

Japan Patent Office (JPO) Commissioned Survey

**Survey on the Appeal, Opposition, Revocation, and  
Invalidation Procedures Related to Patents,  
Designs, and Trademarks in the Philippines**

March 2021

Japan External Trade Organization (JETRO)  
Singapore Office  
Intellectual Property Division

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## A. INTRODUCTION

### I. Objective

The Philippine intellectual property (IP) system offers procedures to re-examine the validity of patents, industrial designs, and trademarks, or final refusals in examination. However, users may lack basic knowledge of the legal and cost effectiveness of each scheme, which may lead to sub-optimal rights securement and enforcement.

Thus, the objective of this survey is to clarify the appeal, opposition, revocation, and invalidation procedures related to patents, industrial designs, and trademarks in the Philippines in order to support IP activity there.

### II. Scope of Survey

This survey report covers procedures concerning appeal, opposition, revocation, and invalidation procedures for re-examining the validity of patents, industrial designs, and trademarks (together referred to as, "**IP rights**"), or final refusals in examination in the Philippines, including:

- (a) Subject, type of IP and routes;
- (b) Requirements for parties;
- (c) Time limits to take actions;
- (d) Scope of filings;
- (e) Reasons/grounds for filings;
- (f) Possibility of amendments to filings;
- (g) Mode of hearings (oral or written), interviews and the criteria of choosing different modes;
- (h) Structure of the bodies making the judgment, independence, and intermediate procedures;
- (i) Average duration from filing to decision;
- (j) Details on the contents of the final and non-final decisions;
- (k) Amendments and corrections to the scope of IP;
- (l) Challenges to a judge, removal of judge, requirements, etc.;
- (m) Appeals to decisions by the IP office, numbers of appeals, percentage of reversed cases, reason for such numbers;
- (n) Effect of a decision and when it is finalized;
- (o) Fees;
- (p) Requirements to be judge/administrative officials;
- (q) Flow chart of procedures;

- (r) Publication of decisions, method of publication; and
- (s) Relation with lawsuits, the possibility of a two-track dispute.

### III. Method of Survey

3.1 We have prepared this survey report based on (a) a desktop survey of the various Philippine IP law and regulations, and issuances of the Intellectual Property Office of the Philippines ("**IPOPHL**"); and (b) a virtual interview session conducted with the IPOPHL.

The survey was conducted by the following consultants:

- Ms. Reena Mitra-Ventanilla (Partner, Quisumbing Torres, a member firm of Baker McKenzie International)
- Ms. Zarah Mae Rovero (Associate, Quisumbing Torres, a member firm of Baker McKenzie International)
- Ms. Danielle Lauren Lim (Associate, Quisumbing Torres, a member firm of Baker McKenzie International)

3.1.1. **Desktop survey on IP laws, regulations and issuances of the IPOPHL.** In the Philippines, IP rights are mainly governed by:

- (a) *Republic Act No. 8293 or An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for Its Powers and Functions, and for Other Purposes ("**IP Code**")*;

3.1.2. The IPOPHL issues rules, regulations, and manuals for the registration and protection of each IP right, and it has issued the following:

- 3.1.2.1 *The Revised Implementing Rules and Regulations for Patents, Utility Models, and Industrial Designs ("**IRR for Patents and Designs**")*;
- 3.1.2.2 *Rules and Regulations on Trademarks, Service Marks, Tradenames, and Marked or Stamped Containers of 2017 ("**IRR for Trademarks**")*;
- 3.1.2.3 *Regulations on Inter Partes Proceedings ("**Inter Partes Regulations**")*;
- 3.1.2.4 *Rules & Regulations on Administrative Complaints for Violation of Laws Involving Intellectual Property Rights*;
- 3.1.2.5 *Uniform Rules on Appeal*;
- 3.1.2.6 *Rules of Procedure for IPO Mediation ("**Rules for Mediation**")*;
- 3.1.2.7 *Rules for Procedure for IPOPHL Arbitration Proceedings*;
- 3.1.2.8 *2017 Manual for Patent Examination Procedure ("**Manual for Patent Examination**")*;

3.2 **Virtual interview session conducted with the IPOPHL.** A virtual interview session was conducted with the Bureau of Patents, Bureau of Trademarks, Bureau of Legal Affairs, and the Office of the Director General of the IPOPHL on 15 December 2020 ("**the IPOPHL Interview**").

## **IV. Results of Survey**

4.1 The results of the survey are set out in the following chapters of this report:

- (a) **Chapter B: Adjudication Bodies and Forum**
- (b) **Chapter C: Patents**
- (c) **Chapter D: Industrial Designs**
- (d) **Chapter E: Trademarks**

## B. ADJUDICATORY BODIES AND FORUM

### I. Adjudicatory Bodies

1.1 The three (3) main bodies that adjudicate on IP rights in Philippines are: (a) the Intellectual Property Office of the Philippines (“**IPOPHL**”); (b) the Philippine courts; and the (c) World Intellectual Property Organization (“**WIPO**”) Arbitration and Mediation Center.

#### 1.2 The IPOPHL

1.2.1. The IPOPHL is a government agency attached<sup>1</sup> to the Department of Trade and Industry (“**DTI**”) of the Philippine Government. Under the IP Code, the IPOPHL’s mandates include the administration and regulation of the Philippine IP System and the enforcement and adjudication of IP rights. The IPOPHL is one of the few IP agencies in the world vested with enforcement powers.

1.2.2. The IPOPHL’s BoP and BoT are responsible for registering qualified patents, designs, and trademarks, and for maintaining registries for each of these IP rights.

As of 2018, the BoP has over 100 examiners with sufficient technical qualifications to carry out searches and examinations.<sup>2</sup> “IPOPHL’s institutional capacity and ability to provide quality patent services at par with other established international authorities is recognized by the Japan Patent Office and IP Australia.”<sup>3</sup>

BoP examiners are usually required to have an engineering degree and should have passed the professional licensure exam administered by the Professional Regulation Commission (“**PRC**”) of the Philippines.<sup>4</sup> For graduates with no licensure exams, they should have a degree in Science (e.g., molecular biology, physics, etc.).<sup>5</sup>

As of writing, there are no BoP examiners holding PhD degrees in biotechnology, pharmaceuticals, chemistry, ICT, semiconductors, and engineering. However, there are several examiners currently enrolled in the master’s program for biochemistry and mechanical engineering, supported by the IPOPHL through its post-graduate scholarship program.<sup>6</sup>

Examiners in the BoT are required to minimally hold a university degree (from any background).<sup>7</sup> There is no specific work experience needed for entry level positions. However, as the examiners progress in rank, there will be additional requirements, *i.e.*, *work experience, trainings, etc.*

IP dispute proceedings are initially conducted by an Adjudication Officer from the IPOPHL’s **BLA**. All cases filed with the BLA are always referred to the IPOPHL’s

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<sup>1</sup> An “attached agency” is one where the department is represented in the governing board, either as chairman or member, with or without voting rights. (*Beja v. Court of Appeals*, G.R. No. 97149, 31 March 1992)

<sup>2</sup> IPOPHL’s National Intellectual Property Strategy 2020-2025.

<sup>3</sup> *Id.*

<sup>4</sup> The IPOPHL Interview.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

Alternative Dispute Resolution Services (“**ADRS**”) for mediation. Albeit rarely used, the parties may also submit their case to IPOPHL’s arbitration proceedings. Decisions of the Adjudication Officer may be appealed to the Director of the BLA, then to the **ODG** of the IPOPHL.

All Adjudication Officers should have obtained a law degree and passed the Philippine bar examinations.<sup>8</sup> Applicants with master of laws and work experience, especially in the field of litigation, are not required, but considered as desirable or preferred.<sup>9</sup>

The Directors and Assistant Directors of each bureau, the examiners, and the Adjudication Officers are considered permanent public officials with security of tenure,<sup>10</sup> subject to the mandatory age of retirement of 65 years old.<sup>11</sup>

The Director General, Deputies Director General, Directors and Assistant Directors of each bureau are appointed by the President of the Philippines, and the other officers and employees of IPOPHL by the Secretary of the DTI, conformably with and under the Civil Service Law.<sup>12</sup> The Director General and the Deputies Director General are appointed by the President for a term of five (5) years and are eligible for reappointment only once.<sup>13</sup>

The Director General and the Deputies Director General must be:

- 1.2.5.1. Natural born citizens of the Philippines;
- 1.2.5.2. At least 35 years of age on the day of their appointment;
- 1.2.5.3. Holders of a college degree; and
- 1.2.5.4. Of proven competence, integrity, probity, and independence.

The Director General and at least one (1) Deputy Director General must be members of the Philippine Bar who have engaged in the practice of law for at least ten (10) years.

The Director and Assistant Director of each bureau must have bachelor’s degree, with three (3) years of supervisory experience, and with Career Service Executive Eligibility (“**CSEE**”) / Career Executive Service (“**CES**”) Eligibility.

- 1.2.3. In order to avoid conflict of interest, the following are the policies of each bureau:<sup>14</sup>

- 1.2.3.1 For the BoP, full disclosure of potential conflict of interests, both in the case of examiners and the divisions chiefs, is encouraged. In case of potential conflict in one division, the applications are then reassigned to

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> For the Director and Assistant Director, they will only have security of tenure if the official has obtained a Career Executive Service Office (“**CESO**”) rank conferred by the CES Board upon passing four stages of the examination process including the Management Aptitude Test Battery (“**MATB**”)

<sup>11</sup> The IPOPHL Interview.

<sup>12</sup> Section 6.3, IP Code.

<sup>13</sup> Section 7.3, IP Code.

<sup>14</sup> The IPOPHL Interview.

another division. The BoP also welcomes information from stakeholders or interested third parties regarding potential conflict of interest, if any.

1.2.3.2 The BoT observes a system of assigning trademark applications using a computer-generated algorithm. So far, there has been no requests for inhibition filed with the bureau.

1.2.3.3 BLA cases are assigned through raffle. The BLA can *motu proprio* check if the officers are connected with any law office or there is likelihood of conflict of interest. Aside from that, the BLA also allows filing of motion for the inhibition of the officers based on any of the allowable grounds for mandatory and voluntary inhibition.

1.2.4. **Impact of COVID-19 to the current IP System.** The COVID-19 pandemic fast-tracked the automation process of IPOPHL (i.e., enhancement of existing online applications, addition of payment platforms for online transactions, conduct of online mediation and hearings, etc.). Last October 2020, the IPOPHL also launched IPOPHL Mobiliz, a mobile application for its services where status of pending applications may be tracked. The objective of IPOPHL is to completely digitalize its services by the end of 2021.<sup>15</sup>

1.2.5. **Amendments to the current IP systems.**

1.2.5.1 The BoT will introduce the advanced payment of publication, as well as the issuance fees, at the option of the applicant, in order to avoid delay and to accelerate the processing of trademark applications, The BoT also proposed amendments to the IP Code with respect to allowance or registration of series marks and non-visible marks in the Philippines.<sup>16</sup>

1.2.5.2 The BoP proposed the removal of the prohibition against parallel filing and the allowance of provisional filing for patents or invention. It will also implement and adopt the revised IRR for Patents by February 2021. This revised IRR includes several important amendments such as the requirement to pay the publication fee upfront, at the time of filing.<sup>17</sup>

1.2.5.3 The BLA will implement a fast lane for filing of opposition cases. As regards alternative dispute resolution, the BLA is planning to revive the arbitration route in resolving cases. It will propose to expand its jurisdiction by removing the PHP 200,000 threshold.

1.2.5.4 The IPOPHL is adopting the BRIGHT agenda - a six-point action plan that sets the direction of the IPOPHL for the next five years. In a nutshell, the objective of BRIGHT are as follows:

B – build collaborations and partnerships with both local and foreign organizations;

R – raise the ante for customer service;

I – integrate IP awareness and education society (e.g., IP Academy);

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<sup>15</sup> The IPOPHL Interview.

<sup>16</sup> Id.

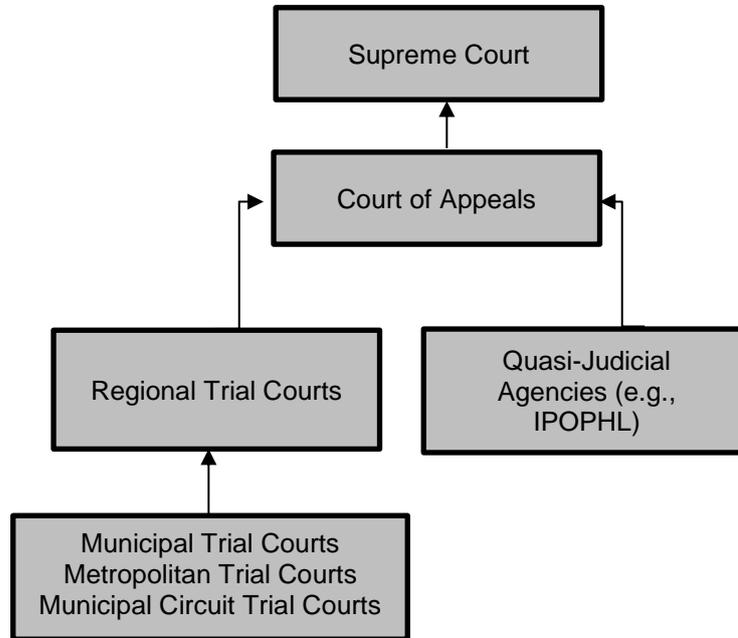
<sup>17</sup> Id.

G – go back to basics

H – highlight human capital

T – transform IPOPHL into a fully digitalized agency.<sup>18</sup>

### 1.3 The Philippine Judicial System



*Flowchart B-1: Structure of the Philippine Courts*

1.3.1. **Municipal Trial Courts / Metropolitan Trial Courts / Municipal Circuit Trial Courts.** Generally, the Municipal Trial Courts / Metropolitan Trial Courts / Municipal Trial Courts (“**MTCs**”) are courts of limited original jurisdiction. MTCs have exclusive original jurisdiction over civil actions involving personal property valued at not more than PHP 300,000 (approx. USD 6,250<sup>19</sup>) [or PHP 400,000 (approx. USD 8,333) in Metro Manila], actions demanding sums of money not exceeding PHP 300,000 (approx. USD 6,250) [or PHP 400,000 (approx. USD 8,333) in Metro Manila], and actions involving title or possession of real property where the assessed value does not exceed PHP 20,000 (approx. USD 417) [PHP 50,000 (approx. USD 1,042) in Metro Manila].

Judges for the MTCs must be natural born citizens, at least 30 years old, and with at least 5 years of experience in the legal profession or has held a public office that requires admission to the practice of law as an indispensable requisite. They must also be proven of competence, integrity, probity, and independence.

No judge is allowed to sit, without written consent of all the parties in interest, signed by them and entered upon the record, in any case in which:

- a. he/she, his/her spouse or child has pecuniary interest in the case;

<sup>18</sup> The IPOPHL Interview.

<sup>19</sup> Exchange rate: USD 1 = PHP 48.

- b. he/she is related to either party within the sixth degree of consanguinity;
- c. he/she is related to counsel within the fourth degree;
- d. he/she has been an executor, administrator, guardian, trustee, or counsel for a party in the case;
- e. he/she has presided over the case in an inferior court, and his/her ruling or decision is the subject of review.

A party may object to a judge's competency through a motion for inhibition based on the aforementioned grounds.

A judge may also disqualify himself/herself from a case in the exercise of his/her own sound discretion for other just or valid causes.

- 1.3.2. **Regional Trial Courts.** The Regional Trial Courts (“**RTCs**”) are courts of general jurisdiction. RTCs have exclusive original jurisdiction over civil actions not capable of pecuniary estimation, actions involving personal property valued at more than PHP 300,000 (approx. USD 6,250) [or PHP 400,000 (approx. USD 8,333) in Metro Manila], actions demanding sums of money exceeding PHP 300,000 (approx. USD 6,250) [or PHP 400,000 (approx. USD 8,333) in Metro Manila], and actions involving title or possession of real property where the assessed value exceeds PHP 20,000 (approx. USD 417) [PHP 50,000 (approx. USD 1,042) in Metro Manila].

The RTCs designated by the Supreme Court as Special Commercial Courts (“**SCCs**”) have jurisdiction over civil actions involving IP rights violations provided for in the IP Code, including civil actions for Infringement of Patent, Utility Model, and Industrial Design, Trademark Infringement, Unfair Competition, actions concerning trademark license contracts, actions concerning imported merchandise or goods bearing infringing marks of trade names, actions for cancellation of the registration of a collective mark, False Designation of Origin, False Description or Representation, Breach of Contract, civil actions for infringement of copyright, moral rights, performers' rights, producers' rights, and broadcasting rights, and other violations of IP rights defined by law.

The SCCs shall also have jurisdiction over criminal actions for IP rights violations provided for in the IP Code, including Repetition of Infringement of Patent, Utility Model, and Industrial Design, Trademark Infringement, Unfair Competition, False Designations of Origin, False Description or Representation, infringement of copyright, moral rights, performers' rights, producers' rights, and broadcasting rights, and other violations of IP rights defined by law.

SCCs in Quezon City, Manila City, Makati City, and Pasig City, as well as SCCs in Baguio City, Iloilo City, Cebu City, Cagayan de Oro City and Davao City<sup>20</sup>, shall have the authority to act on applications for the issuance of writs of search and seizure in civil actions or search warrants for criminal actions for violations of the IP Code, which shall be enforceable nationwide. SCCs in other judicial regions

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<sup>20</sup> Per the 2020 Revised Rules of Procedure for Intellectual Property Rights Cases, which recently took effect on 16 November 2020.

shall have concurrent jurisdiction to issue such writs enforceable within their respective territorial jurisdictions.

Judges for the RTCs must be natural born citizens, at least 35 years old, and with at least 10 years of experience in the legal profession or has held a public office that requires admission to the practice of law as an indispensable requisite. They must also be proven of competence, integrity, probity, and independence.

No judge is allowed to sit, without written consent of all the parties in interest, signed by them and entered upon the record, in any case provided in 1.3.1 above.

A judge may also disqualify himself/herself from a case in the exercise of his/her own sound discretion for other just or valid causes.

- 1.3.3. **Court of Appeals.** The Court of Appeals (“**CA**”) has original jurisdiction to issue writs of mandamus, prohibition, certiorari, habeas corpus, and *quo warranto*, and auxiliary writs or processes, whether or not in aid of its appellate jurisdiction.

The CA also has appellate jurisdiction over all decisions and final orders of the SCCs and quasi-judicial agencies such as the IPOPHL.

Justices of the CA must be natural born citizens, at least 40 years of age and must have been, for 15 years or more, judges of a lower court or engaged in the practice of law in the Philippines. They must also be proven of competence, integrity, probity, and independence.

No Justice is allowed to sit, without written consent of all the parties in interest, signed by them and entered upon the record, in any case provided in 1.3.1 above.

A Justice may also disqualify himself/herself from a case in the exercise of his/her own sound discretion for other just or valid causes.

- 1.3.4. **Supreme Court.** The Supreme Court (“**SC**”) has original jurisdiction over cases affecting ambassadors, other public ministers and consuls, and over petitions for certiorari, prohibition, mandamus, *quo warranto*, habeas corpus, writs of *amparo*, habeas data and the environmental writ of *kalikasan*.

The SC has appellate jurisdiction to review, revise, reverse, modify, or affirm final judgments and orders of the lower courts. Appeal to the SC may be made through a petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended. The petition shall be filed within fifteen (15) days from notice of the decision of the CA. An additional thirty (30) days may be granted by the CA upon motion and payment of the full amount of the legal fee before expiration of the reglementary period.

Justices of the SC must be natural born citizens, at least 40 years of age and must have been, for 15 years or more, judges of a lower court or engaged in the practice of law in the Philippines. They must also be proven of competence, integrity, probity, and independence.

No Justice is allowed to sit, without written consent of all the parties in interest, signed by them and entered upon the record, in any case provided in 1.3.1 above.

A Justice may also disqualify himself/herself from a case in the exercise of his/her own sound discretion for other just or valid causes.

#### 1.4 **WIPO Arbitration and Mediation Center**

1.4.1. On 7 May 2014, the IPOPHL and the WIPO Arbitration and Mediation Center entered into a Memorandum of Understanding (“**MOU**”), which established a joint dispute resolution procedure to facilitate the mediation of intellectual property disputes pending before the IPOPHL. The IPOPHL ADRS provides an option for parties to resolve disputes through mediation under the WIPO Mediation Rules.

1.4.2. The following types of disputes may be resolved through mediation under the WIPO Mediation Rules:

1.4.2.1 Trademark opposition pending before the IPOPHL;

1.4.2.2 Disputes involving technology transfer payments; and

1.4.2.3 Disputes relating to the terms of a license involving the author's rights to public performance or other communication of his/her work.

## **II. Forums**

### 2.1 **Litigation**

2.1.1. Based on existing procedures, IP disputes may be heard by the IPOPHL or the Philippine courts, depending on the nature of the IP right, the type of proceedings, and the value of the claim. An overview of the appropriate forum to commence an action for each IP right is set out in the table below.

IP Right	Opposition	Cancellation		Infringement <sup>21</sup>
		Invalidation	Revocation	
<b>Patents</b>	N/A	IPOPHL	IPOPHL	PH Court / IPOPHL
<b>Designs</b>	N/A	IPOPHL	IPOPHL	PH Court / IPOPHL
<b>Trademarks</b>	IPOPHL	IPOPHL	IPOPHL	PH Court / IPOPHL

2.1.2. There are no specific procedures for invalidation and revocation of IP rights. Under existing procedures, cancellation proceedings necessary result in the invalidation and revocation of the subject IP right. Henceforth, for purposes of consistency, “invalidation” and “revocation” cases shall be referred as “cancellation”.

2.1.3. The IPOPHL has jurisdiction over administrative cases of IP rights violation such as infringement of patents, designs, and trademarks, where the total damages

<sup>21</sup> Note that cancellation of a mark may be prayed for by the defendants/respondents in infringement cases.

claimed are not less than PHP 200,000 (approx. USD 4,167). The Philippine courts have jurisdiction over infringement cases which are civil and/or criminal in nature.

2.1.4. The IPOPHL deems filing of appeals beneficial as it provides an opportunity to correct mistaken or erroneous decisions. On the other hand, opposition and cancellation cases are useful as they provide an avenue for third parties to put on issue and prove that the applications should not be granted or that the registrations should not be maintained.<sup>22</sup>

2.1.5. The total number of cases appealed with the ODG between the years 2011 to 2020 are as follows:<sup>23</sup>

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
57	83	71	60	73	118	45	67	72	42

## 2.2 Alternative Dispute Resolution

2.2.1. Cases filed before the BLA, as well as appeals before the ODG, must be referred to ADRS for mediation. Once a case is referred to mediation, the adjudication proceedings before the BLA or ODG shall be suspended until the case is returned by ADRS, for resumption of proceedings.

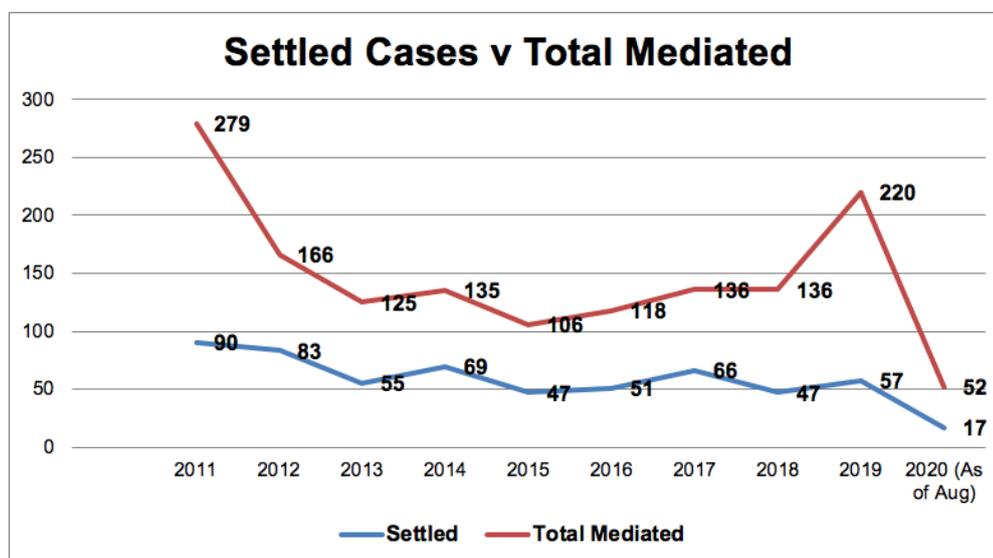


Figure B-1. Statistics on total cases referred to and settled through mediation from 2011-2020<sup>24</sup>

<sup>22</sup> The IPOPHL Interview.

<sup>23</sup> *Id.*

<sup>24</sup> <https://www.ipophil.gov.ph/ip-mediation/>

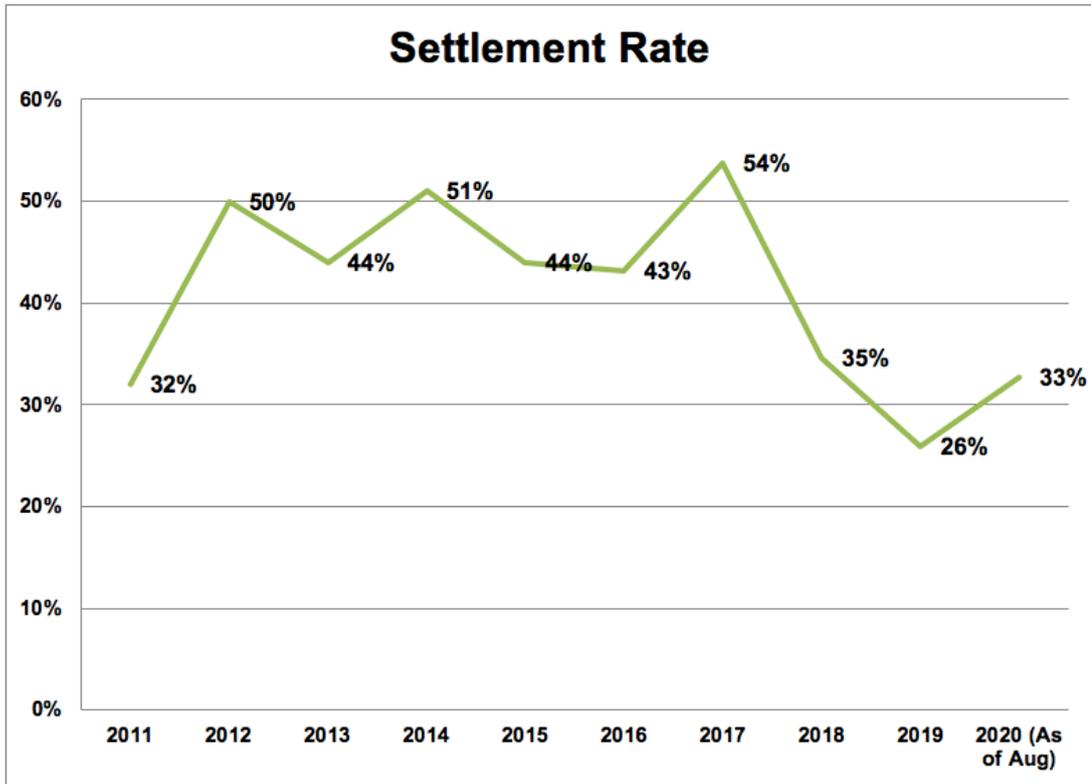


Figure B-2. Settlement Rate of IOPHL's Mediation Proceedings from 2011 to 2020<sup>25</sup>

- 2.2.2. Mediation under WIPO Mediation Rules can only be undertaken with the agreement of both parties. Parties who agree must sign the Document Agreement and Request for WIPO Mediation. Within five (5) days from signing, IOPHL proceedings will be suspended. After the mediation process, the WIPO Center will inform the IOPHL ADRS of the settlement or non-settlement agreement. The case records will then be returned to the originating office either for the resumption of the adjudication proceeding or appropriate action pursuant to the settlement.
- 2.2.3. Court-annexed mediation is part of the Philippines' enhanced pre-trial proceedings. Mediatable cases<sup>26</sup> filed in court are referred to SC's Philippine Mediation Center ("PMC").

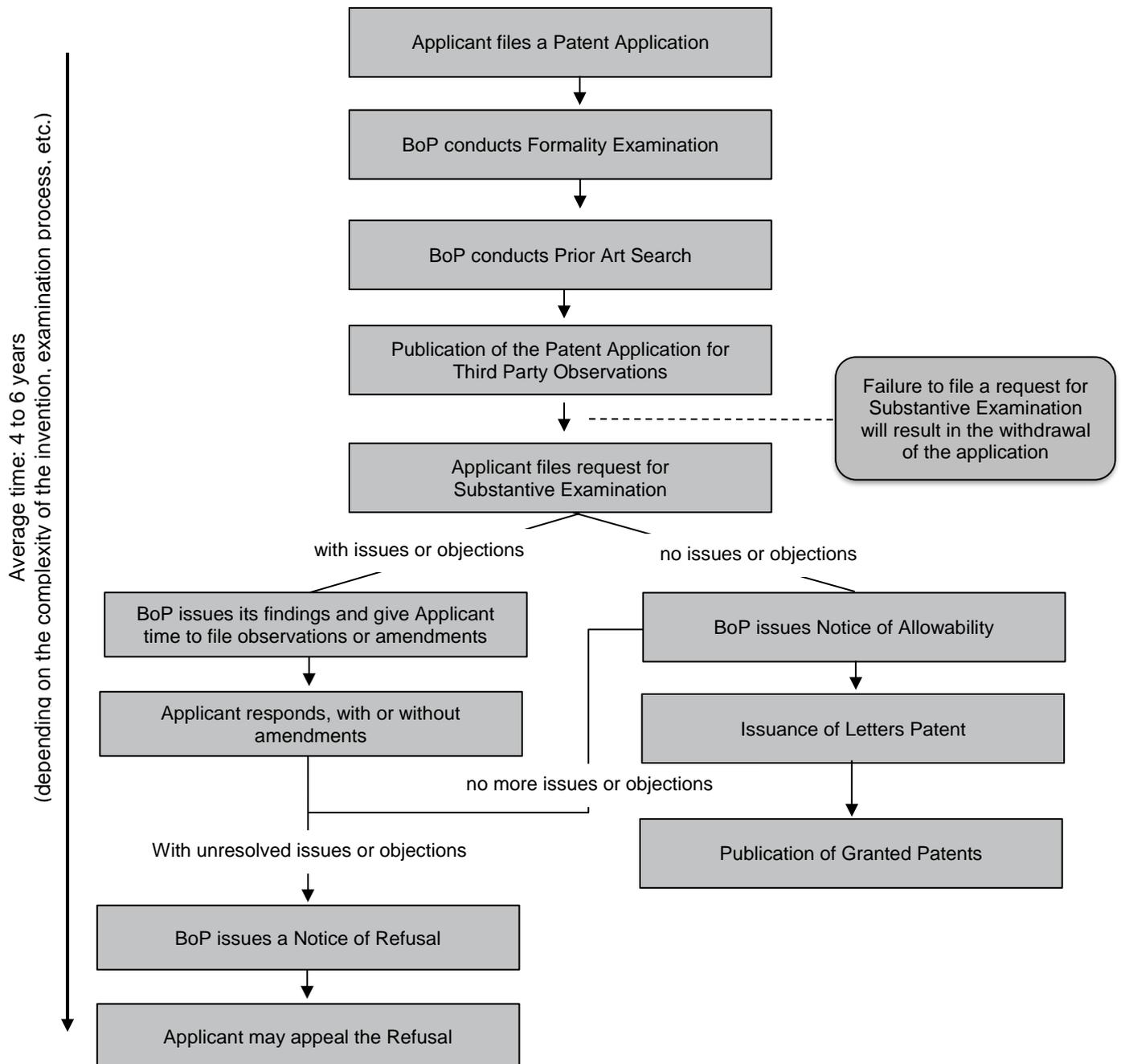
<sup>25</sup> <https://www.ipophil.gov.ph/ip-mediation/>

<sup>26</sup> The following cases may be subject to compromise:

- All civil cases, except those which by law may not be compromised (Article 2035, New Civil Code);
- Special proceedings for the settlement of estates;
- The civil aspect of Quasi-Offenses under Title 14 of the Revised Penal Code;
- The civil aspect of criminal cases where the imposable penalty does not exceed six years imprisonment and the offended party is a private person; and
- The civil aspect of theft (not qualified theft), estafa (not syndicated or large scale estafa), and libel.

## C. PATENTS

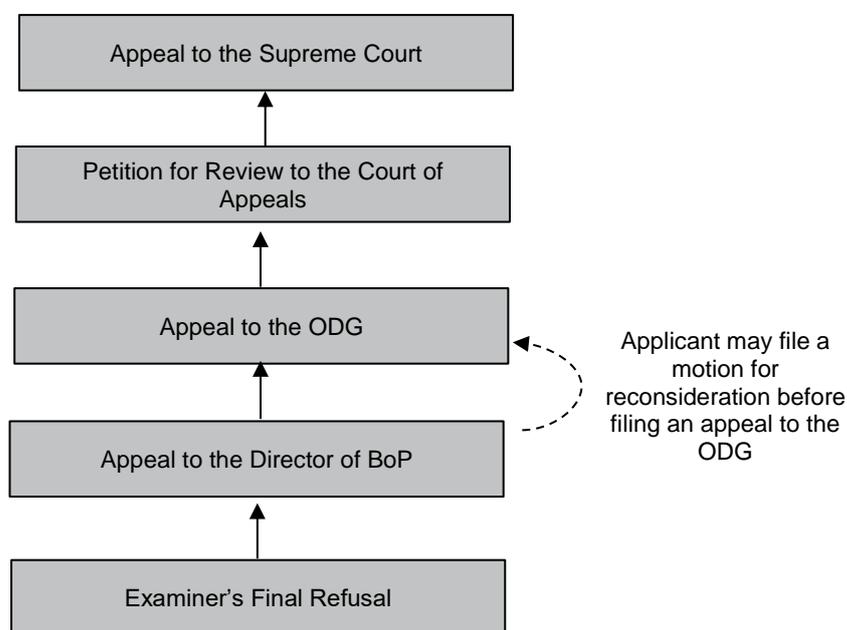
### I. Overview of the Patent Application Process



Flowchart C-1: Overview of the Patent Application Process

## II. Processing of a Patent Application

- 2.1 **Applicant files for Request for Substantive Examination.** Taking into account the documents (if any) cited in the search report, the amendments that may have been proposed, or comments made, by the applicant, the patent examiner will identify any requirements of the IP Code which, in his/her opinion, the application does not satisfy.<sup>27</sup>
- 2.2 **BoP issues a provisional refusal.** The examiner will write to the applicant giving reasons for any objections he/she raises and inviting the applicant within a specified period to file his/her observations and submit amendments. When the applicant has replied with or without amendment, the examiner will re-examine the application.<sup>28</sup>
- 2.3 **Re-examination.** At the re-examination stage, the examiner should be guided by the overriding principle that a final position (grant or refusal) should be reached in a few actions as possible. The process of communicating with the applicant (see item 2.2 above) may be repeated as often as necessary.<sup>29</sup>
- 2.4 **BoP issues Notice of Allowability and grant of patent.** If the examiner considers that a patent should be granted, he/she will first inform the applicant, by the means of a Notice of Allowability, of the claims which are allowed. Prosecution on the merits is closed with the issuance of this Notice. Once the requirements referred to in this Notice are fulfilled, a Philippine patent is granted.<sup>30</sup> The non-extendible term of the granted patent is twenty (20) years from the date of filing the application.<sup>31</sup>
- 2.5 **BoP issues Notice of Refusal and Appeal.** If it is clear that the applicant is not making any real effort to deal with the examiner's objections, either by amendments or by counter-arguments, the patent should be refused.



Flowchart C-2. Overview of Appeals or Review of Notice of Refusal

<sup>27</sup> Section 2.4, Chapter VI, 2017 Manual for Patent Examination.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*, Section 2.5.

<sup>30</sup> *Id.*, Section 2.6

<sup>31</sup> Section 54, IP Code.

- 2.5.1. Where the application is refused, the applicant may file a written request for review of the application by the examiner. In this case, the request should specifically indicate the errors committed by the examiner. After which, the examiner will review his/her findings and issue a resolution on the finality of the refusal.
- 2.5.2. The applicant may appeal against the final refusal by filing a Notice of Appeal and paying the required fee of PHP 3,300 (approx. USD 6) within two (2) months from the mailing date of the action subject of the appeal. The Notice of Appeal must specify the various grounds upon which the petition or appeal is taken, and must be signed by the appellant, or by his/her attorney of record.<sup>32</sup> Thereafter, an Appellant's Brief must be filed within two (2) months from the date of filing of the notice of appeal. The brief shall contain the authorities and arguments on which he/she relies to maintain his/her appeal. Failure to file the brief within the time allowed shall make the appeal stand dismissed.<sup>33</sup>
- 2.5.3. If a decision to refuse a patent is reversed on appeal, the application may be referred back to the examiner for further examination. In such a case, the further examination will normally be entrusted to the examiner who performed the original examination. The examiner is bound by the decision of the Director or any higher instance.<sup>34</sup>
- 2.5.4. The decision of the Director of the BoP may be further appealed with the ODG of the IPOPHL within thirty (30) days after receipt of a copy of the decision.<sup>35</sup> Prior to filing an appeal with the ODG, the appellant may file a motion for reconsideration of the decision with the BoP Director within the same period. In case the motion is denied, the appellant has the balance of the period prescribed above within which to file the appeal.<sup>36</sup>
- 2.5.5. In case the application is still refused by the Director General, the decision may still be appealed to the CA by a Petition for Review under Rule 43 of the Philippine Rules of Court, and the Supreme Court thereafter.
- 2.6 **Effect of decision.** Unless the applicant appeals the final decision of the Examiner or the decision of the Director affirming refusal, the decision will be final<sup>37</sup>. The Applicant may also file a motion for reconsideration before filing an appeal to the ODG.
- 2.6.1. The decision of the Director of the BoP reversing the refusal of the Examiner, as well as the decision of the Director General of the ODG reversing the decision of the Director and allowing the application shall be immediately final and executory.<sup>38</sup>
- 2.6.2. The decision of the Director General of the ODG affirming the refusal shall be final and executory fifteen (15) days after receipt of a copy thereof by the

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<sup>32</sup> Rule 1304, IRR for Patents and Designs.

<sup>33</sup> *Id.*, Rule 1305.

<sup>34</sup> Section 2.5, Chapter VI, 2017 Manual for Patent Examination.

<sup>35</sup> Section 1, Uniform Rules on Appeal.

<sup>36</sup> *Id.*, Section 2.

<sup>37</sup> Rules 1303 and 1308, IRR for Patents and Designs

<sup>38</sup> *Id.*, Rules 1308 and 1311

applicant unless appealed to the CA. The appeal shall not stay the decision or order of the Director General, unless the CA directs otherwise.<sup>39</sup>

2.7 **Contents of the decision.** Aside from facts, evidence, records, provisions of law, rules and regulations, principles and applicable doctrines, the examiners should indicate a more comprehensive definition of prior art, if any. The BoP is not limited to patent documents, and may cite other materials including online articles and products found in the market. Decisions of foreign jurisdictions, especially foreign patent offices, are taken into account and are considered persuasive in nature. Lastly, the BoP examiners may include in the decisions any adverse information that the public may submit to the office and during third party observations.<sup>40</sup>

2.8 **Publication of non-final and final decisions.** All decisions of the IPOPHL and the Philippine courts are issued in the English language.

2.8.1. The BoP's examination review reports and decisions will be made to the applicants in writing and published on the IPOPHL's e-Gazette (<https://onlineservices.ipophil.gov.ph/patgazette/>). Decisions issued by the ODG may likewise be viewed online (<https://onlineservices.ipophil.gov.ph/ipcaselibrary/main.html>).

2.8.2. Decisions issued by the SC are published in the Official Gazette of the Philippines (<https://www.officialgazette.gov.ph/section/judicial/supreme-court/decisions/>). On the other hand, resolutions of the CA are available at <http://services.ca.judiciary.gov.ph/stats-war/>.

2.9 **Maximizing the current IP System.** In order to maximize the current IP system, the BoP suggests further amendment to the IP Code, such as the removal of prohibition on parallel filings and allowance of provisional filings. For patent applications, the IPOPHL's practice is to issue early search reports which contain preliminary findings on prior art and inventive step within the first six months of the invention application.<sup>41</sup>

### III. Opposition Proceedings

3.1 There are no procedures available for pre-grant opposition proceedings for Philippine patent applications.<sup>42</sup>

3.1.1. However, during publication of the application after the formality examination, observations by third parties may be considered as low-cost way of attaching a potential patent.<sup>43</sup>

### IV. Cancellation Proceedings

4.1 **Grounds for Cancellation.** The Inter Partes Regulations sets out the grounds upon which a patent may be cancelled, *to wit*:

4.1.1 that what is claimed as the invention is not new or patentable;

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<sup>39</sup> Section 9, Uniform Rules on Appeal.

<sup>40</sup> The IPOPHL Interview.

<sup>41</sup> *Id.*

<sup>42</sup> Section 12, Chapter VI, 2017 Manual for Patent Examination.

<sup>43</sup> *Id.*

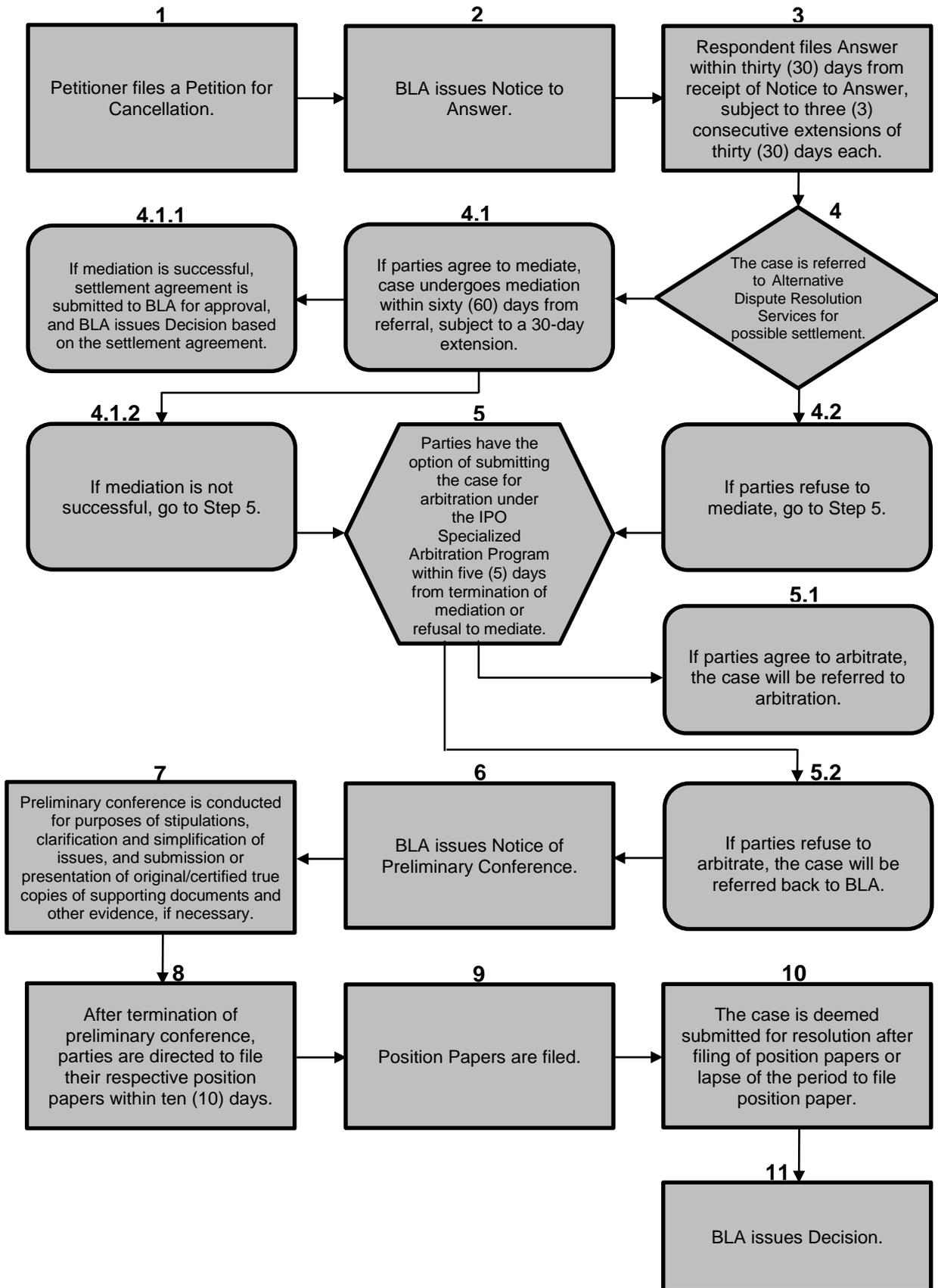
- 4.1.2 that the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by any person skilled in the art;
  - 4.1.3 that the patent is contrary to public order or morality; and
  - 4.1.4 that the patent includes matters outside the scope of the disclosure contained in the application as filed.<sup>44</sup>
- 4.2 **Eligible Persons.** A petition for cancellation may be filed by any party interested in the patent, including any person declared by final court order or decision to be the true and actual inventor.<sup>45</sup>
- 4.3 **Partial Cancellation.** Where the grounds for the cancellation relate to some of the claims or parts of the claim, cancellation may be effected to such extent only; in which case, the BoP shall reissue the amended patent.<sup>46</sup>
- 4.4 **Procedure for Cancelling a Granted Patent.** An overview of the procedural steps and timelines for inter partes cases is set out below.

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<sup>44</sup> Rule 3, Section 1, Inter Partes Regulations.

<sup>45</sup> *Id.*

<sup>46</sup> Rule 3, Section 2, Inter Partes Regulations.



Flowchart C-3: Overview of the procedural steps and timelines for inter partes cases

4.4.1. **Step 1: Petition for Cancellation.** Cancellation proceedings are *inter partes* and can only be initiated with the BLA of the IPOPHL by filing a written verified Petition for Cancellation, which must be accompanied by a certificate of non-forum shopping, and must set out the following:

- a) Names and addresses of the petitioner and the other parties, including the respondent;
- b) The assigned registration number, the name of the registrant, the date of the registration of the patent sought to be cancelled;
- c) The ultimate facts constituting the petitioner's cause or causes of action and the relief sought.<sup>47</sup>

The petition should attach the affidavits of the witnesses, documentary or object evidence, which must be duly marked starting from Exhibit "A", and other supporting documents mentioned in the petition, together with their translation in English, if not in the English language. If the documents are executed and notarized abroad, they must be authenticated by the appropriate Philippine diplomatic or consular office, and/or stamped with apostille.<sup>48</sup>

The petitioner must pay a filing fee of PHP 19,200 (approx. USD 400).<sup>49</sup>

A copy of the petition must be served on the registered owner of the patent at the time of filing the documents.

4.4.2. **Step 2: BLA Issues Notice to Answer.** If the petition is determined to be compliant with the requirements or upon compliance with the order of the BLA, the latter shall immediately issue a Notice to Answer, addressed to and served upon the respondent or the representative/agent on record.<sup>50</sup>

The petition may be dismissed outright and/or *motu proprio* for having been filed out of time, due to lack of jurisdiction, and/or failure to state a cause of action.

The petitioner shall be given a period of five (5) days from receipt of the order to complete or to cure any defects in the petition. Failure to complete or cure the defect shall cause the dismissal of the case.

4.4.3. **Step 3: Respondent files Answer.** The registered owner must, within thirty (30) days from the date of receipt of the Notice to Answer, file a verified Answer, with proof of service to the petitioner.<sup>51</sup>

The respondent shall attach to the Answer the affidavits of witnesses and other documentary or object evidence, which must be duly marked starting from Exhibit "1". Similarly, the verification and the document showing the authority of the signatory thereto, the affidavits and other pertinent documents, if executed and notarized must be authenticated by the appropriate Philippine diplomatic or consular office, and/or stamped with apostille.<sup>52</sup>

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<sup>47</sup> Section 7, Rule 2, Rules on Inter Partes Proceedings.

<sup>48</sup> *Id.*

<sup>49</sup> <https://www.ipophil.gov.ph/services/schedule-of-fees/inter-partes-case-ip-rights-violations/>.

<sup>50</sup> Section 8, Rule 2, Rules on Inter Partes Proceedings.

<sup>51</sup> *Id.*, Section 9.

<sup>52</sup> *Id.*

Upon proper and meritorious grounds and payment of the applicable fees (PHP 650 or approx. USD 14), the respondent may, upon motion, be granted a maximum of three (3) extensions of thirty (30) days each within which to file its verified Answer.<sup>53</sup>

Similarly, the respondent shall be given a period of five (5) days from receipt of the order to complete or to cure any defects in its Answer.<sup>54</sup>

- a. No motion to dismiss shall be entertained. Instead, all grounds for dismissal shall be pleaded as affirmative defenses, the resolution of which shall be made in the decision on the merits. Neither shall a motion for bill of particulars, motion for reconsideration of interlocutory orders, and all other pleadings subsequent to the filing of an Answer, shall be allowed.<sup>55</sup>
- b. The respondent shall be declared in default should it fail to file an Answer or to complete the requirements on time.<sup>56</sup>

4.4.4. **Step 4: Mediation.** The case shall be referred to IPOPHL's ADRS for mediation.

4.4.4.1 Both parties shall pay a mediation fee of PHP 4,000 (approx. USD 83) each before the start of the session.<sup>57</sup> Failure of the petitioner to appear for mediation is a ground for dismissal of the case. On the other hand, should respondent fail to attend, he/she may be declared in default.<sup>58</sup>

4.4.4.2 All mediation conferences shall be conducted in private, and the proceedings thereto, including all incidents, shall be kept strictly confidential. As such, any admission and statement made during mediation shall be inadmissible in a proceeding, unless otherwise specifically provided by law.<sup>59</sup>

4.4.4.3 If the mediation is successful, the mediator shall, within five (5) days from the parties' submission of their compromise agreement, refer the agreement to the BLA. The latter shall, within three (3) days from receipt of the Compromise Agreement, approve the same unless the same is found to be contrary to law, public policy, morals or good customs, in which case the agreement would be sent back to the parties, through the ADRS, within the same period specifying in writing the objections. Upon the parties' revision or amendment of the agreement, the same shall be returned again to the originating office for approval.<sup>60</sup>

An approved Compromise Agreement shall have the effect of a decision or judgment on the case, and shall be enforced accordingly.

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<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*, Section 10.

<sup>56</sup> *Id.*, Section 12.

<sup>57</sup> Section 7, Rules of Procedure for IPO Mediation Proceedings.

<sup>58</sup> *Id.*, Section 8.

<sup>59</sup> *Id.*, Section 9.

<sup>60</sup> *Id.*, Section 5.

If the mediation is not successful, the mediator shall declare the mediation unsuccessful and terminate the proceedings by issuing a Notice of Non-Settlement of Dispute.

4.4.5. **Step 5: Arbitration.** The parties will be actively encouraged to submit their case to Arbitration. In the event the parties agree, they shall be referred to the IPO Arbitration Office for arbitration proceedings. However, should the parties decline, the case shall forthwith proceed with pre-trial proper.

4.4.6. **Step 6: Raffle of the case and Preliminary Conference.** The BLA shall raffle the case to its Adjudication Officers.

4.4.6.1 If the respondent is in default, the Adjudication Officer shall issue the order of default and require the petitioner to submit or present within ten (10) days from receipt thereof the originals and/or certified copies of the affidavits, documentary evidence and object evidence, if necessary. The case shall be decided on the basis of the petition, the affidavits of the witnesses, and the documentary or object evidence submitted by the petitioner.<sup>61</sup>

4.4.6.2 Otherwise, the Adjudication Officer shall issue an order setting the case for preliminary conference for the purpose of facilitating the resolution of the case through stipulations, clarifications and simplification of issues, and the submission and/or presentation of the original or certified true copies of affidavits, documents, and other evidence if necessary.<sup>62</sup>

4.4.7. **Step 7. Submission of Position Papers.** Upon termination of the conference, the Adjudication Officer shall issue an order in open court, requiring the parties to submit their respective position papers within ten (10) days from the issuance of the order in open court. The position papers shall take up only those matters and issues covered or alleged in the petition and the Answer, the supporting evidence, and those determined during the preliminary conference. No new matters or issues shall be raised or included in the position papers.<sup>63</sup>

4.4.8. **Step 8. Submission for resolution.** After the lapse of the reglementary period within which to file the position paper, and with or without the parties having submitted the same, the case is deemed submitted for decision. The Adjudication Officers shall issue the decision or final order within sixty (60) days from date the case is deemed submitted for decision.<sup>64</sup>

4.5 **Notice of Filing of Petition.** The BLA shall serve notice of the filing of the petition upon the patentee and all persons having grants or licenses, or any other right, title or interest in and to the patent and the invention covered thereby. Notice of the filing of the petition shall be published in the IPOPHL e-Gazette.<sup>65</sup>

4.6 **Committee of Three.** In cases involving highly technical issues, on motion of any party, the Director of the BLA may order that the petition be heard and decided by a committee

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<sup>61</sup> Section 14, Rule 2, Inter Partes Regulations.

<sup>62</sup> *Id.*, Section 15.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> Section 3, Rule 3, Inter Partes Regulations.

composed of the Director as chairman and two (2) members who have the experience or expertise in the field of technology to which the patent sought to be cancelled relates.<sup>66</sup>

- 4.7 **Amendment during the proceedings.** If the BLA finds that, taking into consideration the amendment made by the patentee during the cancellation proceedings, the patent and the invention to which it relates meet the requirement of the IP Code, it may decide to maintain the patent as amended.<sup>67</sup> The BLA shall, at the same time as it publishes the mention of the cancellation decision, publish the abstract, representative claims and drawings indicating clearly what the amendments consist of.
- 4.8 **Effect of decision.** If the BLA finds that a case for cancellation has been proved, it shall order the patent or any specified claim or claims thereof cancelled. The rights conferred by the patent or any specified claim or claims cancelled shall terminate. Notice of the cancellation shall be published in the IPOPHL e-Gazette.<sup>68</sup>
- 4.9 **Appeal.** The decision of the Adjudication Officer may be appealed to the Director of the BLA within ten (10) days from receipt of the decision or final order.<sup>69</sup> The fee for filing an appeal is PHP 3,300 (approx. USD 69). Decisions of the BLA Director may be further appealed to the ODG (see **Chapter C. Section II. par. 2.5.4**).
- 4.10 **Publication of decisions.** All decisions issued by the BLA and the ODG are available on the IPOPHIL's website (<https://onlineservices.ipophil.gov.ph/ipcaselibrary/main.html>). The decisions of the CA and SC are likewise published online (see **Chapter C. Section II. par. 2.7.1**).

## V. Other Procedures to Challenge the Patentability of a Patent / Invention Before and After Grant

- 5.1 **Pre-Grant Third Party Observations.** Presently, there are no formal procedures under the Philippine IP system for submitting third party observations. The IP Code simply provides, as follows:
- 5.1.1. Within six (6) months from the date of publication of the application or request for substantive examination filed by the applicant, whichever comes later, any person may present observations in writing concerning the patentability of the invention including matters pertaining to novelty, inventive step, and industrial applicability, while citing relevant prior art. Additionally, a conference at the Office may be requested by the interested party to obtain a better understanding of the application, the patent prosecution process, and the patent system in general.<sup>70</sup>
- 5.1.2. All observations shall be communicated to the applicant who may comment on them within thirty (30) days from the mailing date of the communication. The observation and comments, as well as discussion in the conferences, shall be taken into consideration in examining the patent application.

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<sup>66</sup> *Id.*, Section 4.

<sup>67</sup> *Id.*, Section 4.

<sup>68</sup> *Id.*, Section 5.

<sup>69</sup> Section 2, Rule 9, Inter Partes Regulations.

<sup>70</sup> Rule 803, IRR for Patents and Designs.

5.2 **Infringement.** In an action for infringement, the defendant may show that the patent or any claim thereof is invalid based on any of the grounds for cancellation of the patents (see **Chapter C. Section IV. par. 4.1**).

5.2.1. If, in an action for infringement filed before the court, the court finds the patent or any claim to be invalid, it shall order the cancellation of the same. Such order of cancellation shall be forwarded to the Director of the BLA, who shall cause the recording and publication of notice of such order in the IPOPHL e-Gazette upon receipt of the final judgment of cancellation by the court. Such recording shall likewise be made in the register of the BoP.<sup>71</sup>

## VI. Statistics

### 6.1 IPOPHL Statistics<sup>72 73</sup>

6.1.1. **BoP Examination Cases.** Based on 2018-2020 statistics, the average time it takes the BoP Director to resolve patent examination-related cases are as follows:<sup>74</sup>

- Appeals – 9.83 months; and
- Adverse information – 14.77 months.

The percentage of final rejections (issued by Examiners) reversed by the BoP Director is 33.33%.<sup>75</sup>

6.1.2. **BLA Cases Disposed/Resolved.**<sup>76</sup> Patent cases disposed/resolved by the BLA between the years 2011 and 2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>77</sup>
<b>Cancellation</b>	3	1	5	0	1	0	1	0	2	0
<b>Infringement</b>	0	0	4	1	1	3	0	2	3	0

6.1.3. **ODG Cases Disposed/Resolved.**<sup>78</sup> Patent cases disposed/resolved by the ODG on appeal from 2011 to 2020:<sup>79</sup>

<sup>71</sup> Section 6, Rule 3, Inter Partes Regulations.

<sup>72</sup> The IPOPHL does not issue publicly available statistics on the number of patent cases filed with IPOPHL each year. However, they release copies of their decisions online. The figures provided herein are based on review of all IPOPHL decisions published online.

<sup>73</sup> The IPOPHL does not issue publicly available statistics on the average time to resolve patent IPC and IPV cases.

<sup>74</sup> The IPOPHL Interview.

<sup>75</sup> *Id.*

<sup>76</sup> There are no publicly available records/statistics on the number of patent cases filed with BLA each year.

<sup>77</sup> As of October 2020.

<sup>78</sup> There are no publicly available records/statistics on the number of patent cases filed with ODG each year.

<sup>79</sup> The IPOPHL does not issue publicly available statistics on the percentage of reversed cases at ODG levels.

### 6.1.3.1 Affirmed

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Ex Parte Cases</b> (e.g., appeal of examination refusals)	0	3	9	8	0	1	2	2	3	0
<b>Cancellation</b>	1	0	2	0	0	0	0	0	1	0
<b>Infringement</b>	2	1	0	0	0	0	1	0	0	0

### 6.1.3.2. Reversed.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Ex Parte Cases</b> (e.g., appeal of examination refusals)	0	0	0	0	0	0	0	0	0	0
<b>Cancellation</b>	0	0	0	0	0	0	0	0	0	0
<b>Infringement</b>	0	0	0	0	0	0	0	0	0	0

6.2 **Court Statistics.** The Philippine courts do not publish official statistics about patent cases decided/resolved by the courts.

## VII. Case study

7.1 ***Phil Pharmawealth Inc. v. Pfizer, Inc. and Pfizer (Phil.), Inc., G.R. No. 167715, 17 November 2010***

7.1.1. **Doctrine.** The exclusive right of a patentee to make, use and sell a patented product, article or process exists only during the term of the patent.

7.1.2. **Facts.** The instant case arose from a Complaint for patent infringement filed against petitioner Phil Pharmawealth, Inc. by complainants/respondent companies, Pfizer, Inc. and Pfizer (Phil.), Inc. Pfizer is the registered owner of Patent No. 21116 directed to a method of increasing the effectiveness of a beta-lactam antibiotic in a mammalian subject, which comprises co-administering to said subject a beta-lactam antibiotic effectiveness increasing amount of a compound of the formula IA. The scope of the claims of the Patent extends to a combination of penicillin such as ampicillin sodium and beta-lactam antibiotic like sulbactam sodium.

Pfizer is marketing Sulbactam Ampicillin under the brand name Unasyn. Pfizer's Unasyn products, which come in oral and IV formulas, are covered by Certificates of Product Registration (CPR) issued by the Bureau of Food and Drugs (BFAD) under the name of complainants. The sole and exclusive distributor of Unasyn products in the Philippines is Zuellig Pharma Corporation, pursuant to a Distribution Services Agreement it executed with Pfizer Phil.

Sometime in January and February 2003, complainants/respondent companies came to know that petitioner Phil Pharmawealth submitted bids for the supply of Sulbactam Ampicillin to several hospitals without the consent of complainants/respondent companies and in violation of the latter's intellectual property rights.

In gross and evident bad faith, petitioner Phil Pharmawealth and the involved hospitals willfully ignored complainants/respondent companies' demands, refused to comply therewith and continued to infringe the Patent, all to the damage and prejudice of complainants/respondent companies.

Complainants/respondent companies prayed for permanent injunction, damages and the forfeiture and impounding of the alleged infringing products. They also asked for the issuance of a temporary restraining order and a preliminary injunction that would prevent petitioner Phil Pharmawealth, its agents, representatives and assigns, from importing, distributing, selling or offering the subject product for sale to any entity in the Philippines.

#### 7.1.3. **Issues**

Whether Pfizer's exclusive right to monopolize the subject matter of the patent exists only within the term of the patent – YES

Whether an injunctive relief can issue based on an action of patent infringement when the patent allegedly infringed has already lapsed – NO

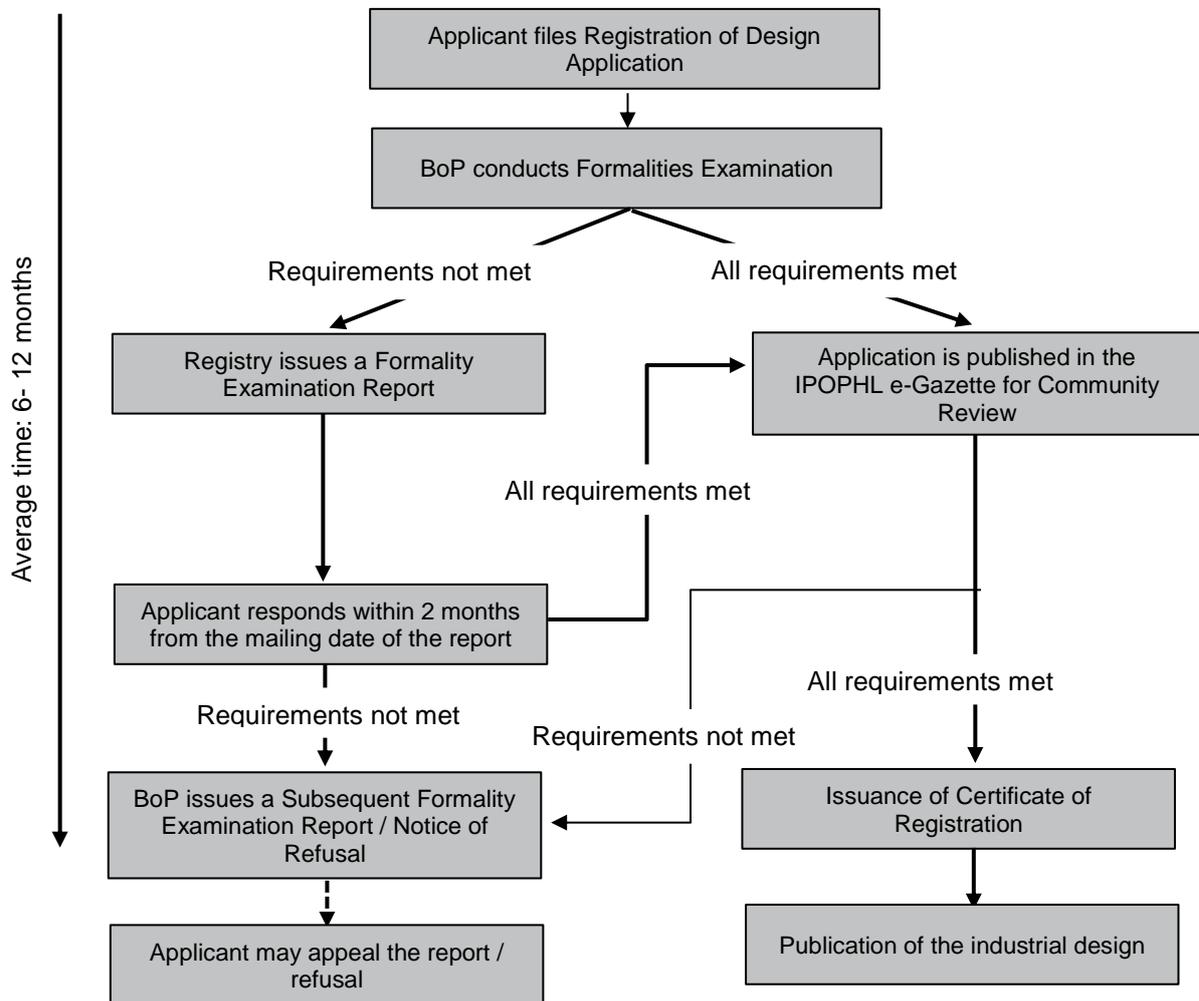
7.1.4. **Ruling.** It is clear from Section 37 of Republic Act No. 165, the governing law at the time of the issuance of Pfizer's patent, that the exclusive right of a patentee to make, use and sell a patented product, article or process exists only during the term of the patent. In the instant case, Patent No. 21116, which was the basis of complainants/respondent companies in filing their complaint with the BLA-IPO, was issued on 16 July 1987. This fact was admitted by respondents themselves in their complaint. They also admitted that the validity of the said patent is until 16 July 2004, which is in conformity with Section 21 of RA 165, providing that the term of a patent shall be seventeen (17) years from the date of issuance thereof.

On the basis of the foregoing, the Court agrees with petitioner Phil Pharmawealth that after 16 July 2004, complainants/respondent companies no longer possess the exclusive right to make, use and sell the articles or products covered by Philippine Letters Patent No. 21116.

Injunctive relief can no longer issue after the patent allegedly infringed has lapsed.

## D. INDUSTRIAL DESIGNS

### I. Overview of the Industrial Design Application Process



Flowchart D-1: Overview of the Design Application Process

## II. Processing of an Industrial Design Application

### 2.1 Examination process

2.1.1. **Applicant responds, within two (2) months, to the Formality Examination Report.** The BoP adopts an expeditious registration process for industrial designs.<sup>80</sup> All applications for industrial design shall be registered without substantive examination, provided all required fees (including fees for publication) are paid and all formal requirements are complied with.

The BoP conducts a formality examination of the application and a report is transmitted to the applicant.

Within two (2) months from the mailing date of the report, the applicant may amend or voluntarily withdraw the application.

<sup>80</sup> Rule 1505, IRR for Patents and Designs.

### 2.1.2. **Subsequent formality examination report or Notice of Refusal**

2.1.2.1. If the formality requirements are met, the BoP will issue a notice of allowance of the publication of the industrial design in the IPOP HL e-Gazette.

2.1.2.2. If the formality requirements are not met, the BoP will issue a subsequent formality examination which shall be a final action that may be appealed to the Director of the BoP.

2.1.3. **Community Review.** Within thirty (30) days from the publication of the design application, any person may present written adverse information concerning the registrability of the design, including matters pertaining to novelty and industrial applicability while citing relevant prior art.<sup>81</sup>

The adverse information must be sworn and should state the personal information and circumstance of the affiant and the grounds for objecting to the registration. The sworn statement shall be substantiated by evidence or proof and a registrability report of the application may be attached thereto. The BoP shall notify the parties who have submitted adverse information of the decision of the BoP involving the utility model and industrial design applications.<sup>82</sup>

2.1.4. **Decision of the Director.** The Director of the BoP shall decide whether or not to register the design. He/she may also direct the applicant to amend the application to conform with the requirements of registrability. Amended applications shall be re-published prior to registration.<sup>83</sup>

2.1.5. **Registration of the Industrial Design.** Where the application meets all the formality requirements and does not receive any adverse information after the expiration of the thirty (30)-day publication period, the BoP shall grant the registration of the industrial design.

2.2. **Effect of decision.** Unless the applicant appeals the BoP's decision (see **Chapter C. Section II. par. 2.5.4**), the decision will be final.<sup>84</sup>

2.3. **Contents of the decision.** (see **Chapter C. Section II. par. 2.7**),

2.4. **Publication of non-final and final decisions.** (see **Chapter C. Section II. par. 2.8.1**)

## III. **Opposition Proceedings**

3.1. There are no procedures available for pre-grant opposition proceedings for Philippine industrial design applications.

3.1.1. However, during publication of the application after the formality examination, third parties may file adverse information concerning the registrability of the design, including matters pertaining to novelty and industrial applicability while citing relevant prior art. (see **Chapter D. Section II. par. 2.1.3**)

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<sup>81</sup> *Id.*, Rule 1701.

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*, Rule 1702.

<sup>84</sup> Section 119, IP Code and Rule 1308, IRR for Patents and Designs

## IV. Cancellation Proceedings

- 4.1 **Grounds for Cancellation.** An industrial design registration may be cancelled based on any of the following grounds:
- 4.1.1 that the industrial design does not give a special appearance to and cannot serve as pattern for an industrial product or handicraft;
  - 4.1.2 that the industrial design is not new or original;
  - 4.1.3 that the industrial design is dictated essentially by technical or functional consideration to obtain a technical result;
  - 4.1.4 that the industrial design is contrary to public order, health or morals; or
  - 4.1.5 that the subject matter of the industrial design extends beyond the content of the application as originally filed.<sup>85</sup>
- 4.2 **Eligible Persons.** A petition for cancellation may be filed by any party interested in the design, including any person declared by final court order or decision to be the true and actual owner.<sup>86</sup>
- 4.3 **Partial Cancellation.** Where the grounds for cancellation relate to a part of the industrial design, cancellation may be affected to such extent only. The restriction may be effected in the form of an alteration of the affected features of the design.<sup>87</sup>
- 4.4 **Procedure for Cancelling a Granted Design.** The procedure prescribed for the cancellation of patent applies *mutatis mutandis* in the cancellation of design registrations. (see **Chapter C. Section IV. par. 4.4**)<sup>88</sup>
- 4.5 **Effect of decision.** The rights conferred by the registration of a design shall terminate upon the cancellation of such registration.<sup>89</sup> Notice of the cancellation shall be published in the IPOPHL e-Gazette.<sup>90</sup>
- 4.6 **Appeal.** (see **Chapter C. Section IV. par. 4.9**)
- 4.7 **Publication of decisions.** (see **Chapter C. Section II. par. 2.7.1**)

## V. Other Procedures to Challenge the Validity of an Industrial Design

- 5.1 **Infringement.** In an action for infringement, the defendant may show that the industrial design or any claim thereof is invalid based on any of the grounds for cancellation of the design (see **Chapter D. Section IV. par. 4.1**)
- 5.1.1. If, in an action for infringement filed before the court, the court finds the design to be invalid, it shall order the cancellation of the same. Such order of cancellation shall be forwarded to the Director of the BLA, who shall cause the recording and publication of notice of such order in the IPOPHL e-Gazette upon receipt of the

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<sup>85</sup> Section 1, Rule 5, Inter Partes Regulations.

<sup>86</sup> *Id.*

<sup>87</sup> *Id.*, Section 2.

<sup>88</sup> *Id.*, Section 3.

<sup>89</sup> *Id.*, Section 4.

<sup>90</sup> Section 5, Rule 3, Inter Partes Regulations.

final judgment of cancellation by the court. Such recording shall likewise be made in the register of the BoP.<sup>91</sup>

## VI. Statistics

### 6.1 IPOP HL Statistics<sup>92 93</sup>

6.1.1. **BoP Examination Cases.** (see Chapter C. Section VI. par. 6.1.1)

6.1.2. **BLA Cases Disposed/Resolved.**<sup>94</sup> Industrial design cases disposed/resolved by the BLA between years 2011 to 2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>95</sup>
<b>Cancellation</b>	3	0	1	1	2	14	10	6	2	2
<b>Infringement</b>	0	0	2	1	3	1	0	1	1	0

6.1.3. **ODG Cases Disposed/Resolved.**<sup>96</sup> Industrial design cases disposed/resolved by the ODG on appeal from 2011 to 2020:<sup>97</sup>

#### 6.1.3.1 Affirmed.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Ex Parte Cases</b> (e.g., appeal of examination refusals)	0	0	0	0	0	0	0	0	1	0
<b>Cancellation</b>	0	0	0	1	0	0	0	0	5	0
<b>Infringement</b>	0	0	0	0	0	0	0	0	0	0

<sup>91</sup> *Id.* Section 3.

<sup>92</sup> The IPOP HL does not issue publicly available statistics on the number of industrial design cases filed with IPOP HL each year. However, they release copies of their decisions online. The figures provided herein are based on review of all IPOP HL decisions published online.

<sup>93</sup> The IPOP HL does not issue publicly available statistics on the average time to resolve industrial design IPC and IPV cases.

<sup>94</sup> There are no publicly available records / statistics on the number of industrial design cases filed with the BLA each year.

<sup>95</sup> As of October 2020.

<sup>96</sup> There are no publicly available records / statistics on the number of industrial cases filed with the OD each year.

<sup>97</sup> The IPOP HL does not issue publicly available statistics on the percentage of reversed cases at ODG levels.

### 6.1.3.2 Reversed.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Ex Parte Cases</b> (e.g., appeal of examination refusals)	0	0	0	0	0	0	0	0	0	0
<b>Cancellation</b>	0	0	0	0	0	0	0	0	0	0
<b>Infringement</b>	0	0	0	0	0	0	0	0	0	0

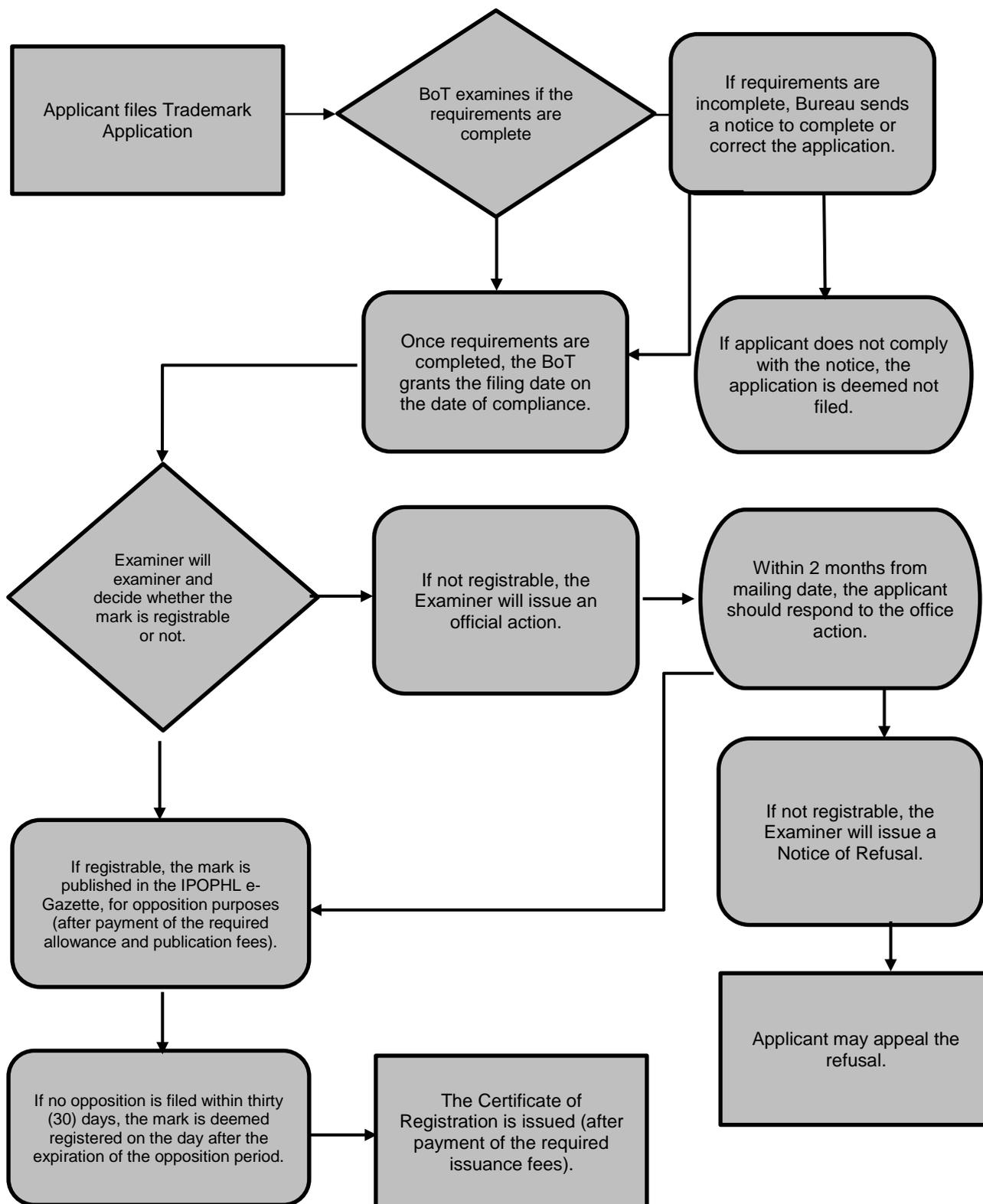
6.2 **Court Statistics.** The Philippine courts do not publish official statistics about the industrial design cases decided/resolved by the courts.

## VII. Case study

7.1 There have been no recent Philippine Supreme Court cases on industrial designs.

## E. TRADEMARKS

### I. Overview of the Trademark Application Process



Flowchart E-1: Overview of the Trademark Application Process

## II. Processing of a Trademark Application

### 2.1 Examination process.

- 2.1.1. **Applicant responds, within two (2) months, to the examination report.** During the search and examination process, the BoT may issue one or more examination or official report(s)<sup>98</sup> stating the grounds of refusal if it appears that the requirements for registration are not met or that additional information or evidence is required to meet those requirements.<sup>99</sup> The applicant can respond to the examination report(s) within two (2) months from the date of the mailing date of the action of the Examiner. The period to respond may be extended for an additional period of two (2) months upon written request of the applicant and payment of the required fee<sup>100</sup> of PHP 720 (approx. USD 15).<sup>101</sup>
- 2.1.2. **Re-examination.** After response by the applicant, the application will be re-examined or reconsidered by the Examiner, and if the registration is again refused or formal requirements insisted upon, but not stated to be final, the applicant may respond again.<sup>102</sup>
- 2.1.3. **Suspension of action.** Action by the BoT may be suspended upon written request of the applicant for good and sufficient cause, for a reasonable time specified, and upon payment of the required fee of PHP 960 (approx. USD 16). The Examiner may grant only one suspension, and any further suspension shall be subject to the approval of the Director and payment of fee<sup>103</sup> amounting to PHP 1200 or PHP 3840 (approx. USD 25 or USD 80).<sup>104</sup>
- 2.1.4. **BoT accepts application for publication or issues a decision refusing the application.**
- 2.1.4.1 If the objections are overcome, the trademark will be published in the IPOPHL e-Gazette and will be open for opposition proceedings for thirty (30) days.<sup>105</sup>
- 2.1.4.1.1 **Allowance of application and issuance of the Certificate of Registration.** When no opposition is filed within thirty (30) days after the publication for opposition, the mark is deemed registered on the next calendar day following the expiration of the opposition period. The issuance of the Certificate of Registration shall be published in the IPO e-Gazette and shall be entered in the records of the BoT.<sup>106</sup>

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<sup>98</sup> Under existing procedures, piecemeal actions are prohibited. That is, the Examiners are required to include all grounds of objection existing at the time of the issuance of the first office action. In practice, however, Examiners are still allowed to issue more than one office action.

<sup>99</sup> Section 603, IRR on Trademarks.

<sup>100</sup> *Id.*, Section 606.

<sup>101</sup> <https://www.ipophil.gov.ph/services/schedule-of-fees/trademark-related-fees/>

<sup>102</sup> Section 608, IRR on Trademarks.

<sup>103</sup> *Id.*, Section 613.

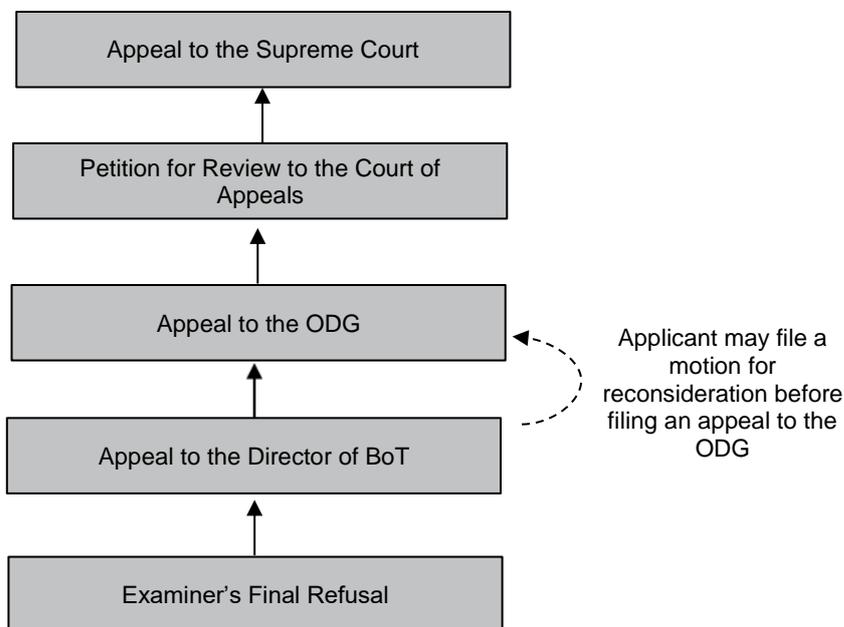
<sup>104</sup> <https://www.ipophil.gov.ph/services/schedule-of-fees/trademark-related-fees/>

<sup>105</sup> Section 703, IRR on Trademarks.

<sup>106</sup> *Id.*

2.1.4.2. If the objections are not overcome, on any subsequent re-examination or reconsideration, the Examiner may state that the refusal of the registration or the submission of or compliance with any requirement is final.<sup>107</sup>

2.1.5. **Applicant files an appeal to the Director of the BoT.** Upon final refusal of the Examiner to allow the registration, the applicant may appeal the matter to the Director of the BoT.



*Flowchart E-2. Overview of appeals or review of refusal*

2.1.5.1 The applicant may appeal against the final refusal of the Examiner by filing a Notice of Appeal to the Director of the BoT and paying the required fee within two (2) months from the mailing date of the action subject of the appeal. The Notice of Appeal must specify the various grounds upon which the appeal is taken, and must be signed by the appellant or by his/her attorney of record.<sup>108</sup> Thereafter, an Appellant's Brief must be filed within two (2) months from the date of filing of the notice of appeal. The brief shall contain the authorities and arguments on which he/she relies to maintain his/her appeal. Failure to file the brief within the time allowed shall make the appeal stand dismissed.<sup>109</sup>

2.1.5.2 If required by the Director, the Examiner may submit a written statement in answer to the appellant's brief within two (2) months from the order of the Director to submit such answer.<sup>110</sup> The appellant may file a reply brief addressing only such new points as may have been raised in the Examiner's answer, within one (1) month from the date of receipt of the copy of such answer.<sup>111</sup> The IPOPHL frowns upon appeal of cases /

<sup>107</sup> Section 609, IRR on Trademarks.

<sup>108</sup> *Id.*, Section 1304.

<sup>109</sup> *Id.*, Section 1305.

<sup>110</sup> *Id.*, Section 1306.

<sup>111</sup> *Id.*, Section 1307.

marks that are clearly descriptive or generic as these cases are not helpful to MSMEs.<sup>112</sup>

2.1.5.3 The decision of the Director of the BoT may be further appealed to the ODG of the IPOPHL within thirty (30) days after receipt of a copy of the decision.<sup>113</sup> Prior to filing an appeal with the ODG, the appellant may file a motion for reconsideration of the decision with the BoT Director within the same period. In case the motion is denied, the appellant has the balance of the period prescribed above within which to file the appeal.<sup>114</sup>

2.1.5.4 In case the application is still refused by the Director General, the decision may still be appealed to the CA by a Petition for Review under Rule 43 of the Philippine Rules of Court, and the Supreme Court thereafter.

2.1.6 **Jurisdiction of the Examiner.** The Examiner of the BoT has original jurisdiction over the examination of all trademark applications and over their allowance for publication in the IPOPHL e-Gazette for the purpose of opposition.

2.1.7 **Effect of decision.** Unless the applicant appeals the final decision of the Examiner or the decision of the Director affirming refusal, the decision will be final<sup>115</sup>. The Applicant may also file a motion for reconsideration before filing an appeal to the ODG.

2.1.8 **Contents of the decision.** In addition to the usual contents of decisions, the BoT also include in their resolutions internet search results used as basis, as well as dictionaries, as the BoT issue refusals based on descriptiveness of the subject mark. Jurisprudence from other jurisdictions may also be cited as they also have persuasive effect.<sup>116</sup>

2.1.9 **Rights Conferred.** The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered, where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.<sup>117</sup>

2.1.9.1 The registration shall remain in force for ten (10) years, renewable for periods of ten (10) years, provided the requisite Declarations of Actual Use are filed.<sup>118</sup>

2.1.10 **Publication of non-final and final decisions.** (see **Chapter C. Section II. par. 2.7.1**)

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<sup>112</sup> The IPOPHL Interview.

<sup>113</sup> Section 1, Uniform Rules on Appeal.

<sup>114</sup> *Id.*, Section 2.

<sup>115</sup> Sections 1303 and 1308, IRR on Trademarks.

<sup>116</sup> The IPOPHL Interview.

<sup>117</sup> Section 800, IRR on Trademarks.

<sup>118</sup> *Id.*, Section 801.

### III. Opposition Proceedings

3.1 **Grounds for opposition.** Section 123 of the IP Code sets out which trademarks cannot be registered.

3.1.1. **Absolute grounds.** Trademarks that fall under one or more of the following circumstances cannot be registered:

- a. Consists of immoral, deceptive or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- b. Consists of the flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;
- c. Consists of a name, portrait or signature identifying a particular living individual except by the person's written consent; or the name, signature, or portrait of a deceased President of the Philippines, during the life of the surviving spouse, if any, except by the latter's written consent;
- d. Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;
- e. Consists exclusively of signs that are generic for the goods or services that they seek to identify;
- f. Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bona fide and established trade practice;
- g. Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;
- h. Consists of shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;
- i. Consists of color alone, unless defined by a given form; or
- j. Is contrary to public order or morality.

3.1.2. **Relative grounds.** Trademarks that are identical with, or confusingly similar<sup>119</sup> to, or constitutes a translation of:

- a. A mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
  - i. The same goods or services; or
  - ii. Closely related goods or services.

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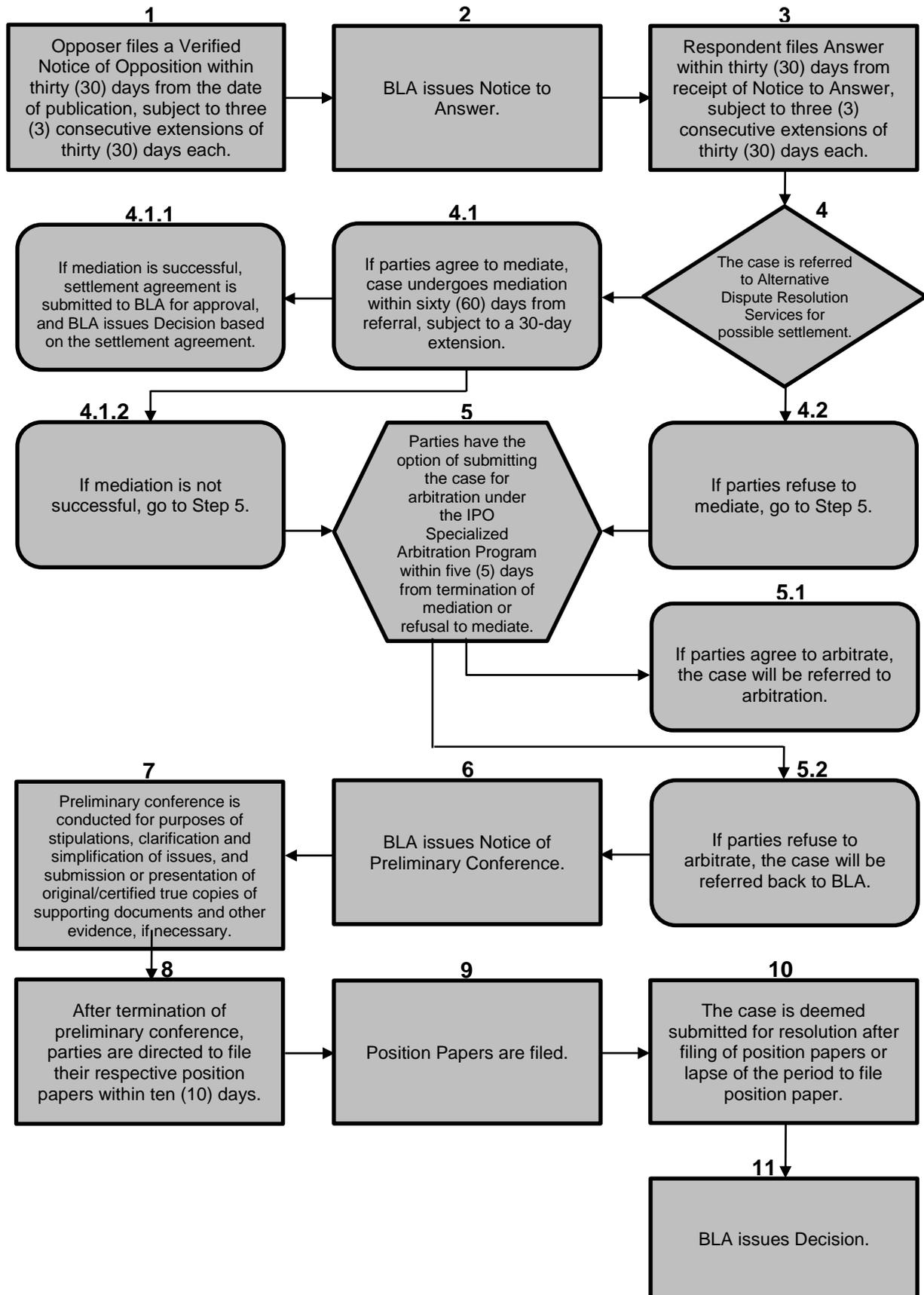
<sup>119</sup> If the mark nearly resembles such a mark as to be likely to deceive or cause confusion.

- b. A mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services; and
  - c. A mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines, with respect to goods or services which are not similar to those with respect to which registration is applied for.
- 3.2 **Eligible persons.** Any natural or juridical person, who believes that he/she/it would be damaged by the registration of a mark, may file a written notice of opposition to a published trademark application.<sup>120</sup>
- 3.3 **Period to file the opposition.** The verified Notice of Opposition must be filed within thirty (30) days from the date of the publication of the trademark application in the IPOPHL e-Gazette.
  - 3.3.1. Upon motion and payment of the prescribed fees - opposition fee of PHP 4,600 (approx. USD 304) and extension fee of PHP 1700 (approx. 35)<sup>121</sup>, the BLA may allow Opposer a maximum of three (3) extensions of thirty (30) days each, within which to file its opposition documents.
- 3.4 **Procedure for opposing a trademark application.** An overview of the procedural steps and timelines for inter partes cases is set out below.

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<sup>120</sup> Rule 7, Section 1, Inter Partes Regulations.

<sup>121</sup> <https://www.ipophil.gov.ph/services/schedule-of-fees/inter-partes-case-ip-rights-violations/>



Flowchart E-3: Overview of the procedural steps and timelines for inter partes cases

- 3.4.1. **Step 1: Notice of Opposition.** Opposition proceedings are *inter partes* and can only be initiated with the BLA of the IPOPHL by filing a written verified Notice of Opposition, which must be accompanied by a certificate of non-forum shopping, and must set out the following:
- (a) Names and addresses of the Opposer and the other parties, including the respondent;
  - (b) The assigned application number and the filing date of the trademark application opposed,
  - (c) The ultimate facts constituting the Opposer's cause or causes of action and the relief sought.<sup>122</sup>

The Opposer should attach the affidavits of the witnesses, documentary or object evidence, which must be duly marked starting from Exhibit "A", and other supporting documents mentioned in the Notice of Opposition, together with their translation in English, if not in the English language. If the documents are executed and notarized abroad, they must be authenticated by the appropriate Philippine diplomatic or consular office, and/or stamped with apostille.<sup>123</sup>

A copy of the opposition documents must be served on the respondent at the time of filing the documents.<sup>124</sup>

- 3.4.2. **Step 2: BLA Issues Notice to Answer.** If the opposition is determined to be compliant with the requirements or upon compliance with the order of the BLA, the latter shall immediately issue a Notice to Answer, addressed to and served upon the respondent-applicant or the representative/agent on record.<sup>125</sup>

The opposition may be dismissed outright and/or *motu proprio* for having been filed out of time, due to lack of jurisdiction, and/or failure to state a cause of action.

The Opposer shall be given a period of five (5) from receipt of the order to complete or to cure any defects in the opposition. Failure to complete or cure the defect shall cause the dismissal of the case.

- 3.4.3. **Step 3: Respondent files Answer.** The respondent must, within thirty (30) days from the date of receipt of the Notice to Answer, file a verified Answer, with proof of service to the Opposer.<sup>126</sup>

The respondent shall attach to the Answer the affidavits of witnesses and other documentary or object evidence, which must be duly marked starting from Exhibit "1". Similarly, the verification and the document showing the authority of the signatory thereto, the affidavits and other pertinent documents, if executed and notarized must be authenticated by the appropriate Philippine diplomatic or consular office, and/or stamped with apostille.<sup>127</sup>

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<sup>122</sup> Section 7, Rule 1, Inter Partes Regulations.

<sup>123</sup> *Id.*

<sup>124</sup> <https://www.ipophil.gov.ph/services/schedule-of-fees/inter-partes-case-ip-rights-violations/>

<sup>125</sup> Section 8, Rule 1, Inter Partes Regulations.

<sup>126</sup> *Id.*, Section 9.

<sup>127</sup> *Id.*

Upon proper and meritorious grounds and payment of the applicable fees (PHP 650 or approx. USD 12), the respondent may, upon motion, be granted a maximum of three (3) extensions of thirty (30) days each within which to file its verified Answer.<sup>128</sup>

Similarly, the respondent shall be given a period of five (5) from receipt of the order to complete or to cure any defects in its Answer.<sup>129</sup>

- a. No motion to dismiss shall be entertained. Instead, all grounds for dismissal shall be pleaded as affirmative defenses, the resolution of which shall be made in the decision on the merits. Neither shall a motion for bill of particulars, motion for reconsideration of interlocutory orders, and all other pleadings subsequent to the filing of an Answer, shall be allowed.<sup>130</sup>
- b. The respondent shall be declared in default should it fail to file an Answer or to complete the requirements on time.<sup>131</sup>

3.4.4. **Step 4: Mediation.** The case shall be referred to IPOPHL's ADRS for mediation.

3.4.4.1. Both parties shall pay a mediation fee of PHP 4,000 (approx. USD 83) each before the start of the session.<sup>132</sup> Failure of the Opposer to appear for mediation is a ground for dismissal of the case. On the other hand, should respondent fail to attend, he/she may be declared in default.<sup>133</sup>

3.4.4.2. All mediation conferences shall be conducted in private, and the proceedings thereto, including all incidents, shall be kept strictly confidential. As such, any admission and statement made during mediation shall be inadmissible in a proceeding, unless otherwise specifically provided by law.<sup>134</sup>

3.4.4.3. If the mediation is successful, the mediator shall, within five (5) days from the parties' submission of their compromise agreement, refer the agreement to the BLA. The latter shall, within three (3) days from receipt of the Compromise Agreement, approve the same unless the same is found to be contrary to law, public policy, morals or good customs, in which case the agreement shall be sent back to the parties, through the ADRS, within the same period specifying in writing the objections. Upon the parties' revision or amendment of the agreement, the same shall be returned again to the originating office for approval.<sup>135</sup>

An approved Compromise Agreement shall have the effect of a decision or judgment on the case and shall be enforced accordingly.

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<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*, Section 10.

<sup>131</sup> *Id.*, Section 12.

<sup>132</sup> Section 7, Rules for Mediation.

<sup>133</sup> *Id.*, Section 8

<sup>134</sup> *Id.*, Section 9.

<sup>135</sup> *Id.*, Section 5.

- 3.4.4.4. If the mediation is not successful, the mediator shall declare the mediation unsuccessful and terminate the proceedings by issuing a Notice of Non-Settlement of Dispute.
- 3.4.5. **Step 5: Arbitration.** The parties will be actively encouraged to submit their case to Arbitration. In the event the parties agree, they shall be referred to the IPO Arbitration Office for arbitration proceedings. However, should the parties decline, the case shall forthwith proceed with pre-trial proper.
- 3.4.6. **Step 6: Raffle of the case and Preliminary Conference.** The BLA shall raffle the case to its Adjudication Officers.
- 3.4.6.1. If the respondent is in default, the Adjudication Officer shall issue the order of default and require the Opposer to submit or present within ten (10) days from receipt thereof the originals and/or certified copies of the affidavits, documentary evidence and object evidence, if necessary. The case shall be decided on the basis of the opposition, the affidavits of the witnesses and the documentary or object evidence submitted by the Opposer.<sup>136</sup>
- 3.4.6.2. Otherwise, the Adjudication Officer shall issue an order setting the case for preliminary conference for the purpose of facilitating the resolution of the case through stipulations, clarifications and simplification of issues, and the submission and/or presentation of the original or certified true copies of affidavits, documents, and other evidence if necessary.<sup>137</sup>
- 3.4.7. **Step 7. Submission of Position Papers.** Upon termination of the conference, the Adjudication Officer shall issue an order in open court, requiring the parties to submit their respective position papers within ten (10) days from the issuance of the order in open court. The position papers shall take up only those matters and issues covered or alleged in the petition or opposition and the Answer, the supporting evidence, and those determined during the preliminary conference. No new matters or issues shall be raised or included in the position papers.<sup>138</sup>
- 3.4.8. **Step 8. Submission for resolution.** After the lapse of the reglementary period within which to file the position paper, and with or without the parties having submitted the same, the case is deemed submitted for decision. The Adjudication Officer shall issue the decision or final order within sixty (60) days from date the case is deemed submitted for decision.<sup>139</sup>
- 3.5 **Effect of decision.** Unless appealed by the adverse party, the decision of the BLA dismissing or sustaining the opposition shall become final. The decision shall be included in the filewrapper of the trademark application, and acted upon by the Examiner of the BoT.<sup>140</sup>
- 3.6 **Appeal.** (see **Chapter C. Section IV. par. 4.9**)
- 3.7 **Publication of decisions.** (see **Chapter C. Section II. par. 2.7.1**)

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<sup>136</sup> Section 14, Rule 1, Inter Partes Regulations.

<sup>137</sup> *Id.*, Section 15.

<sup>138</sup> *Id.*, Section 14.

<sup>139</sup> *Id.*, Section 16.

<sup>140</sup> Section 5, Rule 3, Inter Partes Regulations.

## IV. Cancellation Proceedings

- 4.1 **Grounds and Period for Cancellation.** A trademark registration may be cancelled:<sup>141</sup>
- 4.1.1. Within five (5) years from the date of registration of the mark – based on any of the grounds for opposing the mark (see 3.1)
  - 4.1.2. At any time – if the registered mark:
    - 4.1.2.1. becomes the generic name for the goods or services for which it is registered;
    - 4.1.2.2. has been abandoned;
    - 4.1.2.3. was registered fraudulently or contrary to the provisions of the IP Code; or
    - 4.1.2.4. is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used.
  - 4.1.3. At any time - if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of at least three (3) years.
- 4.2 **Eligible Persons.** Any person who believes that he/she is or will be damaged by the registration of a mark may file with the BLA a petition to cancel such registration.<sup>142</sup>
- 4.3 **Procedure for Cancelling a Registered mark.** The procedure prescribed for the cancellation of patents and designs applies *mutatis mutandis* in the cancellation of trademarks. (see **Chapter C. Section IV. par. 4.4**)
- 4.4 **Effect of decision.** — If the BLA finds that a case for cancellation has been made out, it shall order the cancellation of the registration. When the order or judgment becomes final, any right conferred by such registration upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPOPHL e-Gazette.<sup>143</sup>
- 4.5 **Appeal.** (see **Chapter C. Section IV. par. 4.9**)
- 4.6 **Publication of decisions.** (see **Chapter C. Section II. par. 2.7.1**)

## V. Other Procedures to Challenge the Validity of a Trademark Registration

- 5.1 **Infringement.** In an action for infringement, the defendant may show that the trademark is invalid based on any of the grounds for cancellation of the mark (see **Chapter E. Section IV. par. 4.1**).
- 5.1.1. If, in an action for infringement filed before the court, the court finds the mark to be invalid, it shall cancel the same. Such order of cancellation shall be forwarded to the Director of the BoT who shall cause the recording and publication of notice

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<sup>141</sup> Section 2, Rule 8, Inter Partes Regulations.

<sup>142</sup> Section 1, Rule 8, Inter Partes Regulations.

<sup>143</sup> Section 5, Rule 8, Inter Partes Regulations.

of such order in the IPOPHL e-Gazette upon receipt of the final judgment of cancellation by the court. Such recording shall likewise be made in the register of the BoT.

## VI. Statistics

### 6.1 IPOPHL Statistics<sup>144 145</sup>

6.1.1. **BLA Cases Disposed/Resolved.**<sup>146</sup> Trademark cases disposed/resolved by the BLA between the years 2011 and 2020:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>147</sup>
<b>Opposition</b>	199	418	458	502	479	723	692	689	684	196
<b>Cancellation</b>	16	35	23	27	41	53	38	45	55	12
<b>Infringement</b>	7	4	2	2	11	9	12	6	14	1

6.1.2. **ODG Cases Disposed/Resolved.**<sup>148</sup> Trademark cases disposed/resolved by the ODG on appeal from 2011 to 2020.<sup>149</sup>

#### 6.1.2.1 Affirmed.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>150</sup>
<b>Ex Parte Cases</b> (e.g., appeal of examination refusals)	2	18	15	17	0	1	0	0	19	4
<b>Opposition</b>	14	48	81	54	1	16	21	18	118	7
<b>Cancellation</b>	0	13	2	5	0	3	2	4	18	0
<b>Infringement</b>	4	1	0	1	0	0	0	0	3	0

<sup>144</sup> The IPOPHL does not issue publicly available statistics on the number of trademark cases filed with IPOPHL each year. However, they release copies of their decisions online. The figures provided herein are based on review of all IPOPHL decisions published online.

<sup>145</sup> The IPOPHL does not issue publicly available statistics on the average time to resolve trademark IPC and IPV cases.

<sup>146</sup> There are no publicly available records / statistics on the number of trademark cases filed with the BLA each year.

<sup>147</sup> As of October 2020.

<sup>148</sup> There are no publicly available records / statistics on the number of trademark cases filed with the ODG each year.

<sup>149</sup> The IPOPHL does not issue publicly available statistics on the percentage of reversed cases at BoT and ODG levels.

<sup>150</sup> As of June 2020.

### 6.1.2.2 Reversed.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>151</sup>
<b>Ex Parte Cases</b> (e.g., appeal of examination refusals)	0	3	0	4	0	0	2	1	2	4
<b>Opposition</b>	7	9	8	22	0	1	3	9	47	0
<b>Cancellation</b>	0	1	0	3	0	0	0	0	4	0
<b>Infringement</b>	0	1	1	0	0	0	0	0	2	0

6.2 **Court Statistics.** The Philippine courts do not publish official statistics about the trademark cases decided/resolved by the courts.

## VII. Case Study

7.1 **Mang Inasal Philippines, Inc. v. IFP Manufacturing Corporation, G.R. No. 221717, 19 June 2017**

7.1.1. **Doctrine.** The dominant element "*INASAL*," as stylized in the Mang Inasal mark, is different from the term "inasal" *per se*. The term "inasal" *per se*, which means *barbecue* in English, is a descriptive term that cannot be appropriated. However, the dominant element "*INASAL*," as stylized in the Mang Inasal mark is not. Petitioner Mang Inasal Philippines, Inc. (MIPI), as the registered owner of the Mang Inasal mark, can claim exclusive use of such stylized element.

7.1.2. **Facts:** IFP applied to register "OK Hotdog Inasal Cheese Hotdog Flavor Mark" for Class 30 goods, which MIPI opposed.

MIPI is owner of the mark "Mang Inasal, Home of Real Pinoy Style Barbeque and Device" for services under Class 43. The mark was registered with the IPO in 2006 and had been used by MIPI for its chain of restaurants since 2003.

The goods that the OK Hotdog mark intends to identify (*i.e.*, curl snack products) are closely related to the services represented by the Mang Inasal mark (*i.e.*, fast food restaurants). Both marks (shown below) cover inasal or inasal-flavored food products/services.

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<sup>151</sup> As of June 2020.



MIPI's mark



IFP's mark

**7.1.3. Issue.** Whether IFP's OK Hotdog Inasal mark is likely to cause deception or confusion in the minds of the relevant public.

**7.1.4. Ruling.** Yes.

The single dominant feature of MIPI's mark is the stylized word "INASAL". The other elements of the mark - the word "MANG" written in black colored font at the upper left side of the mark and the phrase "HOME OF REAL PINOY STYLE BARBEQUE" - are not as visually outstanding as the mentioned feature.

Being the dominant element, the word "INASAL," as stylized in the Mang Inasal mark, is also the most distinctive and recognizable feature of the said mark.

The dominant element "INASAL," as stylized in the Mang Inasal mark, is different from the term "inasal" *per se*. The term "inasal" *per se*, which means *barbecue* in English, is a descriptive term that cannot be appropriated. However, the dominant element "INASAL," as stylized in the Mang Inasal mark is not. MIPI, as the registered owner of the Mang Inasal mark, can claim exclusive use of such stylized element.

The dominant element "INASAL" in the OK Hotdog Inasal mark is exactly the same as the dominant element "INASAL" in the Mang Inasal mark. Both elements in both marks are printed using the exact same red colored font, against the exact same black outline and yellow background, and are arranged in the exact same staggered format.

Given that the "INASAL" stylized element is, at the same time, the dominant and most distinctive feature of the Mang Inasal mark, the said element's incorporation in the OK Hotdog Inasal mark, thus, has the potential to project the deceptive and false impression that the latter mark is somehow linked or associated with the former mark.

The goods for which the registration of the OK Hotdog Inasal mark is sought are related to the services being represented by the Mang Inasal mark. MIPI uses the Mang Inasal mark in connection with its *restaurant services* that is particularly known for its chicken inasal.

IFP seeks to market under the OK Hotdog Inasal mark *curl snack products* which it publicizes as having an inasal flavor. It is the fact that the underlying goods and services of both marks deal with inasal and inasal-flavored products which ultimately fixes the relations between such goods and services.

Thus, an average buyer who comes across the curls marketed under the OK Hotdog Inasal mark is likely to be confused as to the true source of such curls.

## **ACKNOWLEDGEMENTS**

We would like to express our sincerest gratitude to Atty. Rowel S. Barba, Director General, Atty. Lolibeth R. Medrano, Director IV – BOP, Atty. Leny B. Raz, Director IV – BOT, Atty. Jesus Antonio Z. Ros, Director III – BoT, Atty. Nathaniel S. Arevalo, Director IV – BLA, and Atty. Louie Andrew C. Calvario, Chief of Staff – ODG of the IPOPHL for their kind support in the interview.

Japan Patent Office (JPO) Commissioned Survey

**Survey on the Appeal, Opposition, Revocation, and  
Invalidation Procedures Related to Patents,  
Designs, and Trademarks in the Philippines**

Published by  
**Japan External Trade Organization (JETRO)  
Singapore Office  
Intellectual Property Division**

In cooperation with  
**Baker McKenzie Wong & Leow**

March 2021

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