary
- 18 place of business in the Philippines;
- 19 C. in the case of an individual, whether participating in the program singly or in a
- 20 group, shall be a citizen of, or an alien lawfully admitted for permanent residence in, the
- 21 Philippines; and
- 22 D. may not be—
 - 23 1. a government entity, such as a government funded research and development
 - 24 center or a government-owned, contractor-operated laboratory;
 - 25 2. an entity in which a member of the board has interest in;
 - 26 3. a relative of the member of the board within fourth degree of consanguinity;

- 1 4. a public official or employee acting within the scope of his office or
- 2 employment; or
- 3 5. a public official or employee of a national laboratory acting within the scope
- 4 of his office or employment.

5 SECTION 8. *Development of the Program.* -- Not later than 120 days after the date of the
6 enactment of this Act, the Secretary shall prepare and submit to the appropriate committees in
7 the Senate and the House of Representatives a plan for implementing the program described in
8 Section 5 that includes---

- 9 A. a description of how the research topics for competitions and the criteria for
- 10 awarding the innovation prizes will be determined;
- 11 B. the terms and conditions of the competitions;
- 12 C. the time frame for the award of innovation prizes; and
- 13 D. a description of the plans of the Secretary to partner with nonprofit organizations
- 14 or government agencies to sponsor competitions or to outsource administration of competitions
- 15 to nonprofit organizations under Section 11.

16 SECTION 9. *Awards.* -- The Board shall determine the amount of each innovation prize
17 for each competition and may elect to award only a first place prize or to award first, second, and
18 third place prizes.

19 SECTION 10. *Advertising.* -- The Board shall advertise each competition widely to
20 encourage broad participation in each competition, including by individuals, universities, and
21 large and small businesses (including businesses owned or controlled by socially and
22 economically disadvantaged persons). The advertisements shall include, among other
23 information, the subject of the competition, the duration of the competition, the eligibility
24 requirements for participation in the competition, the process for participants to register for the
25 competition, the amount of the innovation prize, and the criteria for awarding the innovation
26 prize.

1 SECTION 11. *Administering Competitions.* – The Board may enter into an agreement
2 with a private, nonprofit organization to administer competitions. The duties of the administering
3 entity under the agreement shall include—

- 4 A. advertising competitions and the results of competitions;
- 5 B. raising funds from private entities and individuals to pay for administrative costs
6 of competitions and to contribute to cash innovation prizes;
- 7 C. working with the Board to develop the criteria for selecting winners in
8 competitions, based on goals provided by the Secretary;
- 9 D. determining, in consultation with the Board, the appropriate amount of each
10 innovation prize to be awarded;
- 11 E. selecting judges for competitions using criteria developed in consultation with the
12 Board; and
- 13 F. preventing the unauthorized use or disclosure of the intellectual property, trade
14 secrets, and confidential business information of participants.

15 SECTION 12. *Funding.* – Innovation prizes awarded under the program described in
16 subsection (a) shall consist of—

- 17 A. funds authorized to be appropriated under section 20; and
- 18 B. any funds raised by the administering entity under Section 11(B).
- 19 C. any other funds which may be accepted by the Secretary from other government
20 agencies for innovation prizes.

21 SECTION 13. *Funds from Other Entities.* – The Board is authorized to enter into
22 agreements with other entities, including corporations, nonprofit organizations, and other
23 government agencies, to offer joint innovation prizes if—

- 24 A. the joint innovation prize supports the purposes of this Act;
- 25 B. the entity offering additional funds agrees to deposit the funds into a designated
26 escrow account; and

1 C. the Board retains full authority over the competition and the awarding of the cash
2 innovation prizes.

3 SECTION 14. *Prohibition on Special Consideration.* – The Secretary may not give any
4 special consideration to any private sector entity or individual in return for a donation to the
5 administering entity to fund a competition.

6 SECTION 15. *Announcement of Prizes Contingent on Funding.* – The Secretary may not
7 advertise or publish any prize until all the funds necessary to pay the innovation prize have been
8 appropriated or committed in writing.

9 SECTION 16. *Waiver of Liability.* – The Secretary may require participants to waive
10 claims against the government and the administering entity (except claims for willful
11 misconduct) for any injury, death, damage, or loss of property, revenue, or profits arising from
12 participation in a competition.

13 The Secretary may not require a participant to waive claims against the administering
14 entity arising out of the unauthorized use or disclosure by the administering entity of the
15 intellectual property, trade secrets, or confidential business information of the participant.

16 SECTION 17. *Insurance.* – The Secretary may require liability insurance or demonstrate
17 financial responsibility, in amounts determined by the Secretary, for claims by—

18 A. a third party for death, bodily injury, or property damage or loss resulting from an
19 activity carried out in connection with participation in a competition; and

20 B. the government for damage or loss to government property resulting from
21 participation in a competition.

22 SECTION 18. *Intellectual Property.* – The intellectual property of participants in the
23 competitions shall be protected. The Board shall provide for assistance in securing the
24 intellectual property rights for qualified participants. The Board shall also provide for a

1 convenient way for participants to ascertain whether there are any preexisting intellectual
2 property rights that conflict with theirs.

3 SECTION 19. *Report.* – Not later than one year after the date of the enactment of this
4 Act, and annually thereafter, the Secretary shall submit to the appropriate committees in the
5 Senate and the House of Representatives a report describing the activities of the program
6 described in Section 5, including—

7 A. a description of the methods used to select the research topics of competitions and
8 the amounts of the innovation prizes;

9 B. a discussion of the features of competitions that contribute to the success or lack
10 of success of the competitions;

11 C. the number of participants involved in the competitions;

12 D. the amount of private funds contributed to the program and the sources of such
13 funds;

14 E. the effect of the program on public awareness of innovation; and

15 F. the effect of the program on the public image of the Department of Trade and
16 Industry.

17 SECTION 20. *Appropriations.* – To carry out the provisions of this Act, such amount as
18 necessary is hereby authorized to be appropriated from the National Treasury.

19 SECTION 21. *Separability Clause.* – If any provision or part hereof is held invalid or
20 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
21 valid and subsisting.

22 SECTION 22. *Repealing Clause.* – Any law, presidential decree or issuance, executive
23 order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent
24 with the provision of this Act is hereby repealed, modified, or amended accordingly.

1 SECTION 23. *Effectivity Clause.* -- This Act shall take effect fifteen (15) days after its
2 publication in at least two (2) newspapers of general circulation.

Approved,