

Patents 2014

Contributing editor:
Frank L Bernstein
Kenyon & Kenyon LLP

Getting the Deal Through is delighted to publish the 11th edition of *Patents*, a volume in our series of annual reports, which provide international analysis in key areas of law and policy for corporate counsel, cross-border legal practitioners and business people.

Following the format adopted throughout the series, the same key questions are answered by leading practitioners in each of the 37 jurisdictions featured. New jurisdictions this year include Canada, Indonesia, Singapore, Sweden and Ukraine.

Every effort has been made to ensure that matters of concern to readers are covered. However, specific legal advice should always be sought from experienced local advisers. *Getting the Deal Through* publications are updated annually in print. Please ensure you are referring to the latest print edition or to the online version at www.gettingthedealthrough.com.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We would also like to extend special thanks to contributing editor Frank L Bernstein of Kenyon & Kenyon LLP for his continued assistance with this volume.

Getting the Deal Through

London
 March 2014

Global Overview	3	China	54
Frank L Bernstein Kenyon & Kenyon LLP		Jiayang (Eugene) Yu Liu, Shen & Associates	
European Patent Convention	6	Colombia	60
Elard Schenck zu Schweinsberg Vossius & Partner		Carlos R Olarte and Andrés Rincón OlarteMoure	
FRAND	11	Denmark	66
Pat Treacy and Helen Hopson Bristows		Claus Elmeros and Jens Viktor Nørgaard Højberg A/S	
Angola	17	Ecuador	71
Patricia Rodrigues Raul César Ferreira (Herd) SA		María Rosa Fabara Vera Fabara & Compañía Abogados	
Argentina	21	France	78
Mariano Municoy Moeller IP Advisors		Gérard Dossmann Casalonga & Associés	
Australia	28	Germany	84
Jack Redfern, Chris Bevitt, Mark Vincent and Matthew Ward Shelston IP		Oliver Schulz, Sandra Pohlman and Rainer Friedrich df-mp	
Austria	34	Greece	92
Peter Israiloff Barger, Piso & Partner		Alkisti-Irene Malamis Malamis & Associates	
Brazil	42	Honduras	98
Alexandre Domingues Serafim, Lucas Garcia de Moura Gavião and Juliana Krueger Pela Lilla, Huck, Otranto, Camargo Advogados		Ricardo Anibal Mejia M Bufete Mejía & Asociados	
Canada	48	India	104
David Reive Miller Thomson LLP		Archana Shanker and Gitika Suri Anand and Anand	
		Indonesia	115
		Nadia Am Badar Am Badar & Partners	

Publisher

Gideon Robertson
gideon.roberton@lbresearch.com

Subscriptions

Rachel Nurse
subscriptions@gettingthedealthrough.com

Business development managers

George Ingledew
george.ingledew@lbresearch.com

Alan Lee
alan.lee@lbresearch.com

Dan White
dan.white@lbresearch.com

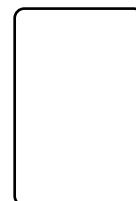


Published by
Law Business Research Ltd
 87 Lancaster Road
 London, W11 1QQ, UK
 Tel: +44 20 7908 1188
 Fax: +44 20 7229 6910

© Law Business Research Ltd 2014
 No photocopying: copyright licences do not apply.
 First published 2004
 11th edition
 ISSN 1742-9862

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. Although the information provided is accurate as of March 2014, be advised that this is a developing area.

Printed and distributed by
 Encompass Print Solutions
 Tel: 0844 2480 112



CONTENTS

Italy	121	Peru	173	Switzerland	218
Fabrizio de Benedetti Società Italiana Brevetti (SIB) and Sandro Hassan Studio Legale SIB		Maria del Carmen Arana Courrejolles Estudio Colmenares & Asociados		Daniel Müller and Rainer Schalch E Blum & Co AG	
Japan	129	Philippines		Taiwan	224
Yasufumi Shiroyama and Makoto Ono Anderson Mōri & Tomotsune		Mila Federis and Caesar J Poblador Federis and Associates Law Offices Please See www.gettingthedealthrough.com		Yulan Kuo, Hsiaoling Fan, and Charles Chen Formosa Transnational, Attorneys at Law	
Korea	135	Poland		Ukraine	231
Seong-Ki Kim, Yoon Suk Shin, Eun-Young Park and Gon-Uk Huh Lee International IP & Law Group		Dorota Rzazewska, Piotr Godlewski and Miroslawa Wazynska JWP Patent & Trademark Attorneys Please See www.gettingthedealthrough.com		Oleksandr Mamunya and Tetyana Kudrytska Vasil Kisil & Partners	
Macedonia	143	Portugal	183	United Kingdom	238
Valentin Pepeljugoski Pepeljugoski Law Office		Patricia Rodrigues Raul César Ferreira (Herd) SA		Nick Beckett and Jeremy Morton CMS Cameron McKenna LLP	
Malaysia	149	Russia	189	United States	249
Benjamin J Thompson, Haneeta Kaur Gill and Hannah Ariffin Thompson Associates		Vadim Mikhailuyuk and Anna Mikhailuyuk Mikhailuyuk, Sorokolat and Partners		Frank L Bernstein, Clifford A Ulrich and William G James Kenyon & Kenyon LLP	
Mexico	157	Singapore	196	Venezuela	264
Eugenio Pérez and José Luis Ramos-Zurita Uhthoff, Gómez Vega & Uhthoff, SC		Regina Quek One Legal LLC		María M Nebreda and Carlos Pacheco Hoet Peláez Castillo & Duque	
Mozambique	163	South Africa	204	Vietnam	270
Patricia Rodrigues Raul César Ferreira (Herd) SA		Russell Bagnall Adams & Adams		Pham Vu Khanh Toan Pham & Associates	
Nigeria	167	Sweden	212		
Afoke Igwe and Ronke Adejugbe Strachan Partners		Kristian Fredrikson Delphi			

Philippines

Mila Federis and Caesar J Poblador

Federis and Associates Law Offices

Patent enforcement proceedings

1 Lawsuits and courts

What legal or administrative proceedings are available for enforcing patent rights against an infringer? Are there specialised courts in which a patent infringement lawsuit can or must be brought?

Patent owners have the following choice of remedies:

- lodge an administrative complaint for intellectual property rights violation (or IPV complaint) with the Bureau of Legal Affairs (BLA) of the Intellectual Property Office (IPO); the BLA now has the same power as regular courts to:
 - issue injunction after summary hearing; and
 - award civil damages, such as actual damages for lost profit and reimbursement of attorney's fees;
- lodge a civil complaint with the regular courts (Regional Trial Court), which has jurisdiction to issue injunction and award damages;
- if the infringer repeats the infringing act after the judgment of infringement in the civil case becomes final, the patent owner can initiate a criminal complaint before regular courts; the following rules apply:
 - the patent owner, in coordination with police enforcement authorities, can apply through the court for a search warrant to search the repeat infringer's premises if there is probable cause to believe that the infringing products are found there;
 - infringing products seized as a result of the implementation of the search warrant will form the basis for a criminal investigation before the public prosecutor, who will decide if there is probable cause to charge the infringer for the crime of patent infringement;
 - if the charge is filed in court, the patent owner has the option to include civil claims for damages; in that situation, the court, in convicting the repeat infringer, will also include an award of damages to the patent owner.
 - a patent owner is permitted to reserve his or her right to pursue the civil claims for damages arising from the infringement; if he or she files the civil claims ahead of the criminal action or during the trial in the criminal action, the criminal action will be suspended to await the outcome of the civil action on grounds of prejudicial question.
- if the infringer has secured a patent, the patent owner can file a cancellation action before the BLA. If the case involves highly technical issues, on the motion of any party, the BLA can constitute a committee of three judges, the first judge being the Director of the BLA, and the other two judges being experts in the field of technology to which the patent being cancelled relates.

As to specialised courts:

- the court hearing the civil action will be deemed a specialised court if the patent issue involves highly technical questions, in

which case the patent owner can file a motion for the appointment of two or more assessors possessed of the necessary scientific and technical knowledge required by the subject litigation; and

- the BLA, in the cancellation action heard by a committee of three, is also a specialised court.

2 Trial format and timing

What is the format of a patent infringement trial?

The format is uniform for administrative, criminal and civil actions, which is presentation of evidence through trial, complete with direct examination, cross-examination, re-direct and re-cross-examinations.

Testimonial evidence will be in affidavit form to which will be attached the supporting documents. The affidavit form in the criminal and civil action is in a question-and-answer format, while the affidavit in administrative actions is in an ordinary narrative format.

The affidavits will contain the direct testimony of the affiant or witness, and upon identification of the affidavit and the supporting documents by the live witness on the stand, the adverse party conducts cross-examination. Note however the following:

- the rules governing administrative action state that it must be a summary proceeding. However, since patent infringement claims are contentious, parties demand the right to cross-examine witnesses, hence, the summary proceeding becomes a full-blown trial; and
- instead of a witness testifying on the stand, the witness can be presented to identify his or her affidavit through deposition upon oral or written interrogatories before the Philippine consul in the country where he or she resides. He or she can be cross-examined also by oral deposition or written interrogatories.

For a cancellation action, cross-examination is not required and the parties argue their cases through their position papers.

As noted above, experts can be used as witnesses. And the judge can form a committee of three in which the two other members are experts. The Philippines does not follow the jury system.

A typical trial for administrative, criminal and civil action where both sides have at least two witnesses can last for over one and a half years.

3 Proof requirements

What are the burdens of proof for establishing infringement, invalidity and unenforceability of a patent?

The quantum of evidence is as follows:

- administrative action, including cancellation action: substantial evidence;
- criminal action: proof of guilt beyond reasonable doubt; and
- civil action: preponderance of evidence.

4 Standing to sue

Who may sue for patent infringement? Under what conditions can an accused infringer bring a lawsuit to obtain a judicial ruling or declaration on the accusation?

The following may sue for patent infringement:

- any patentee, or anyone claiming a right, title or interest in and to the patented invention;
- any foreign national or juridical entity:
 - whose country is a member state under conventions with reciprocity clauses; and
 - a party to which a patent has been granted or assigned by virtue of Philippine law.

A foreign corporation can sue whether or not it is licensed to do business in the Philippines.

There is no proceeding that the infringer can take to obtain declaratory relief from a patent infringement accusation. Declaratory relief requires that the action be filed before a violation of law is committed.

However, the infringer who receives a cease and desist letter can pre-empt a patent infringement action of the patent owner by filing a cancellation action to invalidate the patent.

If the patent infringement case is already filed, the infringer can cite as a defence the invalidity of the patent, and if it is meritorious, the court can order the IPO to cancel the patent.

5 Inducement, and contributory and multiple party infringement

To what extent can someone be liable for inducing or contributing to patent infringement? Can multiple parties be jointly liable for infringement if each practises only some of the elements of a patent claim, but together they practise all the elements?

Patent infringement can be committed by one or several persons. They commit infringement by the act of making, using, offering for sale, selling or importing patented products or products obtained directly or indirectly from a patented process, without the authorisation of the patentee.

For each of these infringing acts, a criminal action for infringement allows for a charge against several accused, if there is evidence of conspiracy.

Under the Revised Penal Code, a conspiracy is when two or more persons come to an agreement concerning a felony and decide to commit it. Conspiracy may be inferred from the acts of the accused before, during or after the commission of the crime which, when taken together, would be enough to reveal a community of criminal design, as the proof of conspiracy is frequently made by evidence of a chain of circumstances.

To be a conspirator, one need not participate in every detail of the execution; he or she need not even take part in every act or need not even know the exact part to be performed by the others in the execution of the conspiracy. Each conspirator may be assigned separate and different tasks which may appear unrelated to one another but, in fact, constitute a whole collective effort to achieve their common criminal objective.

Once conspiracy is shown, the act of one is the act of all the conspirators. Those who participate in a crime and are liable for it are classified into principals, accomplices, or accessories.

A person is a principal for taking a direct part in the execution of the felony, directly forcing or inducing others to commit it or cooperating in the commission of the offence by another act without which it would not have been accomplished.

Accomplices are persons who, while not acting as a principal, cooperate in the execution of the offence by previous or simultaneous acts.

Accessories are those who, having knowledge of the commission of the crime, and without having participated therein, either as principals or accomplices, take part subsequent to its commission by:

- profiting themselves or assisting the offender to profit by the effects of the crime;
- concealing or destroying the body of the crime, or the effects or instruments thereof, in order to prevent its discovery; or
- harbouring, concealing, or assisting in the escape of the principals of the crime.

In the case of the principal by inducement, the Intellectual Property Code further qualifies the infringing inducement as follows: anyone who actively induces the infringement of a patent or provides the infringer with a component of a patented product or of a product produced because of a patented process knowing it to be especially adopted for infringing the patented invention and not suitable for substantial non-infringing use shall be liable as a contributory infringer and jointly and severally liable with the infringer.

Principals are punished more severely than accomplices, who are punished more severely than accessories. However, when there is conspiracy, there will no longer be a distinction as to whether a person acted as a principal, accomplice or accessory, because when there is conspiracy, the criminal liability of all will be the same, because the act of one is the act of all.

6 Joinder of multiple defendants

Can multiple parties be joined as defendants in the same lawsuit? If so, what are the requirements? Must all of the defendants be accused of infringing all of the same patents?

Those who commit separate acts of unauthorised making, using, offering for sale, selling or importing patented products may be joined in one complaint if their acts relate to a single transaction and a common question of law or fact is involved. Joinder is mandatory if without any of them, no final determination can be had of the infringement action. It has also been ruled that items seized under a search warrant for the premises of a corporation stand as incriminating evidence to charge the directors, shareholders and officers of the corporation.

7 Infringement by foreign activities

Notwithstanding the above-mentioned laws and policies, how much discretion do the authorities have to approve or reject transactions on national interest grounds?

No criminal action is allowed to be filed in the Philippines for infringement that occurs beyond the Philippine borders.

In civil cases, if the licensee makes, uses, offers for sale or sells patented products outside of the Philippines, but his or her license agreement entered into in the Philippines prohibits him or her from doing so, then there is breach of contract for which he or she can be sued in the Philippines. If the contract declares that such acts are also acts of infringement, then the action for breach of contract can also raise another cause of action involving infringement.

8 Infringement by equivalents

To what extent can 'equivalents' of the claimed subject matter be shown to infringe?

Philippine courts apply the doctrine of equivalents strictly. One who claims under this doctrine must satisfy the function-means-and-result test, that is, the infringing modification must be shown to perform substantially the same function in substantially the same way to achieve substantially the same result under the patent claimed to be infringed.

9 Discovery of evidence

What mechanisms are available for obtaining evidence from an opponent, from third parties or from outside the country for proving infringement, damages or invalidity?

Parties can be served written interrogatories and requests for admissions.

10 Litigation timetable

What is the typical timetable for a patent infringement lawsuit in the trial and appellate courts?

Where each party has two witnesses, trial can take as long as one and a half years. More witnesses mean a longer trial period. On the appeal level, a decision can take as long as one year to be issued.

11 Litigation costs

What is the typical range of costs of a patent infringement lawsuit before trial, during trial and for an appeal?

The typical range of costs of a patent infringement lawsuit before trial is US\$4,000 to US\$6,000 before trial. The cost for conducting trial is in the range of US\$6,000 to US\$8,000. The cost for bringing an appeal in each appeal stage is approximately US\$6,000 to US\$8,000.

12 Court appeals

What avenues of appeal are available following an adverse decision in a patent infringement lawsuit?

From an intellectual property violation trial before the BLA, a decision can be appealed to the Director General of the IPO, whose decision can in turn be appealed to the Court of Appeals on a question of law or fact, or both. A Court of Appeals decision can be questioned before the Supreme Court, also on either question of law or fact, or both.

From a civil or criminal court decision, an appeal can be filed before the Court of Appeals, also on a question of law or fact, or both, and then to the Supreme Court, also on the same question.

13 Competition considerations

To what extent can enforcement of a patent expose the patent owner to liability for a competition violation, unfair competition, or a business-related tort?

The defendant in a patent infringement complaint typically asserts a counterclaim that the action is baseless and is causing him or her damages. The counterclaim can argue that the plaintiff is unfairly competing or destroying the defendant's business by the filing of the baseless complaint. However, if the complaint is dismissed because of a non-infringement finding the counterclaim is usually dismissed also since the exchange of arguments and submission of evidence show that the complaint is not baseless.

14 Alternative dispute resolution

To what extent are alternative dispute resolution techniques available to resolve patent disputes?

Philippine law mandatorily requires the parties to undergo dispute resolutions before going to trial. Even if there is no success and trial ensues, the judge continually urges amicable settlement, even after the case is submitted for decision. In the Court of Appeals, mediation is also required to be conducted before the appeal is heard.

Scope and ownership of patents

15 Types of protectable inventions

Can a patent be obtained to cover any type of invention, including software, business methods and medical procedures?

Any technical solution of a problem in any field of human activity which is new, involves an inventive step and is industrially applicable can be a patentable invention. The invention can be a product, a process or any improvements thereof. Computer software and business methods are not patentable.

Patent protection does not extend to scientific discoveries, laws of nature, abstract ideas, schedules, business methods, computer programs, methods for treatment of human and animal body, plant varieties or animal breeds, aesthetic creations, and anything contrary to public health and welfare including cloning or use of a human embryo.

16 Patent ownership

Who owns the patent on an invention made by a company employee, an independent contractor, multiple inventors or a joint venture? How is patent ownership officially recorded and transferred?

The patent belongs to the inventor, his or her heirs, or his or her assigns. When two or more persons have jointly made an invention, the right to the patent belongs to them jointly. The patent application may be filed by the actual inventor or in the name of his or her heirs, legal representatives or assigns.

If a person commissions a work, such person owns the patent, unless provided otherwise in a contract.

For inventions made in the course of employment, the patent shall belong to the employee if the inventive activity is not part of his or her regular duties, even if the employee uses the time, facilities and materials of the employer. If the invention is the result of the employee's performance of his or her regularly assigned duties, the patent belongs to the employer unless there is an express or implied agreement to the contrary.

Defences

17 Patent invalidity

How and on what grounds can the validity of a patent be challenged? Is there a special court or administrative tribunal in which to do this?

The validity of a patent can be challenged through a patent cancellation proceeding before the BLA of the IPO. The grounds for challenging the validity are:

- lack of novelty;
- lack of industrial applicability;
- failure to disclose the invention clearly and completely for it to be carried out by a person skilled in the art; and
- the patent is contrary to public order or morality.

18 Absolute novelty requirement

Is there an 'absolute novelty' requirement for patentability, and if so, are there any exceptions?

There is an absolute novelty requirement. The law, however, considers certain disclosures as non-prejudicial when the information was disclosed or published within one year preceding the filing date or the priority date of the application and the disclosure was made by:

- the inventor;
- a patent office where the information was contained in another application filed by the inventor and which should not have been disclosed by the patent office;

- a third party in an application filed without the knowledge or consent of the inventor; or
- a third party based on information obtained from the inventor.

19 Obviousness or inventiveness test

What is the legal standard for determining whether a patent is 'obvious' or 'inventive' in view of the prior art?

The legal standard for inventiveness is whether the invention is not obvious to a person skilled in the art having regard to the prior art. Prior art is defined as everything which has been made available to the public anywhere in the world, before the filing date or priority date of the application claiming the invention, except when the disclosure is considered non-prejudicial. Prior art includes the whole contents of an application for a patent which has been published, filed or is effective in the Philippines, with a filing or priority date that is earlier than the filing or priority date of the application claiming the invention.

20 Patent unenforceability

Are there any grounds on which an otherwise valid patent can be deemed unenforceable owing to misconduct by the inventors or the patent owner, or for some other reason?

The patent owner can no longer enforce a patent if there has been exhaustion of rights, ie, the third party use occurs after a product has been put in the market in the Philippines by the owner of the patent or with his or her consent or authorisation.

The patent owner cannot prevent the exploitation of the patent in the following circumstances:

- when the use of exploitation is done privately and on a non-commercial scale or for a non-commercial purpose, provided, that such use does not significantly prejudice the economic interests of the patent owner;
- where the act consists of making or using exclusively for the purpose of experiments that relate to the subject matter of the patented invention;
- where the act consists of preparation for individual cases, in a pharmacy or by a medical professional, of a medicine in accordance with a medical prescription; and
- where the patented invention is used in vehicles in transit in the Philippines, provided that such use is made exclusively for the needs of the vehicle and not for the manufacturing of anything for purposes of sale within the Philippines.

21 Prior user defence

Is it a defence if an accused infringer has been privately using the accused method or device prior to the filing date or publication date of the patent? If so, does the defence cover all types of inventions? Is the defence limited to commercial uses?

Yes, an accused infringer can use as a defence his or her use of the method or device prior to the filing date or publication date of the patent since that would show that the invention lacks novelty. This defence covers all types of inventions. Moreover, where the act is done privately and on a non-commercial scale or for a non-commercial purpose, and does not significantly prejudice the economic interest of the owner of the patent, then the owner of the patent could not prevent the accused from working on his or her invention.

Remedies

22 Monetary remedies for infringement

What monetary remedies are available against a patent infringer? When do damages start to accrue? Do damage awards tend to be nominal, provide fair compensation or be punitive in nature?

Recovery may extend to all damages sustained by the patent owner plus attorneys' fees and expenses of litigation. The court can increase the amount of actual damages proven but it should not exceed three times the amount of such actual damages.

If damages are inadequate or cannot be readily ascertained with reasonable certainty, the award is equivalent to a reasonable royalty. However, no damages can be recovered for acts committed more than four years before the institution of the action.

Also no damages can be recovered if the infringer proves it did not have knowledge of the patent. But he or she will be presumed to have knowledge if the product or container, or advertising materials contain the words 'Philippine Patent' with the number of the patent registration.

23 Injunctions against infringement

To what extent is it possible to obtain a temporary injunction or a final injunction against future infringement? Is an injunction effective against the infringer's suppliers or customers?

Injunction, temporary or final, encompasses future infringement. The patent owner must take pains to craft the request for injunction to include future infringement. Injunction is easily obtainable if the features of the infringing product can be demonstrated as infringing the technical characteristics recited in the claims.

As to suppliers, if conspiracy can be shown, or there exists one transaction connecting all the suppliers to the infringer, then the suppliers can be joined in the complaint and the injunction issued will be binding on them also.

As against customers, a separate action for infringement can be filed as discussed above, for the customer's infringing use. If the use is in connection with a conspiracy, or there is a single transaction connecting him or her to the infringer and his or her suppliers, then he or she can be joined in one action and the injunction issued will be binding on him or her. However, if the customer's use is done privately and on a non-commercial scale or for a non-commercial purpose, there is no infringement.

24 Banning importation of infringing products

To what extent is it possible to block the importation of infringing products into the country? Is there a specific tribunal or proceeding available to accomplish this?

It is difficult to block the entry of goods at the border that are the results of patent infringement. Patent owners will have to monitor the movement from the country exporting to the Philippines, then alert customs officials through a complaint that the goods entering are infringing, so that customs can examine the cargo not only for payment of tariff but also for violation of intellectual property rights.

25 Attorneys' fees

Under what conditions can a successful litigant recover costs and attorneys' fees?

To recover costs and attorneys' fees, there must be a stipulation with the client for attorney's fees, which must be presented as evidence in court. Second, it must be shown that a plaintiff was compelled to

hire the services of the lawyer as a result of the act or omission of the defendant. Third, the lawyer must justify the amount on the basis of quantum meruit.

Litigation expenses can be shown through itemised expenses with official receipts and other evidence of payment incurred to fund the litigation.

26 Wilful infringement

Are additional remedies available against a deliberate or wilful infringer? If so, what is the test or standard to determine whether the infringement is deliberate?

The only remedy approximating to an additional penalty to a deliberate or wilful infringer is where infringement is repeated by the infringer or by anyone in connivance with him or her after finality of judgment against him.

27 Time limits for lawsuits

What is the time limit for seeking a remedy for patent infringement?

For administrative and civil actions, they must be instituted within four years upon injury to plaintiff, which means upon knowledge by the patent owner of the infringing act. And no damages can be recovered for acts of infringement committed more than four years before the filing of the action. For criminal action for repeat infringement, the prescribed limit is three years from the date of the commission of the crime.

28 Patent marking

Must a patent holder mark its patented products? If so, how must the marking be made? What are the consequences of failure to mark?

What are the consequences of false patent marking?

The patent holder should mark its patented product in order to provide notice to potential infringers that the product is patented. The marking should contain the words 'Philippine Patent' along with the registration number of the patent.

If a patent holder fails to mark its patented product, damages cannot be recovered against an infringer if the infringer proves that it did not have knowledge of the patent. On the other hand, the infringer will be presumed to have knowledge of the patent if the product or container, or advertising materials are marked with the words 'Philippine Patent' and the registration number of the patent.

False patent marking will not only cause the action to be dismissed, but also the awarding of counter-claims against the plaintiff.

Licensing

29 Voluntary licensing

Are there any restrictions on the contractual terms by which a patent owner may license a patent?

Yes, section 87 of the IP Code provides a list of prohibited clauses for licence agreements, which includes clauses:

- which impose upon the licensee the obligation to acquire from a specific source capital goods, intermediate products, raw materials, and other technologies, or of permanently employing personnel indicated by the licensor;
- pursuant to which the licensor reserves the right to fix the sale or resale prices of the products manufactured on the basis of the licence;
- that contain restrictions regarding the volume and structure of production;

- that prohibit the use of competitive technologies in a non-exclusive technology transfer agreement;
- that establish a full or partial purchase option in favour of the licensor;
- that obligate the licensee to transfer for free to the licensor the inventions or improvements that may be obtained through the use of the licensed technology;
- that require payment of royalties to the owners of patents for patents which are not used;
- that prohibit the licensee to export the licensed product unless justified for the protection of the legitimate interest of the licensor such as exports to countries where exclusive licenses to manufacture and/or distribute the licensed product(s) have already been granted;
- which restrict the use of the technology supplied after the expiration of the technology transfer arrangement, except in cases of early termination of the technology transfer arrangement due to any reasons attributable to the licensee;
- which require payments for patents and other industrial property rights after their expiration or termination arrangement;
- which require that the technology recipient shall not contest the validity of any of the patents of the technology supplier;
- which restrict the research and development activities of the licensee designed to absorb and adapt the transferred technology to local conditions or to initiate research and development programs in connection with new products, processes or equipment;
- which prevent the licensee from adapting the imported technology to local conditions, or introducing innovation to it, as long as it does not impair the quality standards prescribed by the licensor;
- which exempt the licensor for liability for non-fulfilment of his or her responsibilities under the technology transfer arrangement or liability arising from third party suits brought about by the use of the licensed product or the licensed technology; and
- other clauses with equivalent effects are also included.

30 Compulsory licences

Are any mechanisms available to obtain a compulsory licence to a patent? How are the terms of such a licence determined?

Yes, the mechanisms available to obtain a compulsory licence to a patent are provided for under section 93 of the IP Code, which states that the Director of Legal Affairs may grant a licence to exploit a patented invention, even without the agreement of the patent owner, in favour of any person who has shown his or her capability to exploit the invention, under any of the following circumstances:

- national emergency or other circumstances of extreme urgency;
- where the public interest, in particular, national security, nutrition, health or the development of other vital sectors of the national economy as determined by the appropriate agency of the Government, so requires;
- where a judicial or administrative body has determined that the manner of exploitation by the owner of the patent or his or her licensee is anti-competitive; or
- in case of public non-commercial use of the patent by the patentee, without satisfactory reason; and
- if the patented invention is not being worked in the Philippines on a commercial scale, although capable of being worked, without satisfactory reason, provided, that the importation of the patented article shall constitute working or using the patent.

Patent office proceedings

31 Patenting timetable and costs

How long does it typically take, and how much does it typically cost, to obtain a patent?

It takes approximately three to four years for a patent to issue from the filing date of the application. The estimate of costs and fees for filing a patent application covering five claims and consisting of 30 pages of description with right of priority is US\$750.

For an industrial design and utility model application, it takes approximately six to eight months for a registration to issue from the filing date.

32 Expedited patent prosecution

Are there any procedures to expedite patent prosecution?

Yes, by submitting a granted corresponding foreign application or filing a request for Patent Prosecution Highway.

33 Patent application contents

What must be disclosed or described about the invention in a patent application? Are there any particular guidelines that should be followed or pitfalls to avoid in deciding what to include in the application?

A patent application shall be in writing. It may be written in Filipino or English, and shall be filed by post or directly with the Bureau. All applications shall be addressed to the Director.

Under section 32 of the Intellectual Property Code, a patent application must contain the following:

- a duly accomplished request for the grant of patent;
- a description of the invention;
- any drawings necessary for the understanding of the invention;
- one or more claims; and
- an abstract.

The request for the grant of patent shall contain the following information:

- petition for the grant of a patent;
- the applicant's name and address;
- the title of the invention;
- the inventor's name;
- if filed with claim for convention priority, it shall contain the file number, country of origin, and the date of filing in the said country where the application was first filed;
- the name and address of the resident agent or representative (if any); and
- the signature of the applicant or resident agent or representative.

The guidelines for the description of the invention are as follows:

- specify the technical field to which the invention relates;
- indicate the background art which, as far as known to the applicant, can be regarded as useful for understanding the invention, for drawing up the search report and for the examination, and preferably, cite the documents reflecting such art;
- disclose the invention, as claimed, in such terms that the technical problem (even if not expressly stated as such) and its solution can be understood, and state any advantageous effects of the invention with reference to the background art;
- where appropriate, refer to the different elements involved in the invention by the use of reference letters or numerals (preferably the latter). Such letters or numerals should be properly depicted in the drawings. In the case of an improvement, the detailed description shall particularly point out the improved concept that may be regarded as novel and inventive and must be described in relation to the technical feature that belongs

to the prior art for a clear and complete understanding of the improvement.

- briefly describe the figures in the drawings, if any;
- describe in detail at least one way of carrying out the invention claimed using examples where appropriate and referring to the drawings, if any; and
- indicate explicitly, when it is not obvious from the description or nature of the invention, the way in which the invention is capable of exploitation in the industry.

With regards to the title of the invention, it shall be as short and specific as possible. It shall appear as a heading on the first page of the description. The title shall be in technical terms particularly referring to the technical feature or features of the invention. All fancy names are not permissible in the title.

The abstract of the disclosure shall be written in a separate sheet with the heading, 'Abstract of the Disclosure'. It shall consist of a concise summary of the disclosure of the invention as contained in the description, claims, and drawings in preferably not more than 150 words. It must be drafted in a way which allows the clear understanding of the technical problem, the gist of the solution of that problem through the invention, and the principal use or uses of the invention. The abstract shall merely serve for technical information. Preferably, the scope of the invention should be disclosed such that it can serve as an efficient basis for search in the particular technical field.

There are also general requisites for drawings such as:

- the drawing must be signed by the applicant or his or her name may be on the drawing by his or her attorney or agent. The drawing must show every feature of the invention covered by the claims. The drawing may consist of several views showing every feature of the invention to serve as aid in the complete understanding of the invention and each figure must be consecutively numbered and briefly described as to its matter of presentation;
- when the invention relates to an improvement of the prior art, the drawing must exhibit, in one or more views, the novel or inventive improvement in relation with the old structure presented in dotted lines. Every element of the invention as shown in the drawing shall be designated with legible reference numeral or letter and, if appropriate, shall be accompanied by a pointing line directed to the particular element to which it refers. The designated reference numeral or letter for a particular element shall be in conformity with what has been described or referred to in the detailed description;
- each element of each figure shall be in proper proportion to each of the other elements in the figure except where the use of a different proportion is indispensable for the clarity of the figure; and
- if the same part of the invention appears in more than one view of the drawing, it must always be represented by the same character and the same character must never be used to designate different parts.

With respect to claims, the IPO sets the following rules:

- the patent application must conclude with a claim, particularly pointing out and distinctly claiming the part, improvement, or combination which the applicant regards as his or her invention;
- the application may contain one or more independent claims in the same category (product, process, apparatus or use), where it is not appropriate, having regard to the subject matter of the application, to cover this subject matter by a single claim which shall define the matter for which protection is sought. Each claim shall be clear, concise and supported by the description.
- one or more claims may be presented in dependent form, referring back and further limiting another claim(s) in the same application. Any dependent claim which refers to more than one other claim (a multiple dependent claim) shall refer to such other

Update and trends

Some changes in practice rules which were recently implemented by the Bureau of Patents relate to ability of the applicants to defer the publication of industrial design applications, and the change in the calculation of deadline for paying annuities in divisional applications.

As of 20 May 2014, an industrial design applicant has the option to file a request for deferred publication simultaneously with the filing of the application or at any time prior to the publication date. The maximum period allowed for the deferred publication is 30 months from the filing date or priority date of the application. If the request for deferred publication is made after the filing of the application, the applicant may request for a specific time to publish the application,

provided that it does not exceed the allowable 30 months deferment period.

As regards annual fees for divisional application, there is now only one deadline for paying the annual fees for a divisional application and the annual fees for the parent application, ie, four years from the international publication date of the parent application for PCT divisional applications and four years from the publication date of the parent application for direct route applications. This has simplified the process of monitoring annual fees deadline dates because there will only be one deadline for annual fees for both the parent and the divisional applications.

claims in the alternative only. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim;

- the claims must conform to the invention as set forth in the description and the terms and phrases used in the claims must find clear support or antecedent basis in the said description so that the meaning of the terms may be ascertainable by reference to the description. Claims shall not, except where absolutely necessary, rely in respect of the technical features of the invention, on reference to the description or drawings. In particular, they shall not rely on references such as, ‘as described in part xxx of the description’ or ‘as illustrated in figure xxx of the drawings’; and
- if the invention relates to an improvement, the claim or claims should specifically point out and distinctly claim the improvement in combination with a preamble statement indicating the prior art features which are necessary for the definition of the claimed subject matter.

The following are the prohibited matters in a patent application:

- a statement or other matter contrary to public order or morality;
- a statement disparaging the products or processes of any particular person other than the applicant, or the merits or validity of application or patents of any such person. Mere comparison with the prior art shall not be considered disparaging per se; and
- any statement or other matter obviously irrelevant or unnecessary under the circumstances.

If an application contains the prohibited matter mentioned above, the Bureau will omit it when publishing the application indicating the place and number of words or drawing omitted.

34 Prior art disclosure obligations

Must an inventor disclose prior art to the patent office examiner?

There is no obligation for the applicant to disclose the relevant prior art in the application. However, should applicant decide to disclose prior art, he or she should differentiate the state of the art from its present invention.

35 Pursuit of additional claims

May a patent applicant file one or more later applications to pursue additional claims to an invention disclosed in its earlier filed application? If so, what are the applicable requirements or limitations?

Yes, a patent applicant may file a voluntary divisional application on a pending application to pursue additional claims before the parent application is patented or withdrawn provided that the subject matter shall not extend beyond the content of the parent application. The requirements are as follows:

- request form;
- certified copy of the parent application;
- copy of claims for the divisional application; and
- prescribed official fees.

36 Patent office appeals

Is it possible to appeal an adverse decision by the patent office in a court of law?

Yes. The losing party may appeal an adverse decision of the Director General of the IPO to the Court of Appeals and to the Supreme Court.



Mila Federis
Caesar J Poblador

mfederis@federislaw.com.ph
cpoblador@federislaw.com.ph

88 Corporate Center
141 Valero St.
Salcedo Village
Makati City, 1227
Philippines

Tel: +632 8896197/8
Fax: +632 8896132
www.federislaw.com.ph

37 Oppositions or protests to patents

Does the patent office provide any mechanism for opposing the grant of a patent?

Under the current rules, there is no mechanism for opposing the grant of an invention patent. But in the case of utility model and industrial design patents, a third party can file written adverse information to oppose the grant of the patent.

38 Priority of invention

Does the patent office provide any mechanism for resolving priority disputes between different applicants for the same invention? What factors determine who has priority?

The following rules are followed when resolving priority disputes between two claimants to a single invention:

- if two or more persons have made the same invention separately and independently of each other, the right to the patent belongs to the person who filed an application for such invention;
- where two or more applications are filed for the same invention the right belongs to the applicant who has the earliest filing date or the earliest priority date; and
- where two or more applications for the same invention made separately and independently of each other have the same filing date or priority date, the time of the day the applications were filed will be considered in deciding who is entitled to the patent.

39 Modification and re-examination of patents

Does the patent office provide procedures for modifying, re-examining or revoking a patent? May a court amend the patent claims during a lawsuit?

There is no mechanism for post-grant modification or re-examination of a patent.

A patent may be revoked or invalidated when a petition to invalidate a patent is granted after an adversarial hearing.

A court may not amend the patent claims during a lawsuit.

40 Patent duration

How is the duration of patent protection determined?

The patent term shall be 20 years from the filing date of the application. However, a patent shall cease to be in force and effect if the prescribed annual fee is not paid within the deadline provided by the rules or if the patent is cancelled in accordance with the provisions of the IP Code and the IPO regulations.

A utility model registration shall expire, without any possibility of renewal, at the end of the seventh year after the date of filing of the application.

The term of industrial design patent registration shall be five years from the filing date of the application and may be renewed for not more than two consecutive periods of five years each, by paying the renewal fee.

GETTING THE DEAL THROUGH

Annual volumes published on:

Acquisition Finance	Life Sciences
Air Transport	Mediation
Anti-Corruption Regulation	Merger Control
Anti-Money Laundering	Mergers & Acquisitions
Arbitration	Mining
Asset Recovery	Oil Regulation
Banking Regulation	Outsourcing
Cartel Regulation	Patents
Climate Regulation	Pensions & Retirement Plans
Construction	Pharmaceutical Antitrust
Copyright	Private Antitrust Litigation
Corporate Governance	Private Client
Corporate Immigration	Private Equity
Data Protection & Privacy	Product Liability
Dispute Resolution	Product Recall
Dominance	Project Finance
e-Commerce	Public Procurement
Electricity Regulation	Real Estate
Enforcement of Foreign Judgments	Restructuring & Insolvency
Environment	Right of Publicity
Foreign Investment Review	Securities Finance
Franchise	Shipbuilding
Gas Regulation	Shipping
Insurance & Reinsurance	Tax Controversy
Intellectual Property & Antitrust	Tax on Inbound Investment
Investment Treaty Arbitration	Telecoms and Media
Islamic Finance & Markets	Trade & Customs
Labour & Employment	Trademarks
Licensing	Vertical Agreements



**For more information or to
purchase books, please visit:**
www.gettingthedealthrough.com



Strategic research partners of
the ABA International section



Official Partner of the Latin American
Corporate Counsel Association