

RECENT LEGISLATION

On Patents and the Present Patent Law

The word "patent" as understood under the patent law is used to denote the exclusive right to the manufacture, sale or use which is secured by statute to those who invent or discover new and useful devices, manufactures and processes.

A mere perusal of the foregoing definition would indicate the purpose behind the creation of patents and why the Patent Law. Born of a desire that the benefits of inventions be enjoyed by the public at the earliest possible time, patents are granted by law to inventors as a reward for disclosing their inventions. By virtue of this grant, the inventor is protected in the exclusive right to the manufacture, use and sale of his products or processes, for a specified period. After expiration of this time allowed by law, the invention is made free to the public for it to use in an unrestricted manner. Reciprocal benefits are thus derived by both public and inventor in that the former derives from the invention something which it never had before, while the latter is given protection for a limited period for disclosure of his invention.¹

Although of American origin, our present Patent Law is not without its Spanish predecessor. Acting upon the deliberations and conclusions arrived at in a conference convened in Paris in 1883 for the purpose of formulating plans for the "protection of industrial property", the Spanish "Ministro de Fomento" framed the draft for a Spanish Patent Law on May 12, 1880. The same became law by virtue of a Royal decree on Oct. 26, 1888 and was made effective here upon its publication in the *Gaceta de Manila* on December 22, 1888. The law as it stood was made applicable to both Spaniards and foreigners. It vested authority to grant patents in the "gobernador civil" to whom all persons who wished to protect their inventions were required by law to make application. The law also provided for set periods during which the patentee was allowed to enjoy exclusive rights to his products. The patents were allowed for five, ten or twenty years, but in no case were they granted to last for more than twenty years unless a special law were passed to that effect.²

Thus stood the law on patents in the Philippines which remained unchanged until American occupation brought about new laws and subsequent repeal.

¹ Cf. General Information relating to Patents. Philippine Patent Office.

² *Diccionario de la Administracion de Filipinas*, 724-739, Berriz, Tomo II.

The first law relative to patents, which was enacted following American occupation of the Philippines was Act 666, passed on March 6, 1903. It served a triple purpose, namely, the protection of trade works, the protection of trade names, and restraint of unfair competition. During its forty-four years of existence it has undergone considerable amendment and has been the object of interpretations in numerous cases. Of the growth of this particular law, the Supreme court in the case of *Ang v. Teodoro* had this to say: "The Trade Mark Law, enacted in 1903 has grown in its implications and practical application, like a constitution in virtue of the life continuously breathed into it. It is not merely of local application; it has its counterpart in other jurisdictions of the civilized world from whose jurisprudence it has also received vitalizing nourishment."³

In spite of its utility and applicability, Act 666, and for that matter its other counterparts, Act 2235 providing for registration of patents of inventions, and Act No. 3134 which governed registration of copyrights, failed to provide for a distinct Patent Office. As a consequence, the owner of a trade mark or trade name in the Philippines, who wished to obtain therefor the benefits of registration, had to apply for the same to the Bureau of Commerce which granted or refused the registration under the provisions of Act No. 666. Prior to creation of the Philippine Patent Office, the inventor desiring patent protection for his inventions first had to apply for a patent in the U.S. Patent Office at Washington, D.C. If the U.S. Patent Office gave him a patent, then under the provisions of Act 2235, passed in 1913, he had to file a certified copy of his U.S. Patent with the Bureau of Commerce which in turn issued to him a certificate of registration covering said certified copy. By the terms of Act 2235, the filing in the Bureau of Commerce of the certified copy of the patent gave the owner within Philippine territory, the same protection for his invention or design that the Patent Laws gave him within the territory of the United States. With respect to the protection afforded intellectual property Act 3134, enacted in 1924 provided that persons desiring to register their copyrights should make application at the National Library.

Close on the heels of the granting of Philippine Independence on July 4, 1946. Congress of the Philippines on October 21, 1946, passed Republic Act No. 76 which deprived citizens of the U.S. of all

³ *Ang v. Teodoro*, O.G. for July 1943, p. 673; *Philippine Commercial Laws, Espiritu v. Alvendia*, p. 769.

privileges theretofore enjoyed by them in the Philippines under prior laws which were not likewise enjoyed by foreigners. Neither Act No. 2235 nor Act No. 666 and other special acts relative to trade-marks were affected by the passage of Rep. Act 76 inasmuch as the former applied to both Filipinos and foreigners with equal force. It did affect Act No. 3134, however, which accorded American nationals equal rights with Filipinos in obtaining copyrights in the Philippines. Aliens other than Americans, however, were given the right of obtaining copyrights only if they were domiciled in the Philippines at the time of filing their applications or if their respective countries permitted by convention or treaty, similar rights to citizens of both the Philippines and the United States. Republic Act No. 76 in effect placed American nationals on the same footing as other aliens until, at least, the United States succeed in establishing reciprocal copyright relations with the Philippines. As things now stand, definite steps have been taken toward the establishment of these relations but they have not gone beyond the stage of mere negotiation.

Congress in its regular session in the first part of 1947 enacted three measures which were simultaneously approved by the late President Roxas on June 20, 1947. These three measures became known as Republic Act No. 165, Republic Act No. 166 and Republic Act No. 167. Republic Act No. 165 repealed Act 2235 but recognized all patent rights already acquired thereunder. It likewise established an independent patent system for the Philippines and created a Patent Office for the country. Republic Act No. 166 repealed Act No. 666 and all other special trade-mark laws. It instituted a new trade-mark law and transferred the function of trade-mark registration from the Bureau of Commerce to the Patent Office. Republic Act No. 167 took away from the National Library (now known as the Bureau of Public Libraries) the function of copyright registration and gave it to the Patent Office without, however, enacting a new copyright law or amending Act No. 3134.

Republic Act No. 165, the Philippines' Patent Law, authorizes the Director of Patents to grant inventors (except those employed in the Patent Office) their heirs, legal representatives or assigns, letters patent for any new and useful invention embodied in a machine, manufactured product or substance, a process or in any improvement of any of the foregoing. Letters patent may also be granted to designers (not employed in the Patent Office), their heirs, legal representatives, or assigns; letters patent for any new and original creation relating to features of shape, pattern, configuration, ornamentation or artistic appearance of an article of commerce.

Letters patent issued for an invention authorizes the patentee to exclude others from making, using, or vending the invention for a period of seventeen years unless the patent is subsequently voided (a) by the Patent Office in cancellation proceedings or (b) by the courts in a suit for infringement. Letters patent issued for a design gives the patentee, for a period of from five to fifteen years, at the option of the patentee, the right to exclude others from making, using, or vending articles embodying the design unless the patent is subsequently voided by the Patent Office or by the courts.

Proceedings for the grants of patents for inventions and designs are *ex parte* throughout. No opposition to the grant of a patent is permitted by law. However, any person damaged by the grant of a patent is authorized, upon grounds and within the period specified by statute to petition for the cancellation of the patent. The Director of Patents is further authorized by the patent law to grant upon petition and upon the grounds specified by law, compulsory licenses for the use of a patent by others, and to fix the terms and conditions of the license in lieu of agreement between the patentee and the petitioner. Proceedings for compulsory licensing as well as proceedings for cancellation, are *inter partes*.

The trade mark law allows for the registration of trade marks, trade names, service marks and marks and names of collectivities, which are actually used in trade in the Philippines and which do not fall within any of the classes prohibited under Section 4 of the Statute. Laws prior to Republic Act No. 166 permitted registration of trade marks and trade names but did not allow registration of trade marks which had required a "secondary meaning." Registration of such trade marks is now provided for by said Republic Act. Unlike the laws preceding it the present law does not specify as to the manner in which original ownership of a trade mark, trade name or service mark may be acquired. In the absence of such provision the principle of first use is taken into consideration as basis of ownership.

The certificates of registration which may be granted by the Director of Patents under the trade mark law cover a period of twenty years unless sooner voided by the Patent Office in cancellation proceedings or by the courts in an infringement suit. As in the case of patents granted for inventions, cancellation and opposition proceedings under this law are *inter partes*.

Under the copyright law, the Director of Patents is authorized to register for a term of thirty years, just claims to copyright in intellectual works such as books, periodicals, dramatic composi-

tions, maps, plans, works of art, etc. In case of works issued in a series, the registration covers a period of forty years.

Proceedings for registration are *ex parte* unless, in case of works published before copyright is applied for, somebody claiming to be entitled to the applicant. The copyright law does not authorize the Director of Patents to cancel a copyright registration once the certificate of registration has been issued, nor to grant compulsory licenses to permit others to print and sell the work covered by the copyright.

Decisions and orders of the Director of Patents in cases falling under the Patent, trade-mark, or copyright laws are by the provisions of said laws, made appealable *not* to the Department Head but to the Philippine Supreme Court through proper petition for review. Chapter XIII of Republic Act No. 165 outlines the procedure for filing an appeal to the Supreme Court and sets forth the manner in which the appeal shall be heard.⁴

That the present laws on patents, trademarks and copyrights are abrogative of the laws prior, especially as regards the provision creating a Patent Office for the Philippines cannot be doubted. The laws, standing new as they are, are in need of interpretation. Pending such interpretation by the occurrence and adjudication of illustrative cases, reference may still be had to interpretations gleaned from cases decided under Act No. 666.

⁴Cf. First Annual Report of the Director of Patents, to the Secretary of Commerce & Industry.

An Act Creating a Patent Office, Prescribing Its Powers and Duties, Regulating the Issuance of Patents, and Appropriating Funds Therefor.

(Republic Act No. 165)

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

CHAPTER I.—ORGANIZATION AND OPERATION

Section 1. **Patent Office.**—There is hereby created a “Patent Office” under the executive supervision of the Department of Justice, where all records, books, drawings, specifications, and other papers and things pertaining to patents shall be safely kept and preserved.

Sec. 2. **Officers and employees of the Patent Office.**—The Patent Office shall be under the direction of the Director who shall have an assistant to be known as Assistant Director. The Director and Assistant Director shall be appointed by the President with the consent of the Commission on Appointments of the Congress of the Philippines, and shall hold office during good behavior. The Director shall receive a salary of seven thousand two hundred pesos a year, and the Assistant Director a salary of six thousand pesos a year.

To carry into effect the provisions of this Act, there shall also be in said office such other officers and employees as may be appointed by the Secretary of Justice upon recommendation of the Director.

The term “Office” used in this Act means the Patent Office.

The term “Director” used in this Act refers to the Director of Patents or the Assistant Director of Patents when acting as or performing the duties of the Director.

Sec. 3. **Special technical and scientific assistance.**—The Director is empowered to obtain the assistance of technical, scientific or other qualified officers or employees of other departments, bureaus, offices, agencies and instrumentalities of the Government including corporations owned, controlled or operated by the Government, when deemed necessary in the consideration of any matter submitted to the Office relative to the enforcement of the provisions of this Act.

Sec. 4. **Seal of Office.**—The office shall have a seal with which patents and other papers issued by it shall be authenticated. The form and design of the seal shall be approved by the President of the Philippines.

Sec. 5. **Publication of Laws and rules.**—The Director shall print, of course to be printed, and make available for distribution, pamphlet copies of the laws and of the rules and regulations of the Office, and may print circulars of information relating to matters within the jurisdiction of the Office.

Sec. 6. **Publication of certain matters in the Official Gazette.**—There shall be published in the Official Gazette a suitable view of the drawing, if there be a drawing, and the claims of each patent issued; the rules and regulations duly promulgated and the amendments thereto; an annual index of the names of inventors and patentees and the title of the inventions covered by the patents issued during each fiscal year; all notices and decisions required under this Act to be published; and

such other information relating to patents and other matters within the jurisdiction of the Office, as may, in the discretion of the Director, be useful to the public.

CHAPTER II.—INVENTIONS PATENTABLE

Sec. 7. **Inventions patentable.**—Any invention of a new and useful machine, manufactured product or substance, process, or an improvement of any of the foregoing, shall be patentable.

Sec. 8. **Inventions not patentable.**—An invention shall not be patentable if it is contrary to public order or morals, or to public health or welfare, or if it constitutes a mere idea, scientific principles or abstract theorem not embodied in an invention as specified in section seven hereof, or any process not directed to the making or improving of a commercial product.

Sec. 9. **Invention not considered new or patentable.**—An invention shall not be considered new or capable of being patented if it was known or used by others in the Philippines before the invention thereof by the inventor named in an application for patent for the invention, or if it was patented or described in any printed publication in the Philippines or any foreign country more than one year before the application for a patent therefor; or if it had been in public use or on sale in the Philippines for more than one year before the application for a patent therefor; or if it is the subject matter of a validly issued patent in the Philippines granted or an application filed before the filing of the application for patent therefor.

CHAPTER III.—APPLICATION FOR PATENT

Sec. 10. **Right to patent.**—The right to the patent belongs to the true and actual inventor, his heirs, legal representatives or assigns. If two or more persons have an invention jointly, the right to the patent belongs to them jointly. If two or more persons have made the invention separately and independently of each other, the right to the patent shall belong to the person who is the first to file an application for such invention, unless the contrary is shown.

Sec. 11. **Applications by non-residents.**—Any person filing an application for patent who is not a resident of the Philippines must appoint an agent or representative in the Philippines upon whom notice, or process relating to the application for patent may be served. In the event of death, absence or inability of the agent or representative, a new agent or representative must be appointed, and notice thereof must be filed in the Office. Upon failure to maintain an agent or representative of record in this Office, service on the Director shall be deemed sufficient.

Sec. 12. **Who may apply for patent.**—An application for patent may be filed only by the inventor, his heirs, legal representatives or assigns.

Sec. 13. **The application.**—The application for patent shall be in English or Spanish, or in the National Language with its corresponding English translation, and signed by the applicant, and shall include a statement giving the name, address, and citizenship or nationality of the applicant and of the inventor, if the applicant is not the inventor, and;

- (a) A specification,
- (b) Drawings, where the invention can be shown by drawings,
- (c) Power of attorney if the filing is through an attorney.

(d) The assignment or a certified copy of the assignment of the invention for recording, where the application is filed by one who derives his title from the inventor, or proof of title if the derivation is not by assignment,

(e) A sworn statement by the inventor of his inventorship, or such sworn statement may be made by his heirs or legal representatives in case of death or incapacity of the inventor, however, such sworn statement will not be required if a certified copy of a previously filed foreign application containing the same is filed,

(f) The appointment of a resident agent or representative in cases coming under section eleven hereof, and

(g) The required fee.

Sec. 14. The specification.—The specification shall include:

(a) The title of the invention,

(b) A brief statement of its nature and purpose,

(c) A brief explanation of the drawings, where there are drawings,

(d) A complete and detailed description of the invention in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which the invention relates to make and practice the invention, and

(e) A distinct and explicit claim or claims of the subject matter which the applicant claims as new and seeks to have patented.

Sec. 15. Applications previously filed abroad.—An application for a patent for an invention filed in this country by any person who has previously regularly filed an application for a patent for the same invention in a foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the Philippines shall have the same force and effect as the same applicant would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country; Provided, That the application in this country is filed within twelve months from the earliest date on which any such foreign application together with a translation thereof into English, if not in the English language, is filed within six months from the date of filing in the Philippines, unless the Director for good cause shown shall extend the time for filing such certified copy.

CHAPTER IV.—ISSUANCE OF PATENT

Sec. 16. Formal examination of the application.—When an application for patent has been filed the Director shall determine whether it complies with the formal requirements. If the application is defective in this respect the applicant shall be notified of the specific defects and a time fixed, not less than four months, within which such defects may be remedied.

If the applicant fails to request reconsideration or to remedy the defects within the time fixed by the Director, or within such additional time, not exceeding four months, as may be granted, the application shall be denied.

Sec. 17. Multiple inventions in one application.—If several independent inventions which are not so closely related as to be proper in one application are claimed, the Director may require the application to be restricted to a single invention in the same manner as notifications of defects in the application. A later application filed for an invention divided out shall be considered as having been filed on the same day as the first application provided the later application is filed within four months after the requirement to divide becomes final, or within such additional time, not exceeding four months, as may be granted.

Sec. 18. Issuance of patent.—If the original or corrected application is in order, the Director shall issue the patent and shall, as soon as practicable, make the publication required by section six, Chapter I hereof.

Sec. 19. How issued.—The patent shall be issued in the name of the Republic of the Philippines under the seal of the office and shall be signed by the Director, and registered together with the specification and drawings, if any, in books and records of the Office to be kept for the purpose.

Sec. 20. Content of patent.—The patent shall contain the patent number, the title of the invention, the name and the residence of the inventor and of the patentee if the patentee be other than the inventor, the date on which the application was filed, the date on which it is issued, and a grant to the patentee, his heirs or assigns, of the exclusive right to the invention throughout the Republic of the Philippines for the term thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

SECS. 21-24. TRADE-MARKS AND UNFAIR COMPETITION.

CHAPTER V.—TERM OF PATENT

Sec. 21. Term of Patent.—The term of a patent shall begin on the date when the patent is issued as shown on the face thereof and shall expire seventeen years thereafter. However, a patent shall cease to be in force and effect if the patentee fails to pay the prescribed annual fees within the prescribed times hereinafter provided or if the patent is cancelled in accordance with the provisions of this Act.

Sec. 22. Annual fees.—The first annual fee on a patent shall be due and payable on the expiration of four years from the date of issue. In a similar manner, annual fees in subsisting patents shall be due and payable on the fifth and each subsequent anniversary of the date of issue. If any annual fee is not paid within the prescribed time, a notice of the nonpayment shall be published on the Official Gazette and the patentee shall have six months from the date of the publication to pay the fee together with the surcharge required for the delayed payment. A notice of the lapsing of a patent for nonpayment of any annual fee shall be published in the Official Gazette.

Sec. 23. Reinstatement of a lapsed patent.—Within two years from the date on which the first unpaid annual fee was due, a patent which has lapsed for nonpayment of any annual fee may be reinstated upon payment of all annual fees then due and the surcharge for reinstatement.

ment, and upon proof satisfactory to the Director that such nonpayment was due to fraud, accident, mistake or excusable negligence: Provided, however, that such reinstatement shall not prejudice the rights acquired by a third person while the patent was not in force.

CHAPTER VI.—SURRENDER, CORRECTION AND AMENDMENTS OF PATENT

Sec. 24. Surrender of patent.—Any patentee, with the consent of all persons having grants or licenses or other right, title or interest in and to the patent and the invention covered thereby, which have been recorded in the Office, may surrender his patent or any claim or claims forming part thereof to the Director for cancellation.

Sec. 25. Correction of mistakes of Office.—The Director shall have the power to correct without fee any mistake in a patent incurred through the fault of the Office when clearly disclosed by the records thereof, to make the patent conform to the records.

Sec. 26. Correction of mistake of application.—On payment of the prescribed fee the Director is authorized to correct any mistake in a patent of a formal or clerical nature, not incurred through the fault of the Office.

Sec. 27. Form and publication of amendment.—Amendment or correction of a patent as provided in sections twenty-five and twenty-six hereof, shall be accomplished by a certificate of such amendment, or correction authenticated by the seal of the Office and signed by the Director, which certificate shall be attached to the patent if the patent has been returned to the Director. Notice of such amendment or correction shall be published in the Official Gazette, and copies of the patent furnished by the Office shall include a copy of the certificate of the amendment or correction.

CHAPTER VII.—CANCELLATION OF PATENTS

Sec. 28. General grounds for cancellation.—Any person may on payment of the required fee petition the Director within three years from the date of publication of the issue of the patent in the Official Gazette, to cancel the patent or any claim thereof, on any of the following grounds:

(a) That the invention is not new or patentable in accordance with sections seven, eight and nine, Chapter II hereof;

(b) That the specification does not comply with the requirement of section fourteen Chapter III hereof; or

(c) That the person to whom the patent was issued was not the true and actual inventor or did not derive his rights from the true and actual inventor.

Sec. 29. When patent may be cancelled at any time.—A petition to cancel a patent on any of the grounds specified in the next preceding section may be filed at any time by the Solicitor General.

Sec. 30. Requirements of the petition.—The petition for cancellation must be in writing and verified by the petitioner or by any person on his behalf who knows the facts, and shall specify the grounds upon which it is based, and include a statement of the facts to be relied upon. Copies of printed publications or of patents of other countries or other

supporting documents mentioned in the petition shall be filed therewith, together with the transaction thereof into English, if not in the English language.

Sec. 31. Notice and hearing.—Upon the filing of a petition for cancellation, the Director shall forthwith serve notice of the filing thereof 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, as appears of record in the Office, and of notice of the date of hearing thereon on such persons and the petitioner. Notice of the filing of the petition shall be published in the Official Gazette.

Sec. 32. Cancellation of the patent.—If the Director finds that a case for cancellation has been made out he shall order the patent or any specified claim or claims thereof cancelled. The order shall not become effective until the time for appeal has elapsed or, if appeal is taken, until the judgment on appeal becomes final. When the order or judgment becomes final, any rights conferred upon the patentee by the patent or any specified claim or claims cancelled thereby shall terminate. Notice of cancellation shall be published in the Official Gazette.

Sec. 33. Cancellation for fraud on the inventor.—In the case of the ground specified in paragraph (c), section twenty-eight hereof, if the petition for cancellation is made by or on behalf of the true and actual inventor from whom the patentee fraudulently derived the invention and is successful on this ground, a patent may be obtained by such inventor, if he does not have a patent, notwithstanding any knowledge or use or publication of the patent cancelled: Provided, That the true and actual inventor shall file an application for patent for such invention within six months after the order of cancellation has become final. The term of such patent, however, shall expire seventeen years from the date of issue of the patent cancelled.

CHAPTER VIII.—COMPULSORY LICENSING

Sec. 34. Grounds for compulsory license.—Any person may apply to the Director for the grant of a license under a particular patent at any time after the expiration of three years from the date of the grant of the patent, under any of the following circumstances:

(a) If the patented invention is not being worked within the Philippines on a commercial scale, although capable of being so worked, without satisfactory reason;

(b) If the demand for the patented article in the Philippines is not being met to an adequate extent and on reasonable terms, without satisfactory reason;

(c) If by reason of the refusal of the patentee to grant a license or licenses on reasonable terms, or by reason of the conditions attached by the patentee to licenses or to the purchase, lease or use of the patented article or working of the patented process or machine of production the establishment of any new trade or industry in the Philippines is prevented, or the trade or industry therein is unduly restrained; or

(d) If the patented invention relates to food or medicine or is necessary for public health or public safety.

The term "worked" or "working" as used in this section means the manufacture and sale of a patented article, or the carrying on of a

patented process or the use of a patented machine for production, in or by means of a definite and substantial establishment or organization in the Philippines and on a scale which is adequate and reasonable under the circumstances.

Sec. 35. Notice and hearing.—Upon the filing of a petition under section thirty-four hereof, notice shall be given in the same manner and form as that provided in section thirty-one, Chapter VII hereof.

Sec. 36. Grant of license.—If the Director finds that a case for the grant of a license under section thirty-four hereof has been made out, he may order the grant of an appropriate license and in default of agreement among the parties as to the terms and conditions of the license he shall fix the terms and conditions of the license in the order.

The order of the Director granting a license under this Chapter, when final, shall operate as a deed granting a license executed by the patentee and the other parties and interests.

CHAPTER IX.—RIGHTS OF PATENTEES AND INFRINGEMENT OF PATENTS

Sec. 37. Rights of patentees.—A patentee shall have the exclusive right to make, use and sell the patented machine, article or product, and to use the patented process for the purpose of industry or commerce, throughout the territory of the Philippines for the term of the patent; and such making, using, or selling by any person without the authorization of the patentee constitutes infringement of the patent.

Sec. 38. Experimental use of invention.—The making or using of a patented invention when not conducted for profit and solely for the purpose of research or experiment, or for instruction, shall not constitute infringement

Sec. 39. Temporary presence in the country.—No patent shall prevent the use of any invention in any ship, vessel, aircraft, or land vehicle of any other country entering the territory of the Philippines temporary or accidentally, and such use shall not constitute infringement of the patent, provided such invention is used exclusively for the needs of the ship, vessel, aircraft, or land vehicle and not used for the manufacture of anything to be sold within or exported from the Philippines.

Sec. 40. Rights of third parties prior to application.—Any person who has purchased or acquired of the inventor, his legal representatives, or assigns or who, with their knowledge and consent, constructs any newly invented device or other patentable article, prior to the filing of the application therefor, shall have the right to use and sell the specific thing purchased, acquired or made, without liability therefor.

Sec. 41. Use of invention by the Government.—The Government of the Philippines may use any patented invention at any time for governmental purposes, and the manufacture or use of the invention by or for the Government for such purposes shall not constitute infringement of the patent, but the patentee shall be entitled to receive a reasonable compensation for the use of the invention.

CHAPTER X.—ACTIONS AND REMEDIES FOR INFRINGEMENT

Sec. 42. Civil action for infringement.—Any patentee, or anyone possessing any right, title or interest in and to the patented invention,

whose rights have been infringed, may bring a civil action before the proper Court of First Instance to recover from the infringer damages sustained by reason of the infringement and to secure an injunction for the protection of his rights.

If the damages are inadequate or cannot be readily ascertained with reasonable certainty, the court may award as damages a sum amounting to reasonable royalty.

The court may, according to the circumstances of the case, award damages in a sum above the amount found as actual damages sustained provided the award does not exceed three times the amount of such actual damages.

Sec. 43. Limitation of action for damages.—No damages can be recovered for acts of infringement committed more than four years before the institution of the action for infringement.

Sec. 44. Damages not recoverable for want of notice or marking.—Damages cannot be recovered for acts of infringement committed before the infringer had actual notice of the patent, unless the patentee or those exploiting the invention on his behalf or under his authorization have given notice to the public that the machine, device article or process is patented either by placing thereon the words "Philippines Patent" with the number of the patent, or when from the nature of the article this cannot reasonably be done, by placing such notice on the package or container in which the device or article is supplied to the public, or in descriptive or advertising matter used in connection with the patented machine, device, article or process.

Sec. 45. Defenses in action for infringement.—In an action for infringement the defendant, in addition to other defenses available to him, may show the invalidity of the patent or any claim thereof on any of the grounds on which a petition of cancellation can be brought under section twenty-eight, Chapter VII hereof.

Sec. 46. Patent found invalid to be cancelled.—If the court shall find the patent or any claim thereof invalid, the Director shall, on certification of the final judgment to the Office, issue an order cancelling the patent or the claims found invalid, and shall publish a notice thereof in the Official Gazette.

Sec. 47. Assessors in infringement action.—Two or more assessors may be appointed by the court. The assessors shall be so qualified by the necessary scientific and technical knowledge required by the subject matter in suit. Either party may, as a preliminary question, challenge the fitness of any assessor to sit in an action.

Each assessor shall receive a compensation in an amount to be fixed by the court and advanced by the complaining party, and thereafter to be taxed as costs in favor of the prevailing party.

Sec. 48. Criminal action for repetition of infringement.—If infringement is repeated by the infringer or by anyone in connivance with him after final judgment of the court against the infringer, the parties liable shall, without prejudice to further civil action, be punished by a fine not exceeding ten thousand pesos and imprisonment not exceeding five years or both such fine and imprisonment in the discretion of the court, in a criminal action instituted for the purpose. The criminal action herein provided shall prescribe in two years.

Sec. 49 Appeal may be taken from the judgment of the court in civil and criminal actions herein provided in the same manner as in other actions.

CHAPTER XI.—ASSIGNMENT AND TRANSMISSION OF RIGHTS

Sec. 50. **Transmission of Rights.**—Patents and the inventions covered thereby shall be protected as and have the applicable rights of other property. Inventions and any right, title or interest in and to patents and inventions covered thereby may be assigned, or transmitted by inheritance or bequest.

Sec. 51. **Assignment of inventions.**—An assignment may be of the entire right, title or interest in and to the patent and the invention covered thereby, or of an undivided share of the entire patent and invention in which event the parties become joint owners thereof. An assignment may be limited to a specified territory.

Sec. 52. **Form of assignment.**—The assignment must be in writing, acknowledged before a notary public or other officer authorized to administer oaths or perform notarial acts and certified under the hand and official seal of the notary or other officer.

Sec. 53. **Recording.**—The Director shall record assignments, licenses and other instruments relating to any right, title or interest in and to inventions, and patents or inventions covered thereby, which are presented in due form to the Office for registration, in books, records kept for the purpose. The original document together with a signed duplicate thereof shall be filed, but if the original is not available, an authenticated copy thereof in duplicate may be filed. Upon recording, the Director shall retain the duplicate, and return the original or the authenticated copy to the party filing with a notation of the fact of record. Notice of the recording shall be published in the Official Gazette.

Such instruments shall be void as against any subsequent purchaser or mortgagee, for a valuable consideration and without notice unless it is recorded in the Office within three months from the date thereof, or prior to the subsequent purchase or mortgage.

Sec. 54. **Rights of joint owners.**—If two or more persons jointly own a patent and the invention covered thereby either by the issuing of the patent to them jointly or by reason of the assignment of an undivided share in the patent and invention or by reason of the succession in title to such share, each of the joint owners, shall be entitled to personally make, use, or sell the invention for his own profit, subject to any contract or agreement, but neither of the owners shall be entitled to grant licenses or to assign his right, title or interest or part thereof without the consent of the owner or owners, or without proportionately dividing the proceeds with the other owner or owners.

CHAPTER XII.—DESIGNS

Sec. 55. **Industrial designs.**—Any new and original creation relating to the features of shape, pattern, configuration ornamentation, or artistic appearance of an article or industrial product may be protected as an industrial design by the author in the same manner and subject to the same provisions and requirements as relate to patents for inventions insofar as they are applicable, except as otherwise hereinafter provided.

Sec. 56. **Six months publication.**—The period of one year specified in section nine, Chapter II, and sections fifteen, Chapter III, hereof, for inventions shall be six months in the case of designs.

Sec. 57. **Notice of registration shall be published.**—Notice of registration of the design shall be published in the Official Gazette.

Sec. 58. **Term and extension thereof.**—The term of the design registration shall be five years from the date of registration.

Before the expiration of the five-year term upon payment of the required fee, or within a further time thereafter not to exceed six months upon payment of the surcharge, the owner of the registration may apply for an extension for an additional five years. The application for extension must be accompanied by an affidavit showing that the design is in commercial or industrial use in the Philippines or satisfactorily explaining non-use. In a similar manner an extension for a third five-year period may be obtained.

Sec. 59. **Marking.**—The marking required by section forty-four, Chapter X, hereof, shall be "Philippines Design Registration," or appropriate abbreviation, and the number of the registration.

Sec. 60. **Infringement.**—Infringement of a design registration shall consist in unauthorized copying of the registered design for the purpose of trade or industry in the article or product and in the making using, or selling of the article or product copying the registered design. Identity or substantial identity with the registered design shall constitute evidence of copying.

CHAPTER XIII.—REVIEW OR ORDERS OR DECISIONS OF DIRECTOR

Sec. 61. **Appeal from action of Director.**—The applicant for a patent or for the registration of a design, any party to a proceeding to cancel a patent or to obtain a compulsory license, and any party to any other proceeding in the Office may appeal to the Supreme Court from any final order or decision of the Director.

Sec. 62. **Stay.**—A petition for review of any order or decision of the Director rejecting in whole or in part an application for a patent or registration of a design, shall not stay any order or decision of the Director in respect of any other applications then pending for a patent or design registration: But the Director shall proceed to act on such other applications without regard to such petition unless the Supreme Court shall otherwise direct.

Sec. 63. **How appeal is perfected.**—An appeal from an order or decision of the Director shall be perfected by filing with the Director a notice of appeal and the payment of the required appeal fee and filing with the Supreme Court a petition for review, within thirty days from notice of the order or decision appealed from.

Sec. 64. **Contents and notice of petition.**—The petition shall contain a summary statement of the issues involved and the reasons relied upon for allowance of a review. Copies of the petition shall be served upon the Director and all other parties in interest.

Sec. 65. **Docketing fee and deposit for costs.**—Upon filing the petition for review, the petitioner shall pay to the clerk of the Supreme Court the docketing fee and shall deposit the sum of one hundred pesos for costs.

Sec. 66. **Elevation of copy of record.**—Upon the filing of the petition, notice thereof shall be served by the clerk of the Supreme Court upon the director, who within thirty days thereafter shall certify and forward to the Supreme Court a copy of the record as the same appears in his Office.

Sec. 67. **Answer of respondent.**—Upon receipt of the record, the clerk of the Supreme Court shall serve notice upon the Director and all other parties in interest, requiring them to answer within ten days from service. Copies of such answer shall be served upon the petitioner.

Sec. 68. **Power of court.**—The Supreme Court may, on petition filed within five days after the filing of the answer, allow the parties to adduce additional evidence material to the matter at issue, which shall constitute a supplementary record to be considered in connection with the record on appeal.

Sec. 69. **Representation by Solicitor General.**—In all appeals from an order or decision of the Director the Solicitor General shall appear on behalf of the Director.

Sec. 70. **Briefs on appeal.**—Upon receipt of the answer to the petition or upon conclusion of the presentation of additional evidence, the clerk of the Supreme Court shall notify the parties, and the petitioner, within thirty days from such notice, shall file twenty copies of his brief upon the adverse parties and, within thirty days from such service, the adverse parties shall file twenty copies of their brief together with proof of service of five copies thereof upon the petitioner.

Sec. 71. **Inclusion in calendar.**—Upon the filing of the respondent's brief, or after the expiration of the time for its filing, the case shall be included in the regular calendar, unless the court advances the hearing for special cause shown.

Sec. 72. **Oral argument, its duration.**—Each party is entitled to one hour for oral argument, extendible in the discretion of the court.

Sec. 73. **Rules of court applicable.**—In all other matters not herein provided, the applicable provisions of the Rules of Court shall govern.

CHAPTER XIV.—PENALTY FOR FALSE MARKING

Sec. 74. **Penalty for false marking.**—Any person who falsely represents or indicates that any devices, articles or product made or sold by him is patented, or is the subject of a registered design, by making or having on the device, article or product, or on their containers or packages, or using in advertising or displays used in connection with them, or with any process, words expressing or implying that the device, article, product or process is patented or registered, shall be subject to a fine of not less than one hundred pesos nor more than one thousand pesos, or imprisonment for not less than one month nor more than one year, or both, in the discretion of the court. Actions hereunder shall prescribe in two years.

Sec. 75. Fees.—The following fees shall be paid:

For filing an application for patent, which shall include the cost of publication in the Official Gazette, two hundred pesos;

For annual fees due at the beginning of the fifth and each succeeding year, one hundred pesos each year;

For surcharge for delayed payment of an annual fee, twenty-five pesos;

For reinstating lapsed patent, one hundred pesos;

For filing a petition for cancellation, except when filed by the Solicitor General, fifty pesos;

For filing a petition for a compulsory license, one hundred pesos;

For copies of records of the Office, two pesos per photostat sheet, one peso per hundred words of typewritten copy;

For each certification of copy of any records, ten pesos;

For recording assignments, and other documents relating to title, and license, ten pesos;

For notice of appeal from the order or decision of the Director, twenty-five pesos;

For filing application for registration of a design, fifty pesos;

For renewing design registration, fifty pesos;

For surcharge for delayed renewal of design registration, twenty pesos; and

For services not otherwise specified, the Director shall provide by regulation, the fees therefor.

CHAPTER XV.—MISCELLANEOUS

Sec. 76. Certain priority rights for filing application extended.—The rights of priority provided by section nine, Chapter II; section fifteen, Chapter III; and section fifty-six, Chapter XII hereof for the filing of applications for patent for inventions and designs, which rights had not expired on the eighth day of December, nineteen hundred and forty-one, or which rights have arisen since the eighth day of December, nineteen hundred and forty-one, are extended until the first day of July, nineteen hundred and forty-eight, in favor of the citizens of the Philippines or citizens or subjects of countries which have extended, or which now extend, or which within said period ending the first day of July, nineteen hundred and forty-eight, shall extend substantially reciprocal privileges to citizens of the Philippines.

Sec. 77. Disqualification of officers and employees from acquiring patents and designs registrations.—All officers and employees of the Office shall not, during their employment and for one year thereafter, apply for a grant of patent or for the registration of a design, or acquire, directly or indirectly, except by hereditary succession, any patent of invention or design registration, or any right, title or interest therein

Sec. 78. Rules and regulations.—The Director subject to the approval of the Secretary of Justice, shall promulgate the necessary rules and regulations, not inconsistent with law, for the conduct of all business in the Patent Office.

Sec. 79. Records to the public.—The records of the Office shall be open to public inspection, and any person may obtain an authenticated copy thereof on payment of the prescribed fees.

Sec. 80. Repealing clause.—Acts Numbered Twenty-two hundred and thirty-five, Twenty-seven hundred and ninety-three, as amended, and all other acts, or parts of acts, inconsistent herewith, are hereby repealed.

Sec. 81. Reservation of prior rights.—Any rights acquired under laws existing prior to the taking effect of this Act are hereby respected and preserved.

Sec. 82. Appropriation.—The sum of seventy-five thousand pesos, or so much thereof as may be necessary, is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, for the initial expenses of the Office, including organization expenses, salaries, supplies, equipment, and other sundry expenses until June thirtieth, nineteen hundred and forty-eight.

Sec. 83. Effective date.—This Act shall take effect on its approval.
Approved, June 20, 1947.

An Act to Provide for the Registration and Protection of Trade-Marks, Trade-Names and Service-Marks, Defining Unfair Competition and False Marking and Providing Remedies Against the Same, and for Other Purposes.

(Republic Act No. 166)

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

CHAPTER I

POWERS, DUTIES AND FUNCTIONS OF PATENT OFFICE

SECTION 1. **Transfer of powers from Bureau of Commerce to Patent Office.**—The powers, duties and functions vested in, or performed and exercised by, the Bureau of Commerce in connection with the registration of trade-marks, trade-names and other marks are hereby transferred to the Patent Office. The administration of this Act shall devolve upon the Patent Office.

All books, records, documents and files of the Bureau of Commerce relating to trade-marks, trade-names and other marks, and such personnel of the said Bureau as is now discharging the functions or performing the duties of the Bureau of Commerce in connection with the registration of trade-names and other marks together with the corresponding appropriation, are transferred to the Patent Office, and the Budget Commissioner shall make immediate provision for such transfer.

CHAPTER II

REGISTRATION OF MARKS AND TRADE-NAMES

SECTION 2. **What are registrable.**—Trade-marks, trade-names and service-marks may be registered in accordance with the provisions of this Act.

SEC. 3. **Application by non-residents.**—Any person filing an application for the registration of a mark or trade-name, who is not a resident of the Philippines, must appoint an agent or representative in the Philippines upon whom notice or process relating to the application or registration of the mark or trade-names may be served. In the event of death, absence or inability of the agent or representative, a new agent or representative must be appointed, and notice thereof must be filed in the Patent Office. Upon failure to maintain an agent or representative of record in the Patent Office, service upon the Director shall be deemed sufficient.

SEC. 4. **Registration of trade-marks, trade-names and service-marks.**—The owner of a trade-mark, trade-names or service-mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same, unless it:

(a) Consists of or comprises immoral, deceptive or scandalous matter; or matter which may disparage or falsely suggest a con-

nection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;

(b) Consists of or comprises 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 or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by the written consent of the widow;

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers; or

(e) Consists of a mark or trade-name which, when applied to or used in connection with the goods, business or services of the applicant is merely descriptive or deceptively misdescriptive of them, or when applied to or used in connection with the goods, business or services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c) and (d) of this section, nothing herein shall prevent the registration of a mark or trade-name used by the applicant which has become distinctive of the applicant's goods, business or services. The Director may accept as *prima facie* evidence that the mark or trade-name has become distinctive, as applied to or used in connection with the applicant's goods, business or services, proof of substantially exclusive and continuous use thereof as a mark or trade-name by the applicant in connection with the sale of goods, business or services for the five years next preceding the date of the filing of the application for its registration.

SEC. 5. Requirements of the application.—The application for the registration of a mark or trade-name shall be in English or Spanish, or in the national language, with its corresponding English translation, and signed by the applicant and shall include:

(a) Sworn statement of the applicant's domicile and citizenship, the date of the applicant's first use of the mark or trade-name, the date of the applicant's first use of the mark or trade-name in commerce or business, the goods, business or services in connection with which the mark or trade-name is used and the mode or manner in which the mark is used in connection with such goods, business or services, and that the person making the application believes himself, or the firm, corporation or association on whose behalf he makes the verification, to be the owner of the mark or trade-name sought to be registered, that the mark or trade-name is in use in commerce or business, and that to the best of his knowledge no person, firm, corporation or association has the right to use such mark or trade-name in commerce or business either in the identical form

thereof or in such near resemblance thereto as might be calculated to deceive;

(b) Such number of specimens or facsimiles of the mark or trade-name as actually used as may be required by the Director;

(c) Power of attorney, if the filing is through attorney;

(d) The appointment of an agent or representative, if the applicant is not domiciled in the Philippines; and

(e) The required fee.

SEC. 6. Classification of goods and services.—The Director shall establish a classification of goods and services, for the convenience of the Patent Office administration, but not to limit or extend the applicant's rights. The applicant may register his mark or trade-name in one application for any or all of the goods or services included in one class, upon or in connection with which he is actually using the mark or trade-name. The Director may issue a single certificate for one mark or trade-name registered in a plurality of classes upon payment of a fee equaling the sum of the fees for each registration in each class.

SEC. 7. Examination and publication.—Upon the filing of an application for registration and the payment of the required fee, the Director shall cause an examination of the application to be made, and, if on such examination it shall appear that the applicant is entitled to registration, the Director, upon payment of the required fee, shall cause the mark or trade-name to be published in the Official Gazette.

If the applicant is found not entitled to registration, the Director shall advise the applicant thereof and of the reasons therefor. The applicant shall have a period of three months in which to reply or amend his application, which shall then be re-examined. This procedure may be repeated until the Director finally refuses registration or the applicant fails within the required period to reply or amend or appeal, where upon the application shall be deemed to have been abandoned, unless it can be shown to the satisfaction of the Director that the delay in responding was unavoidable, in which event such time may be extended in the discretion of the Director. An abandoned application may be revived as a pending application within three months from the date of abandonment, upon good cause shown and the payment of the required fee.

SEC. 8. Opposition.—Any person who believes that he would be damaged by the registration of a mark or trade-name may, upon payment of the required fee and within thirty days after the publication under the first paragraph of section seven hereof, file with the Director an opposition to the application. Such opposition shall be in writing and verified by the oppositor, or by any person on his behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon. Copies of certificates of registration of marks or trade-names registered in other countries or other supporting documents mentioned in the opposition shall be filed therewith, together with the translation thereof into English, if not in the English language. For good cause shown and upon payment of the required surcharge, the time for filing an opposition may be extended for an additional thirty days by the Director, who shall notify the applicant of such extension.

SEC. 9. Notice and hearing.—Upon the filing of an opposition, the Director shall forthwith serve notice of the filing on the applicant, and of the date of the hearing thereof upon the applicant and the oppositor and all other persons having any right, title or interest in the mark or trade-name covered by the application, as appear of record in the Patent Office.

SEC. 10. Issuance and publication of certificates.—When the period for filing the opposition has expired, or when the Director shall have denied the opposition, the Director, upon payment of the required fee, shall issue the certificate of registration. Upon issuance of a certificate of registration, notice thereof making reference to the publication of the application shall be published in the Official Gazette.

SEC. 11. Issuance and contents of the certificate.—Certificates of registration shall be issued in the name of the Republic of the Philippines under the seal of the Patent Office, and shall be signed by the Director, and a record thereof together with a copy of the specimen or facsimile and the statement of the applicant, shall be kept in books for that purpose. The certificate shall reproduce the specimen or facsimile of the mark or trade-name, contain the statement of the applicant and state that the mark or trade-name is registered under this Act, the date of the first use, the date of the first use in commerce or business, the particular goods, or services for which it is registered, the number and date of the registration, the term thereof, the date on which the application for registration was received in the Patent Office, a statement of the requirement that in order to maintain the registration, periodical affidavits of use within the specified times hereinafter in section twelve provided, shall be filed, and such other data as the rules and regulations may from time to time prescribe.

SEC. 12. Duration.—Each certificate of registration shall remain in force for twenty years: Provided, That registrations under the provisions of this Act shall be cancelled by the Director, unless within one year following the fifth, tenth and fifteenth anniversaries of the date of issue of the certificate of registration, the registrant shall file in the Patent Office, an affidavit showing that the mark or trade-name is still in use or showing that its non-use is due to special circumstances which excuse such non-use and is not due to any intention to abandon the same, and pay the required fee.

The Director shall notify the registrant who files the above prescribed affidavits of his acceptance or refusal thereof and, if a refusal, the reasons therefor.

SEC. 13. Disclaimers before issue.—The Director shall require unregistrable matter to be disclaimed, but such disclaimer shall not prejudice or affect the applicant's or owner's rights then existing or thereafter arising in the disclaimed matter, nor shall such disclaimer prejudice or affect the applicant's or owner's rights of registration on another application of later date if the disclaimed matter has become distinctive of the applicant's or owner's goods, business or services.

SEC. 14. Voluntary surrender, cancellation, amendment and disclaimer after registration.—At any time, upon application of the registrant and payment of the required fee, the Director may permit any registration to be surrendered, cancelled, or for good cause shown to be

amended, and he may permit any registered mark or trade-name to be disclaimed in whole or in part. Provided, that the registration when so amended shall still contain registrable matter and the mark or trade-name as amended shall still be registrable as a whole, and that such amendment or disclaimer does not involve such changes in the registration as to alter materially the character of the mark or trade-name. The Director shall make appropriate entry upon the records of the Patent Office and upon the certificate of registration or, if said certificate is lost or destroyed, upon a certified copy thereof. The Director in his discretion and upon payment of the required fee, may issue a substitute certificate limited to the term of the original certificate and incorporating such amendment or correction.

CHAPTER III

RENEWALS OF CERTIFICATE OF REGISTRATION

SECTION 15. Renewal.—Each certificate of registration may be renewed for periods of twenty years from the end of the expiring period upon the filing of an application therefor and the payment of the required fee. Such application for renewal shall include a sworn statement of the applicant's domicile and citizenship, the specific goods, business or services in connection with which the mark or trade-name is still in use, the period of any non-use in reference to the specific goods, business or services covered by original or renewed certificates of registration and any rights granted third parties for the use of the mark or trade-name, any additional goods, business or services to which the mark or trade-name has been extended during the period of the original or renewed certificates of registration, and any material variation in the manner of display of the mark or trade-name from that shown in the original or renewed certificate of registration. The applicant shall file the application within six months before the expiration of the period for which the certificate of registration was issued or renewed, or it may be made within three months after such expiration for good cause shown and upon payment of the required surcharge.

In the event the applicant for renewal be not domiciled in the Philippines, he shall be subject to and comply with the provisions of paragraph (d), section five, Chapter II hereof.

Sec. 16. Effect of failure to renew registration.—Mere failure to renew any registration shall not affect the right of the registrant to apply for and obtain a new registration under the provisions of this Act, nor shall such failure entitle any other person to register a mark or trade-name unless he is entitled thereto in accordance with the provisions of this Act.

CHAPTER IV

CANCELLATION OF REGISTRATION

Sec. 17. Grounds for cancellation.—Any person, who believes that he is or will be damaged by the registration of a mark or trade-name, may, upon the payment of the prescribed fee, apply to cancel said registration upon any of the following grounds:

(a) That the registered mark or trade-name becomes the common descriptive name of an article or substance on which the patent has expired;

(b) That it has been abandoned.

(c) That the registration was obtained fraudulently or contrary to the provisions of section four, Chapter II hereof;

(d) That the registered mark or trade-name has been assigned and is being used by, or with the permission of the assignee so as to misrepresent the source of the goods, business or services in connection with which the mark or trade-name is used; or

(e) That cancellation is authorized by other provisions of this Act.

Sec. 18. Requirements of petition; notice and hearing.—Insofar as applicable, the petition herein shall be in the same form as that provided in section eight, Chapter II hereof, and notice and hearing shall be as provided in section nine, chapter II hereof.

Sec. 19. Cancellation of registration.—If the Director finds that a case for cancellation has been made out he shall order the cancellation of the registration. The order shall not become effective until the period for appeal has elapsed, or if appeal is taken, until the judgment on appeal becomes final. 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 Official Gazette.

CHAPTER V RIGHTS AND REMEDIES

Sec. 20. Certificate of registration *prima facie* evidence of validity.—A certificate of registration of a mark or trade-name shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark or trade-name, and of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein.

Sec. 21. Requirements of notice of registration of trade-mark.—The registrant of a trade-mark, heretofore registered or registered under the provisions of this Act, shall give notice that his mark is registered by displaying with the same as used the words "Registered in the Philippines Patent Office" or "Reg. Phil. Pat. Off."; and in any suit for infringement under this Act by a registrant failing so to mark the goods bearing the registered trade-mark, no damages shall be recovered under the provisions of this Act, unless the defendant has actual notice of the registration.

Sec. 22. Infringement, what constitutes.—Any person who shall use, without the consent of the registrant, any reproduction, counterfeit, copy or colorable imitation of any registered mark or trade-name in connection with the sale, offering for sale, or advertising of any goods, business or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers or others as to the source or origin of such goods or services, or identity of such business; or reproduce, counterfeit, copy or colorably imitate any such mark or trade-name and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used upon or in connection with such goods, business or services, shall be liable to a civil action by the registrant for any or all of the remedies herein provided.

Sec. 23. Actions and damages and injunction for infringement.—Any person entitled to the exclusive use of a registered mark or trade-name may recover damages in a civil action from any person who infringes his rights, and the measure of the damages suffered shall be either the reasonable profit which the complaining party would have made, had the defendant not infringed his said rights, or the profit which the defendant actually made out of the infringement, or in the event such measure of damages cannot be readily ascertained with reasonable certainty, then the court may award as damages a reasonable percentage based upon the amount of gross sales of the defendant of the value of the services in connection with which the mark or trade-name was used in the infringement of the rights of the complaining party. In cases where actual intent to mislead the public or to defraud the complaining party shall be shown, in the discretion of the court, the damages may be doubled.

The complaining party, upon proper showing, may also be granted injunction.

Sec. 24. Power of court to order infringing material destroyed.—In any action arising under this Act, in which a violation of any right of the registrant shall have been established, the court may order that all labels, signs, prints, packages, wrappers, receptacles and advertisements in the possession of the defendant, bearing the registered mark or trade-name or any reproduction, counterfeit, copy or colorable imitation thereof, and all plates, molds, matrices and other means of making the same, shall be delivered up and destroyed.

Sec. 25. Authority to determine right to registration.—In any action involving a registered mark or trade-name the court may determine the right to registration, order the cancellation of registrations, in whole or in part, restore cancelled registration, and otherwise rectify the register with respect to the registration of any party to the action. Judgments and orders shall be certified by the court to the Director, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby.

Sec. 26. Action for false or fraudulent declaration.—Any person who shall procure registration in the Patent Office of a mark or trade-name by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby for any damages sustained in consequence thereof.

Sec. 27. Jurisdiction of Court of First Instance.—All actions under this Chapter and Chapters VI and VII hereof shall be brought before the proper Court of First Instance.

Sec. 28. Appeal.—Appeal may be taken from any judgment or final order of the Court of First Instance in the same manner as in other actions.

CHAPTER VI

UNFAIR COMPETITION

Sec. 29. Unfair competition, rights and remedies.—A person who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others, whether or not a mark or trade-name is employed, has a property right in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other property rights. Such a person

shall have the remedies provided in section twenty-three, Chapter V hereof.

Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, shall be guilty of unfair competition, and shall be subject to an action therefor.

In particular, and without in any way limiting the scope of unfair competition, the following shall be deemed guilty of unfair competition:

(a) Any person, who in selling his goods shall give them the general appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer other than the actual manufacturer or dealer, or who otherwise clothes the goods with such appearance as shall deceive the public and defraud another of his legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose;

(b) Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such person is offering the services of another who has identified such services in the mind of the public; or

(c) Any person who shall make any false statement in the course of trade or who shall commit any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another.

CHAPTER VII

FALSE DESIGNATION OF ORIGIN AND FALSE DESCRIPTION

Sec. 30. False designation of origin and false description forbidden.
—Any person who shall affix, apply, annex or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation or origin or description or representation cause or procure the same to enter into commerce, shall be liable to a civil action for damages and injunction provided in section twenty-three, Chapter V hereof, by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

CHAPTER VIII

ASSIGNMENT AND TRANSMISSION OF RIGHTS

Sec. 31. Rights assignable and form of assignment.—A registered mark or trade-name, or one for which application to register has been filed shall be assignable with the goodwill of the business in which the

mark or trade-name is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark or trade-name, and in any such assignment it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark or trade-name used in the business or by the mark or style under which the business is conducted. Upon payment of the required fee, the Director shall record assignments in due form in books kept for that purpose.

The assignment must be in writing, acknowledged before a notary public or other officer authorized to administer oaths or perform other notarial acts and certified under the hand and official seal of the notary or other officer.

An assignment shall be void as against any subsequent purchasers for a valuable consideration without notice, unless it is recorded in the Patent Office within three months after the date thereof or prior to such subsequent purchase.

Sec. 32. Issuance of certificate of registration to assignee.—A certificate of registration of a mark or trade-name may be issued to the assignee of the applicant, but the assignment must first be recorded in the Patent Office. In case of change of ownership the Director shall, at the request of the owner and upon proper showing and payment of the required fee, issue to such assignee a new certificate of registration of the said mark or trade-name in the name of such assignee, and for the unexpired part of the original period.

CHAPTER IX

REVIEW OF ORDERS OR DECISIONS OF DIRECTOR

Sec. 33. Appeal from action of Director.—Any party who has been denied registration of a mark or trade-name, or to the renewal of the registration, or to any cancellation proceeding in the Patent Office, may appeal to the Supreme Court from the final order or decision of the Director.

Sec. 34. Procedure on appeal.—Sections sixty-three to seventy-three, inclusive, Chapter XIII, of Republic Act No. 165 entitled "An Act creating a Patent Office, prescribing its powers and duties, regulating the issuance of patents, and appropriating funds therefor," shall be applicable to the appeals herein provided.

CHAPTER X

IMPORTATIONS PROHIBITED

Sec. 35. Goods bearing infringing marks or trade-names.—No article of imported merchandise which shall copy or simulate the name of any domestic product, or manufacturer, or dealer, or of any manufacturer or dealer located in any foreign country which, by treaty, convention or law affords similar privileges to citizens of the Philippines, or which shall copy or simulate a mark or trade-name registered in accordance with the provisions of this Act, or shall bear a mark or trade-name calculated to induce the public to believe that the article is manufactured in the Philippines or that it is manufactured in any foreign country or locality

other than the country or locality where it is in fact manufactured, shall be admitted to entry at any customhouse of the Philippines. In order to aid the officers of the customs service in enforcing this prohibitions any person who is entitled to the benefits of this Act, may require his name and residence, and the name of the locality in which his goods are manufactured, a copy of the certificate of registration of his mark or trade-name to be recorded in books which shall be kept for this purpose in the Bureau of Customs, under such regulations as the Collector of Customs with the approval of the Secretary of Finance shall prescribe, and may furnish to the said Bureau facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered mark or trade-name, and thereupon the Collector of Customs shall cause one or more copies of the same to be transmitted to each collector or other proper officer of the Bureau of Customs.

Sec. 36. Goods with false designation of origin and false description.

—Any goods marked or labeled in contravention of the provisions of section thirty, Chapter VII hereof, shall not be imported into the Philippines or admitted to entry at any customhouse in the Philippines.

CHAPTER XI

PROVISIONS IN REFERENCE TO FOREIGN INDUSTRIAL PROPERTY

Sec. 37. Rights of foreign registrants.—Persons who are nationals of, domiciled in, or have a *bona fide* or effective business or commercial establishment in any foreign country, which is a party to any international convention or treaty relating to marks or trade-names, or the repression of unfair competition to which the Philippines may be a party, shall be entitled to the benefits and subject to the provisions of this Act to the extent and under the conditions essential to give effect to any such convention and treaties so long as the Philippines shall continue to be a party thereto, except as provided in the following paragraphs of this section. No registration of a mark or trade-name in the Philippines by a person described in the preceding paragraph of this section shall be granted until such mark or trade-name has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has a *bona fide* and effective industrial or commercial establishment, or if he has not such an establishment in the country in which he is domiciled, or if he has not a domicile in any of the countries describe in the first paragraph of this section, the country of which he is a national.

An application for registration of a mark or trade-name under the provisions of this Act filed by a person described in the first paragraph of this section who has previously duly filed an application for registration of the same mark or trade-name in one of the countries described in said paragraph shall be accorded the same force and effect as would be accorded to the same application if filed in the Philippines on the same date on which the application was first in such foreign country: Provided, That—

(a) The application in the Philippines is filed within six months from the date on which the application was first filed in the foreign country; and within three months from the date of filing or within such time as the Director shall in his discretion, grant, the applicant shall furnish a certified copy of the application for or registration in the country of origin of the applicant, together with a translation thereof into English, if not in the English language;

(b) The application conforms as nearly as practicable to the requirements of this Act, but use in commerce need not be alleged;

(c) The rights acquired by third parties before the date of the filing of the first application in the foreign country shall in no way be affected by a registration obtained on an application filed under this paragraph; and

(d) Nothing in this paragraph shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which mark or trade-name was registered in this country unless the registration is based on use in commerce.

The registration of a mark under the provisions of this section shall be independent of the registration in the country of origin and the duration, validity or transfer in the Philippines of such registration shall be governed by the provisions of this Act.

Trade-names of persons described in the first paragraph of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

Any person designated in the first paragraph of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to be effective protection against unfair competition, and the remedies provided herein for infringement of marks and trade-names, shall be available so far as they may be appropriate in repressing acts of unfair competition.

Citizens or residents of the Philippines shall have the same benefits as are granted by this section to persons described in the first paragraph hereof.

CHAPTER XII

CONSTRUCTION AND DEFINITIONS

Sec. 38. Words and terms defined and construed.—In the construction of this Act, unless the contrary is plainly apparent from the context—

The term "trade-name" includes individual names and surname, firm names, trade-names, devices or words used by manufacturers, industrialists, merchants, agriculturists, and others to identify their business, vocations or occupations; the names or titles lawfully adopted and used by natural or juridical persons, unions, and any manufacturing, industrial, commercial, agricultural or other organizations engaged in trade or commerce.

The term "trade-mark" includes any word, name, symbol, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others.

The term "service-mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising.

The word "business" includes vocations or occupations.

The term "mark" includes any trade-mark or service-mark entitled to registration under this Act whether registered or not.

The word "registrant" includes the owner of a registered mark or trade-name.

CHAPTER XIII

FEES

Sec. 39. **Fees.**—The following fees shall be paid:

For filing application for registration for each class included in the application, fifty pesos;

For filing application for revival of abandoned application for registration, twenty-five pesos;

For publication in the Official Gazette of allowance of application, fifty pesos;

For filing of opposition, fifty pesos;

For issuance and publication of certificate of registration, twenty-five pesos;

For filing each affidavit required by section twelve, Chapter II hereof, twenty-five pesos;

For filing disclaimer, amendment, surrender or cancellation after registration, twenty pesos;

For issuance of a substitute certificate of registration following correction of a registrant's mistake, twenty-five pesos;

For issuance of a new certificate of registration following change of ownership of a mark, twenty-five pesos;

For filing petition for renewal of certificate of registration for each class, fifty pesos;

For filing petition for cancellation, fifty pesos;

For surcharge for any delayed payment or any delayed action of an applicant or registrant, twenty-five pesos;

For notice of appeal from orders or decisions of commissioner, twenty-five pesos;

For recording assignments for each mark or trade-name, ten pesos;

For issuance of a certificate regarding the registration or non-registration of each mark or trade-name, ten pesos;

For issuance of an affirmative or negative certificate regarding the registration of any document in connection with a mark or trade-name, ten pesos;

For filing any other documents in connection with marks or trade-names not required by law to be filed, ten pesos;

For certifying a copy to be a true and exact copy, one peso;

For copies of records, two pesos per photostat sheet; one peso per one hundred words of typewritten copy and

For services not otherwise specified, the Director shall, by regulation, provide the fees therefor.

Sec. 40. Collective marks and collective trade-names.—Collective marks and collective trade-names belonging to cooperatives, associations or other collective groups or organizations may also be registered under the provisions of this Act, even though the said collectivities may not possess an industrial, commercial or agricultural establishment. Foreign collectivities may not, however, procure such registration if the existence of such collectivities is contrary to the laws of the country of origin.

Such collective marks and collective trade-names, when registered, shall be entitled to the protection provided herein in the case of marks and trade-names, except when used so as to represent falsely that the owner or a user makes or sells the goods on which the mark or trade-name is used, or so as to represent falsely the origin of the goods or services.

The other provisions of this Act relating to marks and trade-names shall apply to collective marks and collective trade-names, except that the part of paragraph (e), section four, Chapter II hereof, relating to geographically descriptive marks or trade-names shall not be applicable in appropriate cases.

A "collective mark" or "collective trade-name" is a mark or trade-name used by the members of a cooperative, an association or other collective group or organization.

CHAPTER XIV

MISCELLANEOUS PROVISIONS

Sec. 41. Reservation in favor of prior registration.—Owners of mark or trade-names registered under the provisions of the laws in force prior hereto, the registrations of which are still subsisting under the said laws, are hereby granted the right:

(a) Within one year after the taking effect of this Act to surrender their certificates of registration and procure the issuance of new certificates, in which event they shall be entitled to the benefits and subject to the provisions of this Act; or

(b) Within one year before the expiration of the period for which the certificate of registration was issued or renewed, the registrant may renew the registration upon filing an application therefor, as provided in section fifteen, Chapter III hereof. If said application is granted a renewal certificate shall be issued by the Director in accordance with the provisions of this Act.

Sec. 42. Renewal of registrations which expired during the war.—The provisions of this Act to the contrary notwithstanding, registrations under prior laws which expired after the eighth day of December, nineteen hundred forty-one, and which the owners were not able to renew for causes arising out of the war, may be renewed within one year after this Act takes effect, and non-use of the mark or trade-name may be shown to be due to special circumstances. If the application for renewal

is granted, a renewal certificate to commence from the date of the expiration of the prior registration shall be issued by the Director in accordance with the provisions of this Act.

Sec. 43. Pending applications.—All applications for registration pending on the effective date of this Act may be amended. If practicable, to bring them under the provisions of this Act, without the payment of any additional fee. The prosecution of such applications whether amended or not and the grant of registrations thereon shall conform to the provisions of this Act.

Sec. 44. Repealing clause.—Act Numbered Six hundred and sixty-six of the Philippine Commission, approved March six, nineteen hundred and three, and all laws amendatory thereto; Act Numbered Thirty hundred and seventy of the Philippine Legislature, approved March sixteen, nineteen hundred and twenty-three; Act Numbered Thirty Two hundred and two, approved December three, nineteen hundred and twenty-four, and all other acts, or parts of acts inconsistent herewith, are hereby repealed.

Sec. 45. Effective date.—This Act shall take effect on its approval.

Approved, June 20, 1947.

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AN ACT TO PROVIDE FOR THE TRANSFER OF THE POWERS,
DUTIES AND FUNCTIONS RELATING TO THE REGISTRA-
TION AND PROTECTION OF COPYRIGHTS FROM THE
NATIONAL LIBRARY TO THE PATENT OFFICE,
AND FOR OTHER PURPOSES.

(Republic Act No. 167)

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

Section 1. Transfer of powers from National Library to Patent Office.—The powers, duties and functions vested in, or performed and exercised by, the National Library in connection with the registration of copyrights are hereby transferred to the Patent Office.

All books, records and files of the National Library relating to copyrights and such personnel of said National Library as is now discharging the functions or performing the duties of the National Library in connection with the registration of copyrights with the corresponding appropriation, are transferred to the Patent Office, and the Budget Commissioner shall make immediate provision for such transfer: Provided, however, That one of the two copies deposited in connection with every copyright registration already effected and hereinafter to be made will remain with or be sent to the National Library for its Filipiniana collection; and that for the purposes of this provision the Copyright Office shall hereafter require the deposit of two copies in connection with the registration of any class of published works as well as of any kind of manuscripts or other unpublished works.

Sec. 2. This Act shall take effect on its approval.

Approved, June 20, 1947.

