



OFFICE ORDER NO. 186
Series of 2010.

SUBJECT: ENHANCING THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS BY AMENDING CERTAIN PROVISIONS OF THE REGULATIONS ON ADMINISTRATIVE COMPLAINTS FOR VIOLATION OF LAW INVOLVING INTELLECTUAL PROPERTY RIGHTS (IPV RULES)

Whereas, it is the policy of the Intellectual Property Office to continuously review and streamline its operations, systems, processes, including administrative procedures, in resolving disputes and controversies involving intellectual property rights;

Whereas, under Sec. 10.3 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”), the Director General may by regulations establish the procedure to govern administrative proceedings;

Whereas, under Sec. 7 (a) of the IP Code, the Director General shall manage and direct all functions and activities of the Office, including the promulgation of rules and regulations to implement the objectives, policies, plans, programs and projects of the Office;

Whereas, the rules and regulations on administrative complaints which took effect on December 17, 1998 was modified, which Modified Rules and Regulations on Administrative Complaints took effect on March 28, 2001;

Whereas, there is a need to further amend the Regulations on Administrative complaints in order to achieve a more efficient and expeditious resolution of administrative complaints, including the availing of provisional remedies for aggrieved IPR owners against IPR violators, in the Bureau of Legal Affairs;

Now, Wherefore, the *Regulations on Administrative Complaints for Violation of Law Involving Intellectual Property Rights*, as modified, is hereby further amended as follows:

SECTION 1. The first paragraph of Sec. 6 of Rule 2 is hereby amended to read, as follows:

“Section 6. *Payment of Filing Fee and Docketing.* – The complaint shall be filed in duplicate with the Bureau, which shall issue an order for the payment of the required fee.”

SECTION 2. Sections 3, 4, 5 and 6 of Rule 5 of the Rules and Regulations on Administrative Complaints for Violation of Law Involving Intellectual Property Rights are amended, to read as follows:

“**Section 3.** *Verified Application and Bond for Preliminary Injunction or Temporary Restraining Order.* – A preliminary injunction or temporary restraining order may be granted only upon compliance with the following:

(a) The application in the action or proceeding is verified and shows facts entitling the applicant to the relief demanded;

(b) Unless exempted, the applicant files with the Bureau a cash bond executed to the party or person enjoined in an amount to be fixed by the Hearing Officer and approved by the Director, or in his/her absence, the Assistant Director, to the effect that the applicant will pay to such party or person all damages which the latter may sustain by reason of the injunction or temporary restraining order if the Bureau should finally decide that the applicant was not entitled thereto. Upon posting of the required bond, a writ of preliminary injunction or temporary restraining order shall be issued. The posting of surety bond in lieu of cash bond shall be governed by the appropriate guidelines that may be issued by the IPO.

(c) When an application for a writ of preliminary injunction or a temporary restraining order is included in a complaint or any initiatory pleading, the case shall be assigned to a Hearing Officer after due notice to the adverse party or the person to be enjoined. In any event, such notice shall be preceded, or accompanied by service of summons, together with a copy of the complaint or initiatory pleading and the applicant’s affidavit upon the adverse party in the Philippines. However, where the summons could not be served personally or by substituted service despite diligent efforts, or the adverse party is a resident of the Philippines temporarily absent therefrom or is a non-resident thereof, the requirement of prior or contemporaneous service of summons shall not apply.

Section 4. *When Temporary Restraining Order (TRO) May Be Granted.* – A temporary restraining order may be granted subject to the following procedure:

(a) The complaint with an application for the issuance of a temporary restraining order and/or a writ of preliminary injunction filed before the Bureau shall have attached thereto the affidavit/s of the complainant's witness/es and the originals or certified true copies of the supporting document/s thereof, in support of the application.

(b) Within 24 hours from receipt of the application for TRO and the supporting documents, the Bureau shall issue a notice to respondent to file its counter-affidavits, including the affidavits of witness/es and the supporting document/s thereof, within a non-extendible period of ten (10) days from receipt of said notice.

Notwithstanding the absence of all/some of the documents/papers/evidence required herein from the parties, the Hearing Officer shall make an evaluation or assessment of the application on the basis of the allegations stated in the application and whatever documents/papers/evidence, if any, that may be attached to the records.

(c) Thereafter, the Hearing Officer shall draft the resolution on the application within ten (10) days from receipt by the Bureau of the respondent's counter-affidavits with the originals or certified true copies of the supporting documents thereof.

(d) If it shall appear that great and irreparable injury would result to the applicant, the Hearing Officer may then issue a temporary restraining order (TRO) with the approval of the Director, or in his/her absence, the Assistant Director, to be effective only for a period of twenty (20) days from service on the party or person sought to be enjoined.

No motion for reconsideration of the grant of an application for the issuance of a TRO shall be allowed.

(e) Notwithstanding the foregoing, if the matter is of extreme urgency and the applicant will suffer grave injustice and irreparable injury, the Hearing Officer, and as approved by the Director, or in his/her absence, the Assistant Director, and with the concurrence of the Director General, or in his/her absence, the Deputy Director General-in-Charge of the IPO, may issue *ex parte* a temporary restraining order effective for only seventy-two (72) hours from issuance, but shall immediately comply with the provisions of the preceding paragraphs and Section 3 hereof, as to service of summons and the documents to be served therewith. The TRO shall include an order for the parties to submit before the expiry of the seventy-two (72) hour period to submit their respective memoranda to determine whether the temporary restraining order shall be extended until the application for preliminary injunction can be heard. In no case shall the total period of effectivity of the temporary restraining order exceed twenty (20) days, including the original seventy-two hours (72) provided herein.

A certification from the IPR owner or expert or competent authority that the products or goods involved are fake or counterfeit, and if it is determined that the continuing access thereto by the public poses danger and risk to life, health and public safety, the same may be considered a matter of extreme urgency and causes great injustice to the IPR owner/applicant.

Section 5. *When Preliminary Injunction (PI) May Be Granted.* – Within the 20-day period of the effectivity of the temporary restraining order, and in the manner provided under Section 4 hereof, the party or person sought to be enjoined shall show cause why the injunction should not be granted and complainant may thereafter present evidence to the contrary. If it appears that the following requisites are present, namely: 1) the right of applicant is clear and unmistakable; 2) the invasion of the right is material and substantial; and 3) there is an urgent and permanent necessity for the writ to prevent serious damage, the Hearing Officer shall issue the writ of preliminary injunction with the approval of the Director, or in his/her absence, by the Assistant Director. The writ of preliminary injunction shall be effective until further orders.

The TRO and Preliminary Injunction may include, among other things, prohibiting the concerned party/ies from using, displaying, marketing, offering for sale, distributing, transporting, removing, relocating, altering the nature or substance of the subject goods or services, and other restrictions as the Bureau may deem appropriate.

Section 6. *Grounds for objection to, or for motion of dissolution of, injunction or restraining order.* The application for injunction or restraining order may be denied, upon showing of its insufficiency. If granted, the injunction or restraining order may be subsequently dissolved upon filing of a motion by the respondent. The Hearing Officer shall then immediately issue an order setting a hearing on the motion within forty-eight (48) hours from filing of the same. During such hearing, the Hearing Officer shall rule on the motion after both parties shall have presented their respective evidence.

The application for injunction or restraining order may further be denied, or, if granted, may be dissolved, if it appears after hearing that although the applicant is entitled to the injunction or restraining order, the issuance or continuance thereof, as the case may be, would cause irreparable damage to the party or person enjoined while the applicant can be fully compensated for such damages as he may suffer, and the former files a bond in an amount fixed by the Hearing Officer, conditioned that he will pay all damages which the applicant may suffer by the denial or the dissolution of the injunction or restraining order. If it appears that the extent of the preliminary injunction or restraining order granted is too great, it may be modified.

Section 7. *When TRO Or PI Is Denied.* – If it shall not appear that great injustice or irreparable injury would result to the applicant, the Hearing Officer shall issue an order denying the application for the issuance of a temporary restraining order which shall be noted by the Director, or in his absence, the Assistant Director.

If it shall not appear that the requisites provided under Section 5 hereof are complied with, the Hearing Officer shall issue an order denying the application for the issuance of a writ of preliminary injunction which shall be noted by the Director.”

SECTION 3. Sec. 4 of Rule 7 is hereby amended to read, as follows:

“Section 4. *Assignment of Cases.* – The case shall be assigned to a Hearing Officer to preside or conduct the proceedings from commencement until its final resolution.”

SECTION 4. Introduction of Forensic Evidence. – Sec. 1 of Rule 10 of the IPV Rules is hereby amended to read, as follows:

“Section 1. *Evidence required.* – Substantial evidence shall be sufficient to support a decision or order.

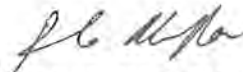
A fact may be deemed established if it is supported by substantial evidence. It means such relevant evidence which a reasonable mind might accept as adequate to support or justify a conclusion. The Bureau shall allow the presentation or submission of forensic evidence which may be admitted and given weight.”

SECTION 5. *Separability* – If any provision of this Order or application of such provisions to any circumstance is held invalid, the remainder of these amendments shall not be affected thereby.

SECTION 6. *Filing of Certified Copies* – The Record Officer of the Bureau of Legal Affairs is hereby directed to immediately file three (3) certified copies of these Rules with the UP Law Center, and one (1) certified copy each with the Department of Trade and Industry, the Senate of the Philippines, the House of Representatives, the Supreme Court of the Philippines, and The National Library.

SECTION 7. *Effectivity* – These amendments shall be published in a newspaper of general circulation and thereafter, shall take effect on 01 January 2011.

Done this 6th day of December 2010, Makati City.



RICARDO R. BLANCAFLOR
DIRECTOR GENERAL