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NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES Second Regular Session

23 AUG -1 P3:38

SENATE

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S. No. <u>2385</u>

Introduced by SENATOR RAMON BONG REVILLA, JR.

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

Creative industries have been one of the pillars of our society which provide contents and services that not only entertain, but more importantly, provide an avenue for people to exercise their Constitutional right to freedom of speech and expression.

However, despite the significance that this sector has played in shaping our culture and history, it has been suffering tremendously in the last few years due to efforts which cripple the industry.

Whereas previously, the battle was out there in the streets where sellers illegally peddle compact disks (CDs) filled with pirated content; with technology opening up the space to commit piracy, the battle has now become not only even more widespread, but more difficult to pursue. With the Philippines being among the leading consumers of pirated content in the Asia Pacific Region, it is of vital importance that the State implements drastic changes and measures that would ensure that piracy will not thrive, and that piracy will not kill the industry.

In order to give aid to the creative industries, this measure endeavors to cloak them with a mantle of protection against piracy which has now transcended into the online realm. The proposed amendments contemplate the new issues which enfeeble their growth and progress.

This bill seeks to empower the Intellectual Property Office of the Philippines to disable access to sites which infringes copyright and initiate action for site blocking, as well. This legislative action is a step towards the full rehabilitation and renewal of the creative industries.

In view of the foregoing, immediate passage of this measure is earnestly sought.

RAMON BONG REVILLA, JR.



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

Section 1. Section 4 of Republic Act 8293, as amended, otherwise known as 1 the "Intellectual Property Code of the Philippines", is hereby amended to read as 2 follows: 3 4 "SEC. 4. Definitions. - 4.1 xxx. 5 "4.5 THE TERM "COUNTERFEIT GOODS" REFER TO 6 **GOODS OR MATERIALS INCLUDING PACKAGING BEARING** 7 WITHOUT AUTHORIZATION A TRADEMARK WHICH IS 8 **IDENTICAL TO A TRADEMARK VALIDLY REGISTERED WITH THE** 9 INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES 10 (IPOPHL) OR ALREADY DECLARED AS A WELL-KNOWN MARK 11 **INTERNATIONALLY OR IN THE PHILIPPINES BY A COMPETENT** 12 **AUTHORITY IN RESPECT OF SUCH GOODS OR WHICH CANNOT** 13 **BE DISTINGUISHED IN ITS ESSENTIAL ASPECTS FROM SUCH A** 14 TRADEMARK AND WHICH THEREBY VIOLATES THE RIGHTS OF 15 THE OWNER OF THE TRADEMARK IN QUESTION. 16

1 **"4.6. THE TERM "PIRATED GOODS" REFER TO GOODS OR** 2 MATERIALS OR CONTENT, WHETHER TANGIBLE AND 3 INTANGIBLE, IN ELECTRONIC OR DIGITAL FORM, WHICH ARE 4 MADE, PRODUCED, COPIED, REPRODUCED, DISSEMINATED, 5 DISTRIBUTED, IMPORTED, USED, REMOVED, ALTERED, 6 SUBSTITUTED, MODIFIED, STORAGE, UPLOADED, 7 DOWNLOADED, COMMUNICATED, MADE AVAILABLE TO THE 8 PUBLIC, OR PROTECTED MATERIAL BROADCASTED, OR 9 **REPLICATED WITHOUT THE CONSENT OF THE RIGHT HOLDER** 10 OR PERSON DULY AUTHORIZED BY THE RIGHT HOLDER AND 11 WHICH ARE MADE, PRODUCED, OR REPLICATED DIRECTLY OR 12 INDIRECTLY FROM AN ARTICLE WHERE THE MAKING OF THAT 13 COPY WOULD HAVE CONSTITUTED AN INFRINGEMENT OF 14 **COPYRIGHT OR RELATED RIGHTS.**" 15 16 Sec. 2. Section 5 of Republic Act 8293, as amended, is hereby amended to read 17 as follows: 18 19 "SEC. 5. Functions of the Intellectual Property Office (IPO). - X X X 20 21 "X X X" 22 23 ***5.3. THE OFFICE SHALL PERFORM THE FOLLOWING** 24 **ENFORCEMENT FUNCTIONS:** 25 26 "(A) GATHER INTELLIGENCE INFORMATION RELATED TO THE 27 **VIOLATIONS OF** THIS ACT, CONDUCT INQUIRY AND 28 AND DEVELOP EFFECTIVE **INVESTIGATION**, 29 COUNTERMEASURES TO DETER COUNTERFEIT OR PIRATED 30 **GOODS OR CONTENT;** 31 32

1"(B) CONDUCT VISITS DURING REASONABLE HOURS TO2ESTABLISHMENTS AND BUSINESSES OF ACTIVITIES3SUSPECTED TO BE IN VIOLATION OF THIS ACT IN4ACCORDANCE WITH THE PROCEDURES PRESCRIBED HEREIN;

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

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

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

17"(2) ISSUE NOTICE OR WARNING TO THE18RESPONDENT/S;

"(3) RECOMMEND THAT THE CONCERNED LOCAL 20 **GOVERNMENT UNIT AND/OR OTHER GOVERNMENT** 21 AGENCY CANCEL LICENSES AND BUSINESS PERMITS OF 22 ESTABLISHMENTS OR BUSINESSES FOR ENGAGING IN 23 SELLING OR MAKING AVAILABLE TO THE PUBLIC 24 COUNTERFEIT OR PIRATED GOODS OR FILE CHARGES 25 AGAINST THE RESPONDENTS FOR VIOLATION OF 26 **APPLICABLE LAWS, RULES OR REGULATIONS;** 27

"(4) REQUEST THE CONCERNED LOCAL GOVERNMENT
 UNIT OR OTHER GOVERNMENT AGENCIES TO
 IMPLEMENT THE DECISIONS OF THE INTELLECTUAL

1 PROPERTY RIGHTS ENFORCEMENT PURSUANT TO THEIR 2 **RESPECTIVE MANDATES:** 3 "(5) REPORT THE RESULT OF SERVICE AND EXECUTION 4 **OF ADMINISTRATIVE ORDERS; AND** 5 6 "(6) SUCH OTHER ORDERS OR ACTIONS NECESSARY TO 7 **ENSURE COMPLIANCE WITH THE PROVISIONS OF THIS** 8 ACT. 9 10 "(E) COORDINATE WITH OTHER GOVERNMENT AGENCIES AND 11 PRIVATE SECTOR EFFORTS ON MATTERS RELATED TO 12 **INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT;** 13 14 "(F) ASSIST IN THE ENFORCEMENT OF ORDERS, WRITS, AND 15 PROCESSES ISSUED BY THE BUREAU OF LEGAL AFFAIRS AND 16 THE OFFICE OF THE DIRECTOR GENERAL; 17 18 "(G) CONDUCT MONITORING ACTIVITIES RELATED OR 19 20 RELEVANT TO INTELLECTUAL PROPERTY RIGHTS **ENFORCEMENT;** 21 22 "(H) EXERCISE INTER-AGENCY SPECIAL ENFORCEMENT 23 **COORDINATION FUNCTIONS; AND** 24 25 "(I) SUCH OTHER POWERS AND FUNCTIONS AS MAY BE 26 NECESSARY OR INCIDENTAL TO THE ATTAINMENT OF THE 27 PURPOSES AND OBJECTIVES OF THIS ACT OR AS MAY BE 28 **ASSIGNED BY THE DIRECTOR GENERAL."** 29 30 Sec. 3. Section 10 of Republic Act No. 8293, as amended, is hereby further 31 amended to read as follows: 32

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2	"SEC. 10. The Bureau of Legal Affairs The Bureau of Legal Affairs
3	shall have the following functions:
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5	"10.1 xxx;
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7	``10.2 (a) xxx;
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9	"10.2 (b) After formal investigation, the Director for Legal Affairs may
10	impose one (1) or more of the following administrative penalties:
11	
12	"X X X
13	"(v) The imposition of administrative fines in such amount as deemed
14	reasonable by the Director of Legal Affairs, which shall in no case be less
15	than [Five thousand pesos (Php 5,000)] ONE HUNDRED THOUSAND
16	PESOS (PHP 100,000) nor more than [One hundred fifty thousand pesos
17	(Php 150,000)] ONE MILLION PESOS (PHP 1,000,000). In addition,
18	an additional fine of not more than [(One thousand pesos (Php 1,000)]
19	TEN THOUSAND PESOS (PHP 10,000) shall be imposed for each day
20	of continuing violation;
21	
22	"X X X
23	
24	"THE DECISIONS OF THE ADJUDICATION OFFICERS ARE
25	APPEALABLE TO THE DIRECTOR.
26	
27	"10.3. ESTABLISH AND ADMINISTER ALTERNATIVE
28	DISPUTE RESOLUTION MECHANISMS; AND
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30	"10.4. PROVIDE ASSISTANCE TO OTHER BUREAUS AND
31	OFFICES OF THE IPOPHL, INCLUDING LEGAL REVIEW, STUDY,
32	AND SIMILAR TASKS.

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2	"10.[3]5. The Director General may by Regulations establish the
3	procedure to govern the implementation of this Section."
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5	Sec. 4. Section 216 of Republic Act No. 8293, as amended, is hereby further
6	amended to read as follows:
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8	"SEC. 216. Infringement Any person infringes a right protected under
9	this Act when one:
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11	"(a) x x x;
12	
13	"(b) x x x;
14	
15	"(C) X X X;
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17	"216-A. PREVENTIVE ACTION ON ONLINE INFRINGEMENT
18	UNLESS OTHERWISE PROVIDED BY LAW, OR UNLESS OTHERWISE
19	ORDERED BY THE APPROPRIATE COURT OF LAW, THE INTELLECTUAL
20	PROPERTY OFFICE SHALL HAVE THE POWER, AFTER DUE NOTICE
21	AND HEARING, TO DISABLE ACCESS TO AN ONLINE LOCATION
22	PREVENT FURTHER ACCESS TO AN ONLINE LOCATION WHOSE
23	PRIMARY PURPOSE OR PRIMARY EFFECT OF WHICH IS TO INFRINGE
24	COPYRIGHT OR FACILITATE COPYRIGHT INFRINGEMENT.
25	
26	"THE COPYRIGHT OWNER OR THE EXCLUSIVE LICENSEE OF
27	COPYRIGHT, HEREINAFTER REFERRED TO AS THE "ELIGIBLE PARTY,"
28	MAY SUBMIT AN APPLICATION TO THE INTELLECTUAL PROPERTY
29	OFFICE TO ORDER THE DISABLING OF ACCESS TO ANY INFRINGING
30	ONLINE LOCATION IDENTIFIED IN THE APPLICATION.

"THE APPLICATION TO THE INTELLECTUAL PROPERTY OFFICE 1 SHALL BE SUBMITTED BY COMPLETING IN ITS ENTIRETY THE FORMS 2 AND DOCUMENTATION AS REQUESTED BY THE INTELLECTUAL 3 **PROPERTY OFFICE TO ALLOW THE INTELLECTUAL PROPERTY OFFICE** 4 TO ESTABLISH THAT THE PARTY FILING THE APPLICATION IS AN 5 ELIGIBLE PARTY, OR IS AUTHORISED TO FILE THE APPLICATION ON 6 BEHALF OF AN ELIGIBLE PARTY AND VERIFY THROUGH EVIDENCE 7 THAT THE SUBJECT OF THE ORDER APPLIED FOR IS AN INFRINGING 8 **ONLINE LOCATION.** 9

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

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"216-B. PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION. THE INTELLECTUAL PROPERTY OFFICE SHALL FORMULATE THE
 PROCEDURE OF INQUIRY FOR PREVENTIVE ACTION ON ONLINE
 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:

31"(I) WHETHER THE ONLINE LOCATION MAKES AVAILABLE OR32CONTAINS DIRECTORIES, INDEXES OR CATEGORIES OF THE

MEANS TO INFRINGE, OR FACILITATE AN INFRINGEMENT OF,
 COPYRIGHT;
 3

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

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

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

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"(3) THE APPLICANT MUST NOTIFY THE PERSON WHO OPERATES THE 17 ONLINE LOCATION OF THE MAKING OF AN APPLICATION UNDER 18 SECTION 1, BUT THE INTELLECTUAL PROPERTY OFFICE MAY 19 DISPENSE, ON SUCH TERMS AS IT SEES FIT, WITH THE NOTICE 20 **REQUIRED TO BE SENT TO THE PERSON WHO OPERATES THE ONLINE** 21 LOCATION IF THE INTELLECTUAL PROPERTY OFFICE IS SATISFIED 22 THAT THE APPLICANT IS UNABLE, DESPITE REASONABLE EFFORTS, 23 TO DETERMINE THE IDENTITY OR ADDRESS OF THE PERSON WHO 24 **OPERATES THE ONLINE LOCATION, OR TO SEND NOTICES TO THAT** 25 PERSON. 26

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"(4) UPON RECEIPT OF THE APPLICATION, THE INTELLECTUAL
 PROPERTY OFFICE SHALL, WITHIN FIVE (5) DAYS, REVIEW THE
 SAME AND DETERMINE WHETHER THE ONLINE LOCATION MEETS
 THE REQUIREMENTS OF PARAGRAPH (A). IF AN APPLICATION MEETS
 THE REQUIREMENTS OF PARAGRAPH (A), THE INTELLECTUAL

PROPERTY OFFICE SHALL GIVE DUE NOTICE OF THE SAME TO THE 1 PERSON WHO OPERATES THE ONLINE LOCATION EITHER BY 2 DIRECTLY CONTACT SUCH PERSON OR BY POSTING SUCH NOTICE 3 PUBLICLY. THE INTELLECTUAL PROPERTY OFFICE SHALL, WITHIN 4 FIVE (5) DAYS OF GIVING DUE NOTICE, RENDER AN ORDER 5 6 **REQUIRING INTERNET SERVICE PROVIDERS TO TAKE REASONABLE** STEPS TO DISABLE ACCESS TO THE INFRINGING ONLINE LOCATION. 7 A COPY OF THE SAID ORDER SHALL LIKEWISE BE GIVEN TO THE 8 **ELIGIBLE PARTY.** 9

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"(5) THE INTERNET SERVICE PROVIDERS MUST COMPLY WITH THE 11 **DISABLING ORDERS WITHIN 48 HOURS OF THE ISSUANCE OF THE** 12 DISABLING ORDER AND MUST DISABLE THE IDENTIFIED 13 **INFRINGING ONLINE LOCATIONS BY IMPLEMENTING AN EFFECTIVE** 14 TECHNICAL MEASURE, OR A MEASURE UNDERTAKEN BY THE 15 INTERNET SERVICE PROVIDER TO DISABLE OR PREVENT ACCESS TO 16 AN INFRINGING ONLINE LOCATION, AND MAY INCLUDE DOMAIN 17 NAME SYSTEM (DNS) BLOCKING, IP BLOCKING, URL BLOCKING, 18 SERVER NAME INDICATOR BLOCKING, OR OTHER MEANS. 19

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"(6) THE INTELLECTUAL PROPERTY OFFICE MAY AT ANY TIME 21 DURING THE OPERATION OF THE ORDERS NOTIFY THE INTERNET 22 SERVICE PROVIDERS SHOULD IT BECOME AWARE THAT ANY 23 INFRINGING ONLINE LOCATION IS ACCESSED FROM 24 AN ADDITIONAL ONLINE LOCATION, INCLUDING ONE THAT APPEARS TO 25 **BE ASSOCIATED WITH ANY INFRINGING ONLINE LOCATION BASED** 26 ON ITS NAME, BRANDING OR THE IDENTITY OF ITS OPERATOR, AND 27 MAKE SUCH DIFFERENT ONLINE LOCATION SUBJECT TO THE 28 **ORDERS.** 29

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"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

4 of this Act.

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6 Sec. 6. *Separability Clause.* – If any provision or part hereof is held invalid or 7 unconstitutional, the remainder of the law or the provision or part not otherwise 8 affected shall remain in full force and effect.

9 Sec. 7. *Repealing Clause.* – Any law, presidential decree or issuance, executive 10 order, letter of instruction, administrative order, rule, or regulation contrary to or 11 inconsistent with the provisions of this Act are hereby repealed, modified, or amended 12 accordingly.

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

Approved,