DANLEX RESEARCH LAB., INC., Petitioner,	)	INTER PARTES CASE NO. 3479 Cancellation
	)	Letters Patent No. 12207
	)	Granted : 29 November 1978
	)	Patentee/s : Graham John Durant,
	)	John Collin Emmett
- versus -	)	and Charon Robin Ganellin,
	)	assignors to Smith,
	)	French & Kline
	)	Title : DERIVATIVE OF
	)	HETEROCYCLITHIO OR
	)	LOWER ALKOXY OR AMINO
	)	LOWER ALKYL…
	)	
GRAHAM JOHN DURANT, ET.AL., Respondent-Patentee.	)	DECISION NO. 94-22 (PAT) February 21, 1994

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DECISION

This pertains to a Petition filed by Danlex Research Laboratories, Inc., a corporation duly organized and existing under the laws of the Republic of the Philippines with principal offices at 156 Jupiter Street, Makati, Metro Manila, seeking for the grant of the compulsory license under Philippine Letters Patent No. 12207 for Derivatives of Heterocyclicthio-or Lower Alkoxy-or Amino Lower Alkyl Thiourea, Ureas and Guanidines, issued by the Bureau of Patents, Trademarks and Technology Transfer on November 29, 1978 in the name of Graham John Durant, John Colin Emmett and Charon Robin Ganellin inventors, with Smith Kline and French as assignee, a corporation of Great Britain with principal offices at Welwyn Garden City, England, which may be served with processes through its Philippine attorneys of record, Messrs. Siguion Reyna, Montacillo and Ongsiako with offices at A. Soriano Building, 8776 Paseo de Roxas corner Ayala Avenue, Makati, Metro Manila.

The ground for this Petition for grant of Compulsory Licensing is as follows:

"1. The patented invention relates to medicines or substances which can be used as medicine, Sec. 34 (e), Rep. Act. 165, as amended by P.D. No. 1263."

To support the Petition, the Petitioner presented and relied on the following facts, to wit:

"1. Letters Patent No. 12207 was granted on November 29, 1978.

"2. The invention relates to derivatives of heterocyclicthio-or lower alkoxy-or amino lower alkyl thiourea, ureas and guanidines.

"3. As set forth in the specification, the substances of the invention are claimed to be useful in inhibiting certain actions of histamine and as inhibitors of certain actions of gastrin, and useful in the treatment of ulcers.

"4. Petitioner is and has been for years engaged in the business of manufacturing and distributing pharmaceutical products and is capable of making use of the patented product in the manufacture of a useful product."

Respondent-Patentee, through Counsel, filed its Answer and at the same time interposed the following affirmative defenses:

"6. The petition does not state a legal or factual ground to merit consideration and, therefore, lacks cause of action;

"7. Petitioner has not made any definitive allegations on how it intends to work the patented invention or how it will make use of the patented product in the manufacture of a useful product. Petitioner should clearly and unequivocally allege what it proposes to do with the invention subject of Letters Patent No. 12207, otherwise it could be that petitioner will simply import the patented product and engage only in packaging activity which is not in accordance with the intent and purposes of the amendatory provisions of P.D. No. 1263. Mere importation of the patented product does not constitute "working" under Sec. 34(3) of R.A. No. 165 as amended by P.D. No. 1263.

"8. Respondent-Patentees' use, conversion, production, manufacture, marketing, detailing and distribution of the invention covered by Letters Patent No. 12207 are so extensive in such a quantity that demands or needs of the Philippine market are fully met by medical preparations covered by the patented invention.

"9. Respondent-Patentees' marketing arms are adequately equipped to produce and/or market any amount or quantity of the medicine covered by the patented invention so as to satisfy and reach out to the populace who may be in need of the same;

"10. The grant of compulsory license to petitioner will not promote public health or safety as the petition is evidently assigned simply to enhance the pecuniary interest of the petitioner".

Issues having been joined, the case proceeded trial after initial pre-trial conference failed to present an amicable settlement.

Petitioner presented Mr. Jose Bufi, Mr. Jose P. Pusay and Ms. Ester Pugeda as witnesses.

Mr. Bufi testified among others, that he was the officer of Danlex Research Laboratories, Inc., a corporation duly organized under the laws of the Philippines presently holding the position of Administrative Manager that as such Administrative Manager, he takes charge of the administrative functions necessary for the efficient operation of the company. Among these functions are made relating to personnel and the procurement of all government permits and licenses. Among these obtained and now his custody and safekeeping are the following:

(a) S.E.C. Registration No. 79727, a certificate issued on 3 July 1987 by the Securities and Exchange Commission which is marked Annex "A";

(b) License to operate as a Drug Manufacturer, LTO No. RD 11-RIV-DM-4 issued as or renewal, on 11 September 1989 by the Bureau of Food and Drugs (BFAD) of the Department of Health marked as Annex "B";

(c) Certificate of Compliance, that DANLEX has complied with the BFAD technical requirements to operate as Drug Manufacturer on 11 September 1989, Annex "C";

(d) Certificate of Registration of business name of DANLEX LABORATORIES, INC. issued on 24 July 1989 by the Bureau of Trade Regulation and Consumer Protection, Department of Trade and Industry, the Calamba Branch, Annex "D";

(e) Certificate of Registration of Business name of the main office of the same company issued on 9 June 1989 by the Department of Trade and Industry, Manila, Annex “E”;

(f) Municipal Permit, Permit No. 1312, issued to the Municipal Mayor of Calamba, Laguna to manufacture pharmaceutical products on 26 January 1990, Annex “F”;

(g) Municipal Permit, Permit No. 007196, issued by Mayor Jejomar Binay of Makati on 22 January 1990 for operation of business at the main office on 156 Jupiter Street, Makati, Metro Manila, Annex “G”;

(h) Certificate of Suppliers Accreditation granted by the committee on Supplies Accreditation of the Department of Health to DANLEX on 26 March 1990, Annex “H”;

(i) Certificate of Suppliers Accreditation granted by the Department of Health to DANLEX to supply Drugs and Medicine to any or all agencies in the capital region, on 19 June 1990, Annex “I”;

(j) List of Accredited Quality Control Laboratories released by the Department of Health under its Bulletin No. 1, dated 15 September 1988, Annex “J”;

That as Administration Manager, he has prepared a personnel chart for DANLEX RESEARCH LABORATORIES INC., for proper supervision and control of the various departments by management, Annexes “K-1” and “K-2”;

That presently, DANLEX is producing several formulations of drugs and medicines, including those that are supplied to the department of Health for government use, (see Exh. “A”);

The next witness, MR. JOSE P. PUSAY testified among others, that he is an officer of the Petitioner in the above-entitled case with primary functions of monitoring and controlling the sales and delivery of medicines ordered and procured by the Department of Health and other government agencies; that in such capacity, he also know that the Petitioner, distributed, sold and delivered to the Philippine Government particularly the Department of Health medicines of high quality through its distribution arm, Metro Drug, a copy of the distribution documents are attached as Annex “A”; that he supervised distribution of medicines produced by Danlex to the Department of Health, the following purchaser orders addressed to Metro Drug and the latter’s subsequent letter request to the Petitioner for immediate delivery of the drugs ordered, samples of these distribution documents are attached as Annexes “B” to “G”:

a) Purchase Order (PO) No. 01343 dated 31 May 1990 for RIFAMPICIN worth P9, 262,894.00 a copy of which is attached as Annex “B”

b) Letter request for the delivery of the above PO executed by Metro Drug addressed to Danlex a copy of which is attached as Annex “C”

c) Purchase Order No. 01293 dated 18 June 1990 for Amoxycillin and Erythromycin worth P9,052,406.66 a copy of which is attached as Annex “D”

d) Letter request for the delivery of the PO mentioned in letter c) executed by Metro to Danlex a copy of which s attached as Annex “E”

e) Purchase Order No. 01286 dated 29 December 1989 for Amoxycillin, etc. worth P16,566,894.23 a copy of which is attached as Annex “F”

f) Letter request for the delivery of the PO mentioned in letter e) executed by Metro to Danlex a copy of which is hereto attached as Annex “G”

He further testified that with the capacity of Danlex to produce drugs and medicines, the above-mentioned PO’s were all delivered to the Department of Health on time; that aside from government sales where Danlex delivers medicines in the amount of P60 M annually, DANLEX also delivers to private drug stores and purchasers (see Exh. “L”).

The last witness, MRS, ESTER B. PUGEDA, testified among others that she is a Chemical Engineer and as such, has been involved in the special field of production of pharmaceutical products; that her experience in this area of profession, began when she was employed by E.R. SQUIBB & SONS, Philippines, in 1955, a well known international company; that while with E.R. SQUIBB & SONS, she was involved in manufacturing and production of pharmaceutical products, in particular, when she was given a special assignment as Regional Technical Assistant in manufacturing; that during her assignment as such, ER Squibb & Sons Management has sent her to the different licensees in Asia and has started the manufacturing set0ups of such licensees is Saigon, Bangkok and Taiwan; that from the years 1981 to 19987, she was Production Manager of E.R. SQUIBB & SONS in Manila; that in 1988, she accepted employment as Production Manager of Danlex Research Laboratories, Inc., a company engaged in the similar business of pharmaceutical manufacturing; that she presently holds the position of Assistant to the President, in charge of manufacturing. That the general description of the work area of responsibility of this position require responsibility to the president for the efficient control of overall operations of the plant, its equipments and personnel, including other job related functions as maybe assigned by the President or General Manager; that under her responsibility are the various equipments which among others are identified in the attached list marked as Annex “A”; that Danlex presently produces, manufactures and distributes several medicinal products. These products are produced and manufactured with her supervision at the factory in Calamba, Laguna. Among the products are the following (see Exhs. “J-3” to “J-10”):

a)	PREGNATONYL	Annex “C”
b)	ETHAMBUTOL	Annex “D”
c)	ISONIAZID	Annex “E”
d)	PYRAZINAMIDE	Annex “F”
e)	METHYL DOPA	Annex “G”
f)	MEFENAMIC ACID	Annex “H”
g)	AMMOXICILLIN	Annex “I”
h)	AMMOXICILLIN	Annex “J”

That she has been informed by the management that the company intends to produce Cimetidine, an anti ulcer drug but there are legal problems on patent rights granted to another company, and for this reason, they have no commercial production of this drug; that on several occasions they have discussed with Quality Control and other key personnel of the company the several experiments which were performed, including data of similar experiments for the manufacture of dosage formulations of Cimetidine.

On cross-examination, Mrs. Pugeda testified among others that DANLEX will export Cimetidine raw material itself and then Purchasing Department will purchase the same but she will make the requisition; that Petitioner will just mix Cimetidine with inert substances to produce either capsules or tablet; that for all products the Petitioner is selling now, the active ingredients are simply mixed with inert substances and came up with either capsule, tablets or syrup (TSN 9-25-90 pp. 37-38).

Petitioner thereafter formally offered Exhibits “A” to “S” and their corresponding submarkings and the testimonies of the above-identified witness, which were all admitted in evidence for whatever they are worth, with Respondent-Patentee’s comments/objections being noted and made an integral part of the records of the case per Order No. 91-866 dated November 7, 1991.

On the other hand, Respondent-Patentee presented and formally offered the following documentary exhibits.

A	Affidavit of Belinda E. Molina, Quality Assurance Chief Analyst, Quality Assurance Dept., Smith Kline & French Overseas Co., Philippine Branch
A-1	Page 2, Affidavit of Belinda E. Molina
A-2	Page 3, Affidavit of Belinda E. Molina
A-2-a	Signature of Belinda E. Molina over her typewritten name on page 3 of her affidavit
A-3	Organizational Chart of Quality Assurance (Annex “A” of Affidavit of Belinda E. Molina)
B	Affidavit of Ma. Chirstina L. Raymundo, Quality Assurance Chief Inspector, Smith Kline & French Overseas Co., Philippine Branch
B-1	Page Two, Affidavit of Ma. Christina L. Raymundo
B-2	Page Three, Affidavit of Ma. Christina L. Raymundo
B-2-a	Signature of Ma. Christina over her typewritten name found on page 3 of her Affidavit
B-3	Organizational Chart of Quality Assurance (Annex “A”, Affidavit of Ma. Christina L. Raymundo)
C	Affidavit of Julieta R. Lim. Quality Assurance Manager, Smith Kline & French Overseas Co., Philippine Branch
D	Affidavit of Joey M. Domingues, Plant Manager, Smith Kline & French Overseas Co., Philippine Branch
D-1	Organizational Chart of Plant Department (Annex “A”, Affidavit of Joey M. Dominguez)
E	Affidavit of Carmencita R. Gutierrez, Director, Vaccines and Pediatric Division, Smith Kline & French Overseas Co., Philippine Branch

These exhibits were offered to prove that Tagamet is being produced in sufficient quantities by Smith Kline and French Overseas Co. with complete machinery and equipment to commensurate to the needs of the Filipino buying public and are offered at very reasonable and affordable prices and that no public benefit for the grant of compulsory license exists and there is no necessity for the grant of compulsory licensing under Letters Patent No. 12207 in favor of Petitioner. These exhibits were thereafter admitted in evidence for Respondent-Patentees with comments and objections made therein by Petitioner to form part of the records of the case, per Order No.93-58 dated January 22, 1993.

Petitioner filed its Memorandum on March 25, 1993 while Respondent filed its own Memorandum on March 26, 1993.

In order to deal with the main issue as well as the corollary issues in the instant case, this Office, has to refer to the pertinent law particularly the provisions of Republic Act 165 as amended by Presidential Decree No. 1263, as the determination of said issued revolves around Sec. 34-1(e) and Section 2 thereof.

Sec. 34 1(e) provides as follows:

SEC. 34. Ground for Compulsory Licensing.

(1) Any person may apply to the Director for the grant of a license under a particular patent at any time after the expiration of two years from the date of the grant of the patent, under any of the following circumstances:

a) xxx
b) xxx
c) xxx
d) xxx
e) If the patented invention or article related to food or medicine or manufactured products or substances which can be used as food or medicine, or is necessary for public health or public safety.

xxx

(2) In any of the above cases, a compulsory license shall be granted to the petitioner provided he has proved his capability to work the patented product or to make use of the patented product in the manufacture of a useful product or to employ the patented process.

xxx"

(Underscoring supplied)

What can be clearly gleaned from the aforequoted provisions are the requirements which Petitioner has to comply in order to be granted a compulsory license, to wit:

"1. The petition for compulsory license must be filed after the expiration of two years from date of grant of the patent;

"2. The patented invention relates to medicine; and

"3. The Petitioner has the capability to make use of the patented product in the manufacture of a useful product."

Emphasis must be placed on the fact that as the records and the evidence will show, subject Letters Patent No. 12207 was issued on November 29, 1978 and has been in effect for more than two years when the instant petition for compulsory licensing was filed on September 27, 1989.

Likewise, as shown on page 2, 2nd paragraph of the Specification, subject Letters Patent No. 12207 relates to compound and compositions used in inhibiting certain actions of histamine not inhibited by known antihistamines and therefore, relates to medicine.

As to the third requirement which relates to Petitioner's capability to use the patented product in the manufacture of a useful product or substance, there is ample evidence to show that Petitioner possesses such capability, having competent personnel, machines and equipment.

To begin with, the petitioner is a drug manufacturer recognized and licensed by the Philippine government and its agencies, particularly the Securities and Exchange Commission (Exhibit “B”), the Bureau of Food and Drugs (Exhibits “C” and “D”), the Certificate of Registration of Business name issued by Bureau of Trade Regulation and Consumer Protection and the Department of Trade and Industry (Exhibits “E” and “F”), the Municipal Permit of the Mayor of Calamba (Exhibit “G”), and the Municipality of Makati (Exhibit “H”) and the Department of Health Certificate of Suppliers Accreditations (Exhibits “I” and “J”). the petitioner maintains and operates an establishment and/or plant situated in Calamba,Laguna, complete with equipments and machines listed in Exhibit “R-3” designed and utilized for the manufacture of drugs and medicines where this Office has conducted an ocular inspection at the hearing held on February 4, 1991 at 2:30 PM. The petitioner has been manufacturing drugs and medicines for a number of years and is recognized by the Bureau of Food and Drugs as one of the accredited quality control laboratories (Exhibit “K”). The petitioner likewise has competent professionals, trained and knowledgeable in the manufacturing of drugs and medicines. Moreover, the petitioner presently produces, manufactures and distributes several medicinal products. Among the products are the following: (a) Pregnatonyl; (b) Ethambutol; (c) Isoniazid; (d) Pyrasinamide; (e) Methyldopa; (f) Mefenamic Acid; (g) Ampicillin; (h) Amoxicillin; and (i) Rifampicin (Exhibits “R-4” to “R-11”).

Accordingly, the petitioner can produce as in fact, it is presently manufacturing complex compounds such as those involving double component system, the triple component system and the complex three-phase system formulation. There is therefore, no doubt that the petitioner has the capability to manufacture Cimetidine which involves a single component system. In fact, the petitioner has already manufactured the trial batches of Cimetidine. (See affidavit of Ester Pugada, Exh. “S”)

It must likewise be pointed out that the petitioner has been a supplier of medicine for the Department of Health (Exhibits “O” to “O-22”, “P” to “P-2”, and “Q” to “Q-2”). Therefore, no less than our government, through the Department of Health has recognized the petitioner’s capability as a drug manufacturer.

There is therefore no doubt that Petitioner has sufficiently proved that it is capable of making use of the patented product Cimetidine in the manufacture of pharmaceutical dosage forms thereof.

The claim that a compulsory license cannot be granted to respondent because the latter doe not intend to work the patented invention itself but merely to import it has no legal nor factual basis.

Secs. 34(a) and (b) of R.A. 165 provides that the non-working of patentee of the patented invention are only two of the several grounds for granting a compulsory license enumerated under Sec. 34(a) to (e).

For emphasis, the ground for compulsory license in the instant case is based on Sec. 34(e) of R.A. 165 as hereinbefore discussed and therefore, has no applicability nor relation whatsoever to Sec. 34(a) of the same law.

Sec. 34(2) however explicitly states that –

> (2) In any of the above cases, a compulsory license shall be granted to the petitioner provided that he has proved his capability to work the patented product or to make use of the patented product in the manufacture of a useful product, or to employ the patented process;

hence the capability to work the patented invention or to make use of the patented product in the manufacture of a useful product or to employ the patented process is required.

> "xxx In the first place, section 34 of Republic act No. 165 does not require the petitioner of a license to work the patented invention if the invention refers to medicine, for the term "worked" or "working" used in said section does not apply to the circumstance mentioned in subsection (d), which related to medicine or to one necessary for public health and public safety. Indeed, the Director of Patents has already correctly stated in previous cases that, in its strict sense, the term paragraph of Section 34 of the Patent Law "has no applicability to those cited patented matters and the qualification of the petitioner, to work the invention is immaterial, it being not a condition precedent before any person may apply for the grant of the license." In the second place, it is not the intention of respondent to work or manufacture the patented invention itself but merely to manufacture its brand of medicinal preparations containing such substance. And even if it be required that respondent should work itself the invention that it intends to use in the manufacture of its own brand and of medicinal preparations said respondent would not be found wanting for it is staffed with adequate and competent personnel and technicians; it has several laboratories where medicines are prepared for safety and quality; it has been equipped with machines for subdividing antibiotics; and it has capsule-filling machines and adequate personnel and facilities". (see Parke Davis & Co. vs. Doctor Pharmaceuticals Inc., L-22221, August 31, 1965, SCRA 1053)

Likewise, the claim of Respondent-Patentee that a compulsory license cannot be lawfully granted under the patent as Respondent-Patentee's use conversion, production, manufacture, marketing, detailing, and distribution of invention covered by Letters Patent No. 12207 are so extensive in such a quantity that demands or needs of the Philippine market are fully met by the medical preparations covered by the patented invention (See Secs. 34 (a) and (b), R.A. 165).

In this regard, Respondent-Patentees claim that its marketing arms are adequately equipped to produce and/or market any amount of quantity of the medicine covered by the patented invention so as to satisfy and reach out to the populace who maybe in need, this Office would like to point out that such issue has already been threshed out and settled in the said case of Parke Davis vs. Doctors Pharmaceuticals, Inc., 14 SCRA 1053, 1965, where the Supreme Court further held that:

> "Finally, we may add that it is not a valid ground to refute the license applied for the fact that the patentee is working the invention and as such ahs the exclusive right for the invention for the terms of 17 years (Sections 20 & 21, Republic Act 165) as claimed in the third assignment of error, the reason for it being that the provisions permitting the grant of compulsory license is intended not only to give a chance to others to supply the public with the quantity of the patented article but especially to prevent the building up of patent monopolies.
>
> The point is raised that the grant of the license is against public interest for it would force Parke Davis & Company to cease or stop manufacturing the patented invention which would thereby adversely affect local employment and prejudice technology and chemical manufacturing and cut off the local supply of medicinal products. It should be noted, however, that respondent does not intend o compete with petitioner in the manufacture of chloramphenicol for it would either obtain the same from petitioner in the manufacture of chloramphenicol for it would either obtain the same from petitioner or would import whatever it may need in the manufacture of its own brand of medicinal preparations. But even assuming that the consequence the petitioner has envisioned may come true if the license is granted still that should not stand in the way of the grant for that is in line with an express provision of our law. The grant of such license may work

disadvantage on petitioner but the law must be observed until modified or repealed. On the other hand, there is the advantage that the importation of chloramphenicol might redound to the benefit of the public in general as it will increase the supply of medicines in our country containing chloramphenicol thereby reducing substantially the price of this drug." (underscoring ours)

Thus, all the foregoing considered, this Office is convinced that the Petitioner deserves under the law and existing jurisprudence to be granted a compulsory license to make use of the patented product covered by Letters Patent No. 12207.

NOW THEREFORE, by virtue of the powers vested in this Office by Republic Act No. 165, as amended by Presidential Decree No. 1263, there is hereby issued a license in favor of the herein Petitioner, United Laboratories, Inc., under Letters Patent No. 12207 issued on November 29, 1978 subject to the following terms and conditions:

1. That Petitioner be hereby granted a non-exclusive and non-transferable license to manufacture, use and sell in the Philippines its own brands of pharmaceutical products containing Respondent's patented invention which is disclosed and claimed in Letters Patent No. 12207;

2. That the license granted herein shall be for the remaining life of said Letters Patent No. 12207 unless this license is terminated in the manner hereinafter provided and that no right or license is hereby granted to the Petitioner under any patent to the Respondent or other than recited herein;

3. By virtue of this license, Petitioner shall pay the Respondent a royalty on all license products containing the patented substance made and sold by the Petitioner in the amount equivalent to TWO AND ONE HALF PERENT (2.5%) of the net sales in Philippine currency. The term "net sale" means the gross amount billed for the product pertaining to Letters Patent No. 12207, less - -

(a) Transportation charges or allowances, if any, included in such amount;

(b) Trade, quantity or cash discounts and broker's or agent's distributor's commissions, if any, allowed or paid;

(c) Credits or allowances, if any, given or made on account of rejection or return of the patented product previously delivered;

(d) Any tax, excise or government charge included in such amount, or measured by the production, sale, transportation, use of delivery of the products; and

(e) In case Petitioner's product containing the patented substance shall contain one or more active ingredients admixed therewith, said product hereinafter identified as admixed product, the royalty to be paid shall be determined in accordance with the following formula:

$$\text{ROYALTY} = \frac{\text{Net Sales on Admixed Product}}{\text{(Value of Patented Substance)} + \text{(Value of Other Active Ingredients)}} \times 0.025 \times \text{Value of Patented Substance}$$

4. The royalties shall be computed after the end of each calendar quarter for all goods containing the patented substance herein involved, made and sold during the preceding quarter and to be paid by the Petitioner at its place of business on or before the thirtieth day of

the moth following the end of each calendar quarter. Payments should be made to Respondent's authorized representative in the Philippines;

5. The Petitioner shall keep records in sufficient detail to enable the Respondent to determine the royalties payable and shall further permit its books and records to be examined from time to time at Petitioner's premises during office hours, to the extent necessary to be made at the expense of Respondent by a certified public accountant appointed by Respondent and acceptable to the Petitioner;

6. The Petitioner shall adopt and use its own trademark or labels on all its products containing the patented substance herein involved;

7. The Petitioner shall comply with the laws on drugs and medicine requiring previous clinical tests and approval of proper government authorities before selling to the public its own products manufactured under the license;

8. The Respondent shall have the right to terminate the license granted to Petitioner by giving the latter thirty (30) days notice in writing to that effect, in the event that Petitioner default in the payment of royalty provided herein or if the Petitioner shall default in the performance of other covenants or conditions of this agreement which are to be performed by the Petitioner:

(a) Petitioner shall have the right provided it is not in default to payment or royalties or other obligations under this agreement, to terminate the license granted to it, giving the Respondents thirty (30) days notice in writing to that affect;

(b) Any termination of this license as provided for above shall not in any way operate to deny Respondent its rights or remedies, either at law or equity, or relieve Petitioner of the payment of royalties or satisfaction of other obligations incurred prior to the effective date of such termination; and

(c) Notice of termination of this license shall be filed with the Bureau of Patents, Trademarks and Technology Transfer.

9. In case of dispute as to the enforcement of the provisions of its license, the matter shall be submitted for arbitration before the Director of Bureau of Patents, Trademarks and Technology Transfer or any ranking official of the Bureau of Patents, Trademarks and Technology Transfer duly delegated by him;

10. This License shall inure to the benefit of each of the parties herein, to the subsidiaries and assigns of the Respondent and to the successors and assigns of the Petitioner; and

11. The license takes effect immediately.

SO ORDERED.

IGNACIO S. SAPALO
Director