CONGRESS OF THE PHILIPPINES NINETEENTH CONGRESS First Regular Session

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## HOUSE OF REPRESENTATIVES

H. No. 7600

BY REPRESENTATIVES SALCEDA, MARIÑO, SACDALAN, ALVAREZ (J.), GARCIA (M.A.), HORIBATA, ESCUDERO, TAMAYO, VILLA, LIMKAICHONG, GO (M.), BASCUG, CALIXTO, DY (F.M.C.), GO (E.C.), MOMO, UNABIA, VALERIANO, BONDOC, TIENG, VIOLAGO, GATCHALIAN, GOLEZ, AGARAO, AUMENTADO, DIONISIO, EUDELA, GARCIA (D.), GUINTU, GULLAS, MATIBAG, MERCADO, OAMINAL, PANCHO, SOLON, TANJUATCO, TOLENTINO, VELOSO-TUAZON, BAUTISTA, CRUZ (R.), NOGRALES (M.), CHAN, ALVAREZ (M.), ENVERGA, COJUANGCO (J.), DUAVIT, ABUNDA, CASTRO (J.), SALI, VERGARA, QUIMBO, CHUNGALAO, VELASCO, BIRON, ABALOS, ONGCHUAN, ESPARES, BORDADO, LEE, TAN (R.M.), REVILLA (R.J.) AND DALIPE, PER COMMITTEE REPORT NO. 443

## 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.

SEC. 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:

3 "SEC. 4. Definitions.  $-4.1 \times 1.1 \times 1.1$ 

4 "4.5 THE TERM "COUNTERFEIT GOODS" REFER TO GOODS
 5 OR MATERIALS INCLUDING PACKAGING BEARING WITHOUT
 6 AUTHORIZATION A TRADEMARK WHICH IS IDENTICAL TO A
 7 TRADEMARK VALIDLY REGISTERED WITH THE INTELLECTUAL

1PROPERTY OFFICE OF THE PHILIPPINES (IPOPHL) OR ALREADY2DECLARED AS A WELL-KNOWN MARK INTERNATIONALLY OR IN3THE PHILIPPINES BY A COMPETENT AUTHORITY IN RESPECT OF4SUCH GOODS OR WHICH CANNOT BE DISTINGUISHED IN ITS5ESSENTIAL ASPECTS FROM SUCH A TRADEMARK AND WHICH6THEREBY VIOLATES THE RIGHTS OF THE OWNER OF THE7TRADEMARK IN QUESTION.

"4.6. THE TERM "PIRATED GOODS" REFER TO GOODS OR 8 9 MATERIALS CONTENT, OR WHETHER **TANGIBLE** AND INTANGIBLE, IN ELECTRONIC OR DIGITAL FORM, WHICH ARE 10 MADE, PRODUCED, COPIED, REPRODUCED, DISSEMINATED, 11 12 DISTRIBUTED, IMPORTED, USED, REMOVED. ALTERED, SUBSTITUTED, MODIFIED, STORAGE, UPLOADED, DOWNLOADED, 13 COMMUNICATED, MADE AVAILABLE TO THE PUBLIC, OR 14 15 PROTECTED MATERIAL BROADCASTED, OR REPLICATED WITHOUT THE CONSENT OF THE RIGHT HOLDER OR PERSON 16 DULY AUTHORIZED BY THE RIGHT HOLDER AND WHICH ARE 17 MADE, PRODUCED, OR REPLICATED DIRECTLY OR INDIRECTLY 18 FROM AN ARTICLE WHERE THE MAKING OF THAT COPY WOULD 19 HAVE CONSTITUTED AN INFRINGEMENT OF COPYRIGHT OR 20 21 **RELATED RIGHTS."** 

- SEC. 2. Section 5 of Republic Act No. 8293, as amended, is hereby amended to read
   as follows:
- 24 "SEC. 5. Functions of the Intellectual Property Office (IPO). x x x
- 25 "x x x

## 26 "5.3. THE OFFICE SHALL PERFORM THE FOLLOWING 27 ENFORCEMENT FUNCTIONS:

- 28 "(A) GATHER INTELLIGENCE INFORMATION RELATED TO
  29 THE VIOLATIONS OF THIS ACT, CONDUCT INQUIRY
  30 AND INVESTIGATION, AND DEVELOP EFFECTIVE
  31 COUNTERMEASURES TO DETER COUNTERFEIT OR
  32 PIRATED GOODS OR CONTENT;
- 33"(B)CONDUCT VISITS DURING REASONABLE HOURS TO34ESTABLISHMENTS AND BUSINESSES OF ACTIVITIES35SUSPECTED TO BE IN VIOLATION OF THIS ACT IN36ACCORDANCE WITH THE PROCEDURES PRESCRIBED37HEREIN;
- 38 "(C) DEVELOP A DATABASE OF PENDING CASES
   39 INVOLVING VIOLATIONS OF THIS ACT;
- 40"(D)UNDERTAKE ANY OR ALL OF THE FOLLOWING41ENFORCEMENT ACTIONS:

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- "(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;
- **RECOMMEND THAT THE CONCERNED LOCAL** "(3) GOVERNMENT UNIT AND/OR OTHER **GOVERNMENT AGENCY 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;
  - "(5) REPORT THE RESULT OF SERVICE AND EXECUTION OF ADMINISTRATIVE ORDERS; AND
  - "(6) SUCH OTHER ORDERS OR ACTIONS NECESSARY TO ENSURE COMPLIANCE WITH THE PROVISIONS OF THIS CODE ACT.
- "(E) COORDINATE WITH OTHER GOVERNMENT AGENCIES AND PRIVATE SECTOR EFFORTS ON MATTERS RELATED TO INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT;
- 33"(F)ASSIST IN THE ENFORCEMENT OF ORDERS, WRITS,34AND PROCESSES ISSUED BY THE BUREAU OF LEGAL35AFFAIRS AND THE OFFICE OF THE DIRECTOR36GENERAL;
- 37 "(G) CONDUCT MONITORING ACTIVITIES RELATED OR
   38 RELEVANT TO INTELLECTUAL PROPERTY RIGHTS
   39 ENFORCEMENT;

1 2	"(H) EXERCISE INTER-AGENCY SPECIAL ENFORCEMENT COORDINATION FUNCTIONS; AND
3 4 5 6	"(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."
7 8	SEC. 3. Section 10 of Republic Act No. 8293, as amended, is hereby further amended to read as follows:
9 10	<b>"SEC. 10.</b> <i>The Bureau of Legal Affairs.</i> – The Bureau of Legal Affairs shall have the following functions:
11	"10.1 x x x;
12	"10.2 (a) x x x.
13 14	"10.2 (b) After formal investigation, the Director for Legal Affairs may impose one (1) or more of the following administrative penalties:
15	"x x x
16 17 18 19 20 21 22 23	"(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). In addition, an additional fine of not more than [One thousand pesos (Php 1,000)] TEN THOUSAND PESOS (PHP 10,000) shall be imposed for each day of continuing violation;
24	"x x x
25 26	"THE DECISIONS OF THE ADJUDICATION OFFICERS ARE APPEALABLE TO THE DIRECTOR.
27 28	"10.3. ESTABLISH AND ADMINISTER ALTERNATIVE DISPUTE RESOLUTION MECHANISMS; AND
29	"10.4. PROVIDE ASSISTANCE TO OTHER BUREAUS AND
30	OFFICES OF THE IPOPHL, INCLUDING LEGAL REVIEW, STUDY,
31	AND SIMILAR TASKS.
32	"10.[3]5. The Director General may by Regulations establish the
33	procedure to govern the implementation of this Section."
34 35	SEC. 4. Section 216 of Republic Act No. 8293, as amended, is hereby further amended to read as follows:

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

3 "(a) x x x;

4 "(b) x x x;

5 "(c) x x x.

"216-A. PREVENTIVE ACTION ON ONLINE INFRINGEMENT. - UNLESS 6 OTHERWISE PROVIDED BY LAW, OR UNLESS OTHERWISE ORDERED BY 7 THE APPROPRIATE COURT OF LAW, THE INTELLECTUAL PROPERTY 8 OFFICE SHALL HAVE THE POWER, AFTER DUE NOTICE AND HEARING, 9 TO DISABLE ACCESS TO AN ONLINE LOCATION PREVENT FURTHER 10 ACCESS TO AN ONLINE LOCATION WHOSE PRIMARY PURPOSE OR 11 PRIMARY EFFECT OF WHICH IS TO INFRINGE COPYRIGHT OR 12 FACILITATE COPYRIGHT INFRINGEMENT. 13

14 "THE COPYRIGHT OWNER OR THE EXCLUSIVE LICENSEE OF
15 COPYRIGHT, HEREINAFTER REFERRED TO AS THE "ELIGIBLE PARTY,"
16 MAY SUBMIT AN APPLICATION TO THE INTELLECTUAL PROPERTY
17 OFFICE TO ORDER THE DISABLING OF ACCESS TO ANY INFRINGING
18 ONLINE LOCATION IDENTIFIED IN THE APPLICATION.

"THE APPLICATION TO THE INTELLECTUAL PROPERTY OFFICE 19 SHALL BE SUBMITTED BY COMPLETING IN ITS ENTIRETY THE FORMS 20 AND DOCUMENTATION AS REQUESTED BY THE INTELLECTUAL 21 PROPERTY OFFICE TO ALLOW THE INTELLECTUAL PROPERTY OFFICE 22 TO ESTABLISH THAT THE PARTY FILING THE APPLICATION IS AN 23 ELIGIBLE PARTY, OR IS AUTHORISED TO FILE THE APPLICATION ON 24 BEHALF OF AN ELIGIBLE PARTY AND VERIFY THROUGH EVIDENCE 25 THAT THE SUBJECT OF THE ORDER APPLIED FOR IS AN INFRINGING 26 27 **ONLINE LOCATION.** 

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

35 "216-B. PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION. - THE
 36 INTELLECTUAL PROPERTY OFFICE SHALL FORMULATE THE
 37 PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION ON ONLINE
 38 INFRINGEMENT, ACCORDING TO THE FOLLOWING STANDARDS:

39"(1)MINIMUM REQUIREMENTS OF THE APPLICATION FOR40ACTION BY AN ELIGIBLE PARTY. THE APPLICATION41REFERRED TO IN SECTION 84A SHALL INDICATE: THE FACT

THAT, AND THE MANNER BY WHICH, THE INFRINGING ONLINE LOCATION IS ACCESSIBLE; AND OTHER MATTERS WHICH THE INTELLECTUAL PROPERTY OFFICE MAY TAKE INTO ACCOUNT, INCLUDING:

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- "(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.
- 17"(2)ONE APPLICATION MAY BE SUBMITTED FOR MULTIPLE18INFRINGING ONLINE LOCATIONS, AND THE19REQUIREMENTS OF THIS SECTION MUST BE MET AND SET20OUT IN THE APPLICATION.
- 21 "(3) THE APPLICANT MUST NOTIFY THE PERSON WHO 22 **OPERATES THE ONLINE LOCATION OF THE MAKING OF AN** 23 **APPLICATION UNDER SECTION 1, IBUT THE INTELLECTUAL** 24 **PROPERTY OFFICE MAY DISPENSE, ON SUCH TERMS AS IT** 25 SEES FIT, WITH THE NOTICE REQUIRED TO BE SENT TO THE PERSON WHO OPERATES THE ONLINE LOCATION IF 26 THE INTELLECTUAL PROPERTY OFFICE IS SATISFIED THAT 27 28 APPLICANT IS UNABLE, IDESPITE REASONABLE THE 29 EFFORTS, TO DETERMINE THE IDENTITY OR ADDRESS OF THE PERSON WHO OPERATES THE ONLINE LOCATION, OR 30 31 TO SEND NOTICES TO THAT PERSON.
- UPON RECEIPT OF THE APPLICATION, THE INTELLECTUAL 32 "(4) PROPERTY OFFICE SHALL REVIEW THE SAME AND 33 DETERMINE WHETHER THE ONLINE LOCATION MEETS 34 **REQUIREMENTS OF PARAGRAPH (A). IF AN** 35 THE **APPL//CATION MEETS THE REQUIRE/MENTS OF PARAGRAPH** 36 37 (A), THE INTELLECTUAL PROPERTY OFFICE SHALL GIVE DUE NOTICE OF THE SAME TO THE PERSON WHO 38 **OPERATES THE ONLINE LOCATION EITHER BY DIRECTLY** 39 40 CONTACT SUCH PERSON OR BY POSTING SUCH NOTICE PUBLICLY. THE INTELLECTUAL PROPERTY OFFICE SHALL, 41 WITHIN FIVE (5) DAYS OF GIVING DUE NOTICE, RENDER AN 42 43 ORDER REQUIRING INTERNET SERVICE PROVIDERS TO 44 TAKE REASONABLE STEPS TO DISABLE ACCESS TO THE

INFRINGING ONLINE LOCATION. A COPY OF THE SAID ORDER SHALL LIKEWISE BE GIVEN 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.

15 "(6) THE INTELLECTUAL PROPERTY OFFICE MAY AT ANY TIME 16 DURING THE OPERATION OF THE ORDERS NOTIFY THE 17 INTERNET SERVICE PROVIDERS SHOULD IT BECOME 18 AWARE THAT ANY INFRINGING ONLINE LOCATION IS 19 ACCESSED FROM AN ADDITIONAL ONLINE LOCATION, 20 INCLUDING ONE THAT APPEARS TO BE ASSOCIATED WITH 21 ANY INFRINGING ONLINE LOCATION BASED ON ITS NAME, 22 BRANDING OR THE IDENTITY OF ITS OPERATOR, AND 23 MAKE SUCH DIFFERENT ONLINE LOCATION SUBJECT TO 24 THE ORDERS.

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SEC. 5. Within ninety (90) days from the effectivity of this Act, the Intellectual
 Property Office shall promulgate the necessary rules and regulations for the implementation
 of this Act.

SEC. 6. If any provisions of this Act are declared invalid or unconstitutional, the
 remaining parts or provisions not affected shall remain valid.

SEC. 7. All acts, executive orders, administrative orders, proclamations, rules and
 regulations or parts thereof inconsistent with any of the provisions of this Act, are hereby
 expressly repealed or modified accordingly.

34 SEC. 8. This Act shall take effect immediately upon its publication in the Official
 35 Gazette or in a newspaper of general circulation in the Philippines.

Approved,