

[DOST, November 02, 2005]

THE 2005 IMPLEMENTING RULES AND REGULATIONS OF R.A. NO. 7459 OTHERWISE KNOWN AS INVENTORS AND INVENTION INCENTIVES ACT OF THE PHILIPPINES

Pursuant to R.A. No. 7459 otherwise known as the "Inventors and Invention Incentives Act of the Philippines", the following rules and regulations are hereby promulgated.

SECTION 1. Definition of Terms - As used herein, the following terms shall mean:

1.1 ACT shall refer to Republic Act No. 7459 otherwise known as the "Inventors and Invention Incentives Act of the Philippines";

1.2 ASSIGNEE shall refer to any person or entity to whom the inventor has transferred the entire right, title or interest in the patent and the invention covered thereby, or an undivided share of the entire patent and invention;

1.3 COMMERCIAL SCALE shall refer to the Bureau of Internal Revenue (BIR).

1.4 DEPARTMENT shall refer to the Department of Science and Technology (DOST);

1.5 FIS or Filipino Inventors Society shall refer to the organization duly accredited and recognized by the Department. The membership of the FIS shall be open only to Filipino Inventors, and to inventors' organizations duly accredited by the Institute;

1.6 INVENTION GUARANTEE FUND or IGF shall refer to the fund created by Republic Act No. 3850, as amended, deposited with the Development Bank of the Philippines, and interest earnings thereof, and the continuing annual appropriation in the amount of not less than Ten Million Pesos (Php10,000,000) provided for the purpose in the annual

budget of the Department, and its interest earning shall form part of the IGF to pay for the finance and guarantee of loan assistance, cash rewards, and other incentives provided under the Act.

1.7 ANNUAL OPERATING FUND shall refer to the total MOOE (inclusive of grants-in-aid) allotment released by the Department of Budget and Management (DBM) to the Institute for a given budget year.

1.8 INVENTION DEVELOPMENT ASSISTANCE FUND (IDAF) shall refer to the fund established pursuant to Republic Act No. 7459 which shall be equivalent to at least twelve percent (12%) of the annual operating fund of the Technology Application and Promotion Institute (TAPI) and from donations, bequests and other sources whether public or private, domestic or foreign in

order to assist potential and actual inventors in their initial experiment and prototype development and other inventor-development related activities for certain invention or innovation.

1.9 INVENTION shall refer to any patented machine, product, process, including implements or tools and other related gadgets of invention, utility model and industrial design patents;

1.10 INVENTOR shall refer to the patentee, heir/s or assignee/s of an invention;

1.11 HEIR shall refer to a person called to the succession either by the provision of a will or by operation of law;

1.12 PATENT OFFICE shall refer to the Intellectual Property Office (IPO);

1.13 SCREENING COMMITTEE shall refer to the committee composed of technical representatives from the Department of Science and Technology, the Filipino Inventors Society, the Department of Trade and Industry, the Department of Agriculture, and the Department of Environment and Natural Resources;

1.14 RDIs shall refer to the Research and Development Institutes of the Department;

1.15 TECHNOLOGY shall generally include the application of knowledge of science including inventions, innovations and results of researches;

SECTION 2. Cash Rewards -

2.1 Granting of cash rewards shall be done through a National Invention Contest organized for the purpose;

2.2 Contest shall be open to Filipino inventors, researchers and scientists;

2.3 There shall be four categories as follows;

2.3.1 Invention

2.3.2 Utility Model

2.3.3 Industrial Design

2.3.4 Creative Research

2.4 For the purpose of implementing 2.3, the following definitions are hereby provided:

2.4.1 Invention shall refer to any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable. It may be, or may relate to a product, or process, and their improvements, (Sec. 21, RA 8293)

2.4.2 Utility model shall refer to any technical solution of a problem in any field of human activity which is new and industrially applicable, within the contemplation of the above statute (Sec.109, RA 8293);

2.4.3 Industrial design shall refer to any composition of lines or colors or any three - dimensional form whether or not associated with lines or

colors: provided, that such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft within the contemplation of the above statute (Sec. 112, RA 8293);

2.4.4 Creative research shall refer to research results with demonstrable qualities and potential for improvement and/or widespread commercialization/dissemination not elsewhere qualified;

2.5 Cash awards and additional expenses may be adjusted by the Screening Committee subject to the approval of the Institute;

2.6 At the discretion of the Institute, local contests at the regional or provincial level may be organized to select/screen contestants for the national contest;

2.7 Members of the Screening Committee shall serve as members of the panel of judges and may delegate the role of judging to other technical representative from said agencies including private sector as approved by the Institute.

SECTION 3. Screening Committee

3.1 Composition

3.1.1 The Screening Committee (SC) shall consist of technical representatives from the Department of Science and Technology, the Filipino Inventors Society, the Department of Trade and Industry, the Department of Agriculture and the Department of Environment and Natural Resources. The representative from the Department of Science and Technology (DOST) shall be the Chairman of the Screening Committee.

3.2 Functions

3.2.1 Prescribe rules and criteria for the presidential awards for inventions.

3.2.2 Choose patented inventions in the Philippines to be granted Presidential Awards.

3.2.3 Recommend sending of winners to other countries where their winning inventions or areas of interest are advanced.

3.2.4 Adjust cash awards for invention contest and the additional expenses subject to the approval of the Institute.

3.2.5 To confirm the certification of FIS issued to inventors for tax incentives request.

3.2.6 To certify with FIS that the invention meets the criteria that would enhance the economy of the country such as profitability and viability, dollar-earning capacity and generation of employment opportunities for Filipinos, for purposes of applying for loan assistance from government banks requiring guarantee under IGF.

SECTION 4. Tax Incentives and Duty Exemption -