NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Second Regular Session Office of the Science

24 APR 29 P2:19 RECEIVED BY

Introduced by Senator MARK A. VILLAR

SENATE

s. No. <u>264</u>5

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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

EXPLANATORY NOTE

As technology constantly changes almost every aspect of entertainment and creative industries, so must the laws and policies which govern them. For example, the production of audio-visual media and their consumption have since rapidly evolved that some governmental regulations are deemed ineffectual. The need to update these laws echoes the constitutional directive for the State to provide protection and to secure exclusive rights of scientists, inventors, artists, and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people.

Piracy or the unauthorized duplication of copyrighted content, whether for profit or not, poses a fatal threat to these vital industries as it discourages artists, producers, and other creatives from making quality entertainment media, and it endangers employment which may result in crippling financial loss.

It is important to note that copyright-related industries constitute 7.3% of the country's Gross Domestic Product (GDP) and that a study by Media Partners Asia revealed that online content piracy during the start of the pandemic and lockdowns were at 1 billion pesos potential revenue losses to local video producers, distributors and aggregators.

Pursuant to Article 61 of the international agreement of World Trade Organization member nations on Trade-Related Aspects of Intellectual Property Rights or TRIPS Agreement, it is incumbent for the Philippines as signatory to adopt, enact and implement legislations for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale.

This bill aims to provide the Intellectual Property Office of the Philippines (IPOPHL) with the authority to disable access to online locations or sites infringing copyrighted materials and services, as well as the enforcement powers to prevent, investigate and conduct coordinated action on violations of the Intellectual Property Code.

Immediate passage of this bill is earnestly sought.

MARK A. VILLAR

NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Second Regular Session

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Introduced by Senator MARK A. VILLAR

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 Philippine", is hereby amended to read as follows:

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"SEC. 4. *Definitions.* – 4.1 xxx.

"4.5 THE TERM "COUNTERFEIT GOODS" REFER TO GOODS OR 5 PACKAGING BEARING, WITHOUT INCLUDING MATERIALS 6 AUTHORIZATION, A TRADEMARK WHICH IS IDENTICAL TO A 7 TRADEMARK VALIDLY REGISTERED WITH THE INTELLECTUAL 8 PROPERTY OFFICE OF THE PHILIPPINES (IPOPHIL) OR ALREADY 9 DECLARED AS A WELL-KNOWN MARK INTERNATIONALLY OR IN THE 10 PHILIPPINES BY A COMPETENT AUTHORITY, WITH RESPECT TO 11 SUCH GOODS OR WHICH CANNOT BE DISTINGUISHED IN ITS 12 ESSENTIAL ASPECTS FROM SUCH A TRADEMARK AND WHICH 13

1THEREBY VIOLATES THE RIGHTS OF THE OWNER OF THE2TRADEMARK IN QUESTION.

"4.6. THE TERM "PIRATED GOODS" REFER TO GOODS OR 3 MATERIALS OR CONTENT, WHETHER TANGIBLE OR INTANGIBLE, IN 4 ELECTRONIC OR DIGITAL FORM, WHICH ARE MADE, PRODUCED, 5 COPIED, REPRODUCED, DISSEMINATED, DISTRIBUTED, IMPORTED, 6 USED, REMOVED, ALTERED, SUBSTITUTED, MODIFIED, STORED, 7 UPLOADED, DOWNLOADED, COMMUNICATED, MADE AVAILABLE TO 8 THE PUBLIC, BROADCASTED, OR REPLICATED WITHOUT THE 9 CONSENT OF THE RIGHT HOLDER OR PERSON DULY AUTHORIZED BY 10 THE RIGHT HOLDER AND WHICH ARE MADE, PRODUCED, OR 11 **REPLICATED DIRECTLY OR INDIRECTLY FROM AN ARTICLE WHERE** 12 THE MAKING OF THAT COPY WOULD HAVE CONSTITUTED AN 13 **INFRINGEMENT OF COPYRIGHT OR RELATED RIGHTS."** 14

15 Sec. 2. Section 5 of Republic Act 8293, as amended, is hereby amended to read 16 as follows:

17 "SEC. 5. Functions of the Intellectual Property Office (IPO). – XXX

18 [°] X X X

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19 ***5.3. THE OFFICE SHALL PERFORM THE FOLLOWING** 20 **ENFORCEMENT FUNCTIONS:**

INFORMATION TO RELATED INTELLIGENCE "(A)" GATHER 21 VIOLATIONS OF THIS ACT, CONDUCT INQUIRY AND INVESTIGATION, 22 COUNTERMEASURES TO DETER EFFECTIVE AND DEVELOP 23 COUNTERFEIT OR PIRATED GOODS OR CONTENT; 24

25 "(B) CONDUCT VISITS DURING REASONABLE HOURS TO
 26 ESTABLISHMENTS AND BUSINESSES WHOSE ACTIVITIES ARE
 27 SUSPECTED TO BE IN VIOLATION OF THIS ACT IN ACCORDANCE
 28 WITH THE PROCEDURES PRESCRIBED HEREIN;

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

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

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

8 "(2) ISSUE NOTICE OR WARNING TO THE RESPONDENT/S;

"(3) RECOMMEND THAT THE CONCERNED LOCAL GOVERNMENT
 UNITS AND/OR OTHER GOVERNMENT AGENCIES 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;

16 "(4) REQUEST THE CONCERNED LOCAL GOVERNMENT UNIT OR
 17 OTHER GOVERNMENT AGENCIES TO IMPLEMENT THE
 18 DECISION OF THE INTELLECTUAL PROPERTY RIGHTS
 19 ENFORCEMENT PURSUANT TO THEIR RESPECTIVE MANDATES;

20"(5) REPORT THE RESULT OF SERVICE AND EXECUTION OF21ADMINISTRATIVE ORDERS; AND

22"(6) SUCH OTHER ORDERS OR ACTIONS NECESSARY TO23ENSURE COMPLIANCE WITH THE PROVISIONS OF THIS ACT.

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

27 "(F) ASSIST IN THE ENFORCEMENT OF ORDERS, WRITS, AND
 28 PROCESSES ISSUED BY THE BUREAU OF LEGAL AFFAIRS AND THE
 29 OFFICE OF THE DIRECTOR GENERAL;

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

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

5 "(I) SUCH OTHER POWERS AND FUNCTIONS AS MAY BE NECESSARY
 6 OR INCIDENTAL TO THE ATTAINMENT OF THE PURPOSES AND
 7 OBJECTIVES OF THIS ACT OR AS MAY BE DETERMINED BY THE
 8 DIRECTOR GENERAL."

9 Sec. 3. Section 10 of Republic Act 8293, as amended, is hereby further 10 amended to read as follows:

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

13 "10.1 xxx;

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14 "10.2 (a) xxx;

15 "10.2 (b) After formal investigation, the Director of Legal Affairs may impose
 one (1) or more of the following administrative penalties:

17 "X X X

"(v) The imposition of administrative fines in such amount as deemed 18 reasonable by the Director of Legal Affairs, which shall in no case be less than 19 [Five thousand pesos (Php5,000)] ONE HUNDRED THOUSAND PESOS 20 (Php100,000) nor more than [One hundred fifty thousand pesos 21 (Php150,000)] ONE MILLION PESOS (PHP1,000,000). In addition, an 22 additional fine of not more than [(One thousand pesos (Php1,000)] TEN 23 THOUSAND PESOS (PHP 10,000) shall be imposed for each day of 24 continuing violation; 25

26 [°]X X X

"10.3. ESTABLISH AND ADMINISTER ALTERNATIVE DISPUTE RESOLUTION MECHANISMS; AND

3 "10.4. PROVIDE ASSISTANCE TO OTHER BUREAUS AND
 4 OFFICES OF THE IPOPHIL, INCLUDING LEGAL REVIEWS, STUDY AND
 5 SIMILAR TASKS.

6 "10.(3) **5**. The Director General may by Regulations establish the 7 procedure to govern the implementation of this Section."

8 Sec. 4. Section 216 of Republic Act 8293, as amended, is hereby further 9 amended to read as follows:

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

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13 "(b) x x x;

14 "(C) X X X;

"216-A. PREVENTIVE ACTION ON ONLINE INFRINGEMENT. -15 UNLESS OTHERWISE PROVIDED BY LAWS, OR UNLESS OTHERWISE 16 ORDERED BY THE APPROPRIATE COURT OF LAW, THE INTELLECTUAL 17 PROPERTY OFFICE SHALL HAVE THE POWER, AFTER DUE NOTICE 18 AND HEARING, TO DISABLE ACCESS TO AN ONLINE LOCATION, 19 STREAMING OR DIGITAL PLATFORMS, PREVENT FURTHER ACCESS 20 TO AN ONLINE LOCATION, STREAMING OR DIGITAL PLATFORMS, 21 WHOSE PRIMARY PURPOSE OR PRIMARY EFFECT OF WHICH IS 22 **COPYRIGHT INFRINGEMENT.** 23

²⁴ "THE COPYRIGHT OWNER OR THE EXCLUSIVE LICENSEE OF
 ²⁵ COPYRIGHT, HEREINAFTER REFERRED TO AS THE "ELIGIBLE PARTY",
 ²⁶ MAY SUBMIT AN APPLICATION TO THE INTELLECTUAL PROPERTY
 ²⁷ OFFICE TO ORDER THE DISABLING OF ACCESS TO ANY INFRINGING
 ²⁸ ONLINE LOCATION, STREAMING OR DIGITAL PLATFORMS,
 ²⁹ IDENTIFIED IN THE APPLICATION.

"THE APPLICATION TO THE INTELLECTUAL PROPERTY OFFICE SHALL BE SUBMITTED BY COMPLETING IN ITS ENTIRETY THE FORMS AND DOCUMENTATION AS REQUESTED BY THE INTELLECTUAL PROPERTY OFFICE, TO ALLOW THE INTELLECTUAL PROPERTY OFFICE TO ESTABLISH THAT THE PARTY FILING THE APPLICATION IS AN ELIGIBLE PARTY, OR IS AUTHORIZED TO FILE THE APPLICATION ON BEHALF OF AN ELIGIBLE PARTY, AND VERIFY THROUGH EVIDENCE THAT THE SUBJECT OF THE ORDER APPLIED FOR IS AN INFRINGING ONLINE LOCATION, STREAMING OR DIGITAL PLATFORMS

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"FOR PURPOSES OF THIS CHAPTER, "ONLINE LOCATION" 11 SHALL REFER TO ANY SINGLE OR COLLECTION OF RELATED WEB 12 PAGES ACCESSIBLE BY A USER THROUGH A DOMAIN, IP ADDRESS, 13 OR UNIFORM RESOURCE LOCATOR (URL), OR A SPECIFIC DOMAIN, 14 IP ADDRESS WHICH SERVES TO OPERATE, IN WHOLE OR IN PART, 15 AN APPLICATION ON THE INTERNET. WHILE, "DIGITAL PLATFORM" 16 **REFERS TO INFORMATION AND COMMUNICATION TECHNOLOGY-**17 AND INTEGRATE ENABLED MECHANISMS THAT CONNECT 18 PRODUCERS AND USERS IN ONLINE ENVIRONMENTS WHERE GOODS 19 AND SERVICES ARE REQUESTED, DEVELOPED, AND SOLD, AND DATA 20 IS GENERATED AND EXCHANGED SUCH AS, BUT NOT LIMITED TO, E-21 MARKETPLACES, MOBILE APPLICATION PLATFORMS, ONLINE 22 DELIVERY PLATFORMS, SOCIAL MEDIA PLATFORMS, TRAVEL 23 PLATFORMS, AND STREAMING PLATFORMS. 24

25 "216-B. PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION. –
 26 THE INTELLECTUAL PROPERTY OFFICE SHALL FORMULATE THE
 27 PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION ON ONLINE
 28 INFRINGEMENT ACCORDING TO THE FOLLOWING STANDARDS:

"(1) MINIMUM REQUIREMENTS OF THE APPLICATION FOR ACTION
 BY AN ELIGIBLE PARTY. THE APPLICATION REFERRED 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, STREAMING OR DIGITAL PLATFORMS MAKES AVAILABLE OR CONTAINS DIRECTORIES, INDEXES OR CATEGORIES OF THE MEANS TO INFRINGE, OR FACILITATE AN INFRINGEMENT OF, COPYRIGHT;

8 "(II) WHETHER THE OWNER OR OPERATOR OF THE ONLINE
 9 LOCATION DEMONSTRATES A DISREGARD FOR COPYRIGHT
 10 GENERALLY; AND/OR

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

"(2) ONE APPLICATION MAY BE SUBMITTED FOR MULTIPLE
 INFRINGING ONLINE LOCATIONS, STREAMING OR DIGITAL
 PLATFORMS, AND THE REQUIREMENTS OF THIS SECTION MUST BE
 MET AND SET OUT IN THE APPLICATION.

"(3) THE APPLICATION MUST NOTIFY THE PERSON WHO OPERATES 19 THE ONLINE LOCATION, STREAMING OR DIGITAL PLATFORMS OF 20 THE MAKING OF AN APPLICATION UNDER SECTION 1, BUT THE 21 INTELLECTUAL PROPERTY OFFICE MAY DISPENSE, ON SUCH TERMS 22 AS IT SEES FIT, WITH THE NOTICE REQUIRED TO BE SENT TO THE 23 PERSON WHO OPERATES THE ONLINE LOCATION, STREAMING OR 24 DIGITAL PLATFORMS IF THE INTELLECTUAL PROPERTY OFFICE IS 25 SATISFIED THAT THE APPLICANT IS UNABLE, DESPITE REASONABLE 26 EFFORTS, TO DETERMINE THE IDENTITY OR ADDRESS OF THE 27 PERSON WHO OPERATES THE ONLINE LOCATION, STREAMING OR 28 DIGITAL PLATFORMS, OR TO SEND NOTICES TO THAT PERSON. 29

"(4) UPON RECEIPT OF THE APPLICATION, THE INTELLECTUAL 1 **PROPERTY OFFICE SHALL, WITHIN FIVE (5) DAYS, REVIEW THE** 2 SAME AND DETERMINE WHETHER THE ONLINE LOCATION, 3 STREAMING OR DIGITAL PLATFORMS MEETS THE REQUIREMENTS OF 4 PARAGRAPH (A). IF AN APPLICATION MEETS THE REQUIREMENTS OF 5 PARAGRAPH (A), THE INTELLECTUAL PROPERTY OFFICE SHALL GIVE 6 DUE NOTICE OF THE SAME TO THE PERSON WHO OPERATES THE 7 ONLINE LOCATION, STREAMING OR DIGITAL PLATFORMS EITHER BY 8 DIRECTLY CONTACTING SUCH PERSON OR BY POSTING SUCH 9 NOTICE PUBLICLY. THE INTELLECTUAL PROPERTY OFFICE SHALL, 10 WITHIN FIVE (5) DAYS OF GIVING DUE NOTICE, RENDER AN ORDER 11 **REQUIRING INTERNET SERVICE PROVIDERS TO TAKE REASONABLE** 12 STEPS TO DISABLE ACCESS TO THE INFRINGING ONLINE LOCATION, 13 STREAMING OR DIGITAL PLATFORMS. A COPY OF THE SAID ORDER 14 SHALL LIKEWISE BE GIVEN TO THE ELIGIBLE PARTY. 15

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"(5) THE INTERNET SERVICE PROVIDER MUST COMPLY WITH THE 16 DISABLING ORDERS WITHIN FORTY-EIGHT (48) HOURS FROM THE 17 ISSUANCE OF THE DISABLING ORDER AND MUST DISABLE THE 18 IDENTIFIED INFRINGING ONLINE LOCATION, STREAMING OR 19 DIGITAL PLATFORMS BY IMPLEMENTING AN EFFECTIVE TECHNICAL 20 MEASURE, OR A MEASURE UNDERTAKEN BY THE INTERNET SERVICE 21 PROVIDER TO DISABLE OR PREVENT ACCESS TO AN INFRINGING 22 ONLINE LOCATION, AND MAY INCLUDE DOMAIN NAME SYSTEM 23 (DNS) BLOCKING, IP BLOCKING, URL BLOCKING, SERVER NAME 24 INDICATOR BLOCKING, OR OTHER MEANS. 25

"(6) THE INTELLECTUAL PROPERTY OFFICE MAY, AT ANY TIME
 DURING THE OPERATION OF THE ORDERS, NOTIFY THE INTERNET
 SERVICE PROVIDERS SHOULD IT BECOME AWARE THAT ANY
 INFRINGING ONLINE LOCATION, STREAMING OR DIGITAL
 PLATFORMS IS ACCESSED FROM ANY ADDITIONAL ONLINE
 LOCATION, STREAMING OR DIGITAL PLATFORMS, INCLUDING ONE

1THAT APPEARS TO BE ASSOCIATED WITH ANY INFRINGING ONLINE2LOCATION, STREAMING OR DIGITAL PLATFORMS, BASED ON ITS3NAME, BRANDING OR THE IDENTITY OF ITS OPERATOR, AND MAKE4SUCH DIFFERENT ONLINE LOCATION, STREAMING OR DIGITAL5PLATFORMS SUBJECT TO THE ORDERS.

6 "X X X."

Sec. 5. *Implementing Rules and Regulations (IRR).* – Within sixty (60) 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. *Separability Clause*. – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision or part not otherwise affected shall remain in full force and effect.

Sec. 7. *Repealing Clause*. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

Sec. 8. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspaper of general circulation in the Philippines.

Approved,