

[IP, December 01, 1998]

**RULES AND REGULATIONS ON ADMINISTRATIVE COMPLAINTS
FOR VIOLATION OF LAWS INVOLVING INTELLECTUAL PROPERTY
RIGHTS**

Whereas, the State recognizes that an effective intellectual and industrial property system is vital to the development of domestic creativity, facilitates transfer of technology, attracts foreign investments and ensures market access for our products;

Whereas, the State recognizes that the use of intellectual property bears a social function and to this end, the State shall promote the diffusion of knowledge and information for the promotion of national development and progress and the common good;

Whereas, it is the policy of the State to enhance the enforcement of intellectual property rights in the country; and, to protect and secure the exclusive rights of scientists, inventors, artists and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people;

Whereas, it is the policy of the State to enhance the enforcement of intellectual property rights in the Philippines;

Now, therefore, pursuant to the provisions of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines, the following rules and regulations on administrative complaints for violation of laws involving intellectual property rights are hereby promulgated:

RULE 1

DEFINITIONS, INTERPRETATION; RULES OF COURT

Section 1. Definition of Terms. — Unless otherwise indicated, the following terms shall be understood as follows:

- (a) **"Answer"** means a pleading in which the adverse party sets forth the negative and affirmative defenses upon which he relies;
- (b) **"Bureau"** means the Bureau of Legal Affairs of the Intellectual Property Office;
- (c) **"Chief Hearing Officer"** means the officer within the Bureau who exercises immediate supervision over any Hearing Officer. His title or official designation may differ from the words "Chief Hearing Officer" depending on the structure of the Office;
- (d) **"Complaint"** means a concise statement of the ultimate facts constituting the complainant's cause or causes of action. It shall specify

the relief sought, but it may add a general prayer for such further or other relief as may be just and equitable;

(e) **"Court"** means a court of general jurisdiction such as Regional Trial Court;

(f) **"Director General"** means the head of the Intellectual Property Office;

(g) **"Director"** means the Director of the Bureau of Legal Affairs;

(h) **"False Designation of Origin"** means the act of any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which: (a) Is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person; or (b) In commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services or commercial activities, shall be liable to a civil action for damages and injunction provided in Sections 156 and 157 of the IP Code by any person who believes that he or she is likely to be damaged by such act. (Sec. 169, RA 8293)

(i) **"False or Fraudulent Declaration"** means the act of any person who shall procure registration in the Office of a mark by a false or fraudulent declaration or representation, whether oral or writing, or by any false means.

(j) **"Hearing Officer"** means the officer within the Bureau authorized to exercise the functions of "Hearing Officer" in these Regulations. The title or official designation of such officers may differ from the words "Hearing Officer" depending on the structure of the Office;

(k) **"Infringement of Copyright and related rights"** means any violation of the rights provided under Part IV of the IP Code and/or the applicable IP Law, including the act of any person who at the time when copyright subsists in a work has in his possession an article which he knows, or ought to know, to be an infringing copy of the work for the purpose of: (a) selling, letting for hire, or by way of trade offering or exposing for sale, or hire, the article; (b) distributing the article for purpose of trade, or for any other purpose to an extent that will prejudice the rights of the copyright owner in the work; or (c) Trade exhibit of the article in public.

(l) **"Infringement of Patent"** means any violation of any of the rights of patentees and holders of utility model patents and industrial design registrations under Part II of the IP Code and/or the applicable IP Law, including the act of making, using, offering for sale, selling, or importing a patented product or a product obtained directly or indirectly

from a patented process, or the use of a patented process without the authorization of the patentee.

(m) **"Infringement of mark"** means any violation of any of the rights of the registered owner under Part III of the IP Code and/or the applicable IP Law, including the act of any person who shall, without the consent of the owner of the registered mark and regardless of whether there is actual sale of goods or services using the infringing material,

1. Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

2. Reproduce, counterfeit, copy or colorably imitate a registered mark or a dominant feature thereof and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;

(n) **"Intellectual property rights"** include:

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| a) Copyright and Related Rights; | e) Patents; |
| b) Trademarks and Service Marks; | f) Layout-Designs (Topographies) of Integrated Circuits; and |
| c) Geographic Indications; | g) Undisclosed Information |
| d) Industrial Designs; | |

(o) **"IP Code"** means Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines;

(p) **"IP Law"** means any law, in addition to the IP Code, involving intellectual property rights;

(q) **"Office"** means the Intellectual Property Office;

(r) **"Regulations"** means this set of rules and regulations and such Regulations as may be formulated by the Director of Legal Affairs and approved by the Director General.

(s) **"Unfair Competition"** means the act of any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result.

The following shall likewise constitute unfair competition:

> The act of selling ones goods and giving them the general appearance of goods of another manufacturer or dealer, either as to the goods

themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, or the act of clothing the goods with such appearance as shall deceive the public and defraud another of his legitimate trade, or the act of reselling the goods by any subsequent vendor with a like purpose.

> The act of employing any other means, by artifice or device, calculated to induce the false belief that a person is offering the services of another who has identified such services in the mind of the public.

> The act of making any false statement in the course of trade or any act contrary to good faith of a nature calculated to discredit the goods, business or services of another. (Section 168, IP CODE)

(t) **"Violation of laws involving intellectual property rights mentioned in Rule 2 Section 2"** means violation of any law relating to the intellectual property rights enumerated under Section 4 of IP CODE.

Section 2. Interpretation. — These Regulations shall be liberally construed to carry out the objectives of the IP Code and IP Laws and to assist the parties in obtaining just and expeditious settlement or disposition of administrative cases filed before the Office.

Section 3. Supplementary application of the Rules of Court . – These Regulations shall primarily govern in the prosecution of administrative complaints in the Bureau. The provisions of the Rules of Court, however, shall apply in a suppletory character.

RULE 2

COMMENCEMENT OF ACTION

Section 1. Complaint, when and to whom filed. — All administrative complaints for violation of the IP Code or IP Laws shall be commenced by filing a verified complaint with the Bureau within four (4) years from the date of commission of the violation, or if the date be unknown, from the date of discovery of the violation. The verification portion of the complaint shall include a statement that to the best of his knowledge, the party commencing the action has not filed any other administrative action or proceeding involving the same issue or issues before any tribunal or agency nor such action or proceeding is pending in other quasi-judicial bodies; Provided, however, that if any such action is pending, the status of the same must be stated and should knowledge thereof be acquired after the filing of the complaint, the party concerned undertakes to notify the Office within five (5) days from such knowledge.

The complaint shall thereafter be forwarded to the Hearing Officer who shall act as the Clerk of Court for all the proceedings to be conducted therein.

Section 2. Original Jurisdiction . — (a) The Bureau shall have original jurisdiction in administrative actions for violations of laws involving intellectual property rights where the total damages claimed are not less than two hundred thousand pesos (P 200,000.00); Provided however, that availment of the provisional remedies may be granted in accordance with these Regulations and the provisions of

the Rules of Court; The Director shall coordinate with local enforcement agencies for the strict and effective implementation and enforcement of these Regulations.

The commencement of the action under these Rules and Regulations is independent and without prejudice to the filing of any action with the regular courts.

Section 3. Venue of Hearings . — All hearings on actions covered by these regulations shall be held within the premises of the Office. However, upon written request and payment of the required fee, the Director may authorize that the Mediation Conference or any session thereof be held outside the premises of the Office provided that the same is necessary and will enhance the proceedings and the other party, if the request was made by only one party, agrees thereto. The parties shall not unreasonably withhold their consent to such request. The total cost to hold the Mediation Conference or any session thereof outside the premises of the Office, including air transportation, accommodation and per diem, shall be borne by the party requesting; and, if the request was made by all parties, the total cost shall be shared by them equally or in such other proportion as they may state in their request.

Section 4. Formal Requirement. — The Complaint shall be typewritten and addressed to the Bureau, and shall contain the names and residences of the parties and a concise statement of the ultimate facts constituting the complainant's cause or causes of action. It shall specify the relief/s sought, but it may add a general prayer for such further or other relief/s as may be deemed just or equitable. Every pleading filed shall likewise contain a caption setting forth the name of the Office, the title of the case, the case number, and the designation of the pleading.

No pleading shall be accepted by the Office unless it conforms to the formal requirements provided by these Regulations and accompanied by the required filing fee.

Section 5. Partners, named individually . — When two or more persons associated in any business, transact such business under a common name, the associates may be sued under such common name.

The associates of the business who are sued under a common name may be named individually in the Answer filed by them or on their behalf with their respective postal addresses.

Section 6. Payment of Filing Fee. — The complaint shall be filed in triplicate with the Bureau upon payment of the required fee as assessed by the Bureau.

Section 7. Representation and Confidentiality of Records. —

(a) The complaint may be prosecuted by the complainant by himself or through counsel. The complainant and his counsel are required to conduct their business with politeness, decorum and courtesy.

(b) It is strictly and absolutely forbidden for the Director, and other employees of the Office to discuss the case or any phase thereof with either counsel of record in the absence of the other or with any third person not having any interest or legal standing before the Bureau.

Section 8. Summons. —