

Congress of the Philippines)
Fourth Regular Session)

S E N A T E

COMMITTEE REPORT NO. 1248

Submitted by the Committee on Science and Technology on
February 6 1991.

Re: S. No. 286, S. No. 400 and H. No. 24801.

Recommending approval of S. No. 286 in consolidation with S.
No. 400 and H. No. 24801.

Sponsors: Senators Lina, Jr., Romulo, Pimentel, Estrada and
Salonga.

MR. PRESIDENT:

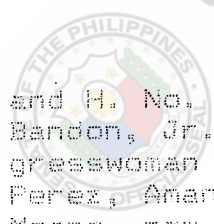
The Committee on Science and Technology to which were
referred S. No. 286, introduced by Senators Lina, Jr., Ro-
mulo, Pimentel, Jr., and Estrada, entitled:

"AN ACT TO PROVIDE INCENTIVES FOR INVENTION AND
ITS APPLICATION TO THE COUNTRY'S PRODUCTIVE
SYSTEMS AND NATIONAL LIFE, CREATE THE NA-
TIONAL INVENTOR'S COMMISSION, ESTABLISH AN
INVENTION GUARANTEE AND LOAN FUND, AND FOR
OTHER PURPOSES"

S. No. 400, introduced by Senator Salonga, entitled:

"AN ACT TO ESTABLISH A NATIONAL INVENTORS COMMIS-
SION, DEFINE ITS POWERS, FUNCTIONS, DUTIES
AND FOR OTHER PURPOSES"

and H. No. 24801, introduced by Congressmen Ty, Fugoso,
Bandon, Jr., Webb, Dayanghirang, Monfort, Dans, Payumo, Con-
gresswoman Labaria, Congressmen Del Mar, Pineda, Legaspi,
Perez, Amante and the Members of the Committee on Ways and
Means, per Committee Report No. 676, entitled:



"AN ACT PROVIDING INCENTIVES TO FILIPINO INVENTORS
IN THE COUNTRY AND APPROPRIATING FUNDS THEREFOR"

has considered these bills and has the honor to report them back to
the Senate with the recommendation that said bills be consolidated
with the attached bill S. No. 1788, prepared by the Committee,
entitled:

"AN ACT TO PROVIDE INCENTIVES FOR INVENTION AND ITS
APPLICATION TO THE COUNTRY'S PRODUCTIVE SYSTEMS
AND NATIONAL LIFE, AND TO EXPAND THE FUNCTIONS
OF THE TECHNOLOGY APPLICATION AND PROMOTION
INSTITUTE FOR THIS PURPOSE AND FOR OTHER PURPOSES"

and that this bill be approved with Senators Lina, Jr., Romulo,
Pimentel, Estrada and Salonga as authors thereof.

Respectfully submitted:

Orlando S. Mercado

ORLANDO S. MERCADO
Chairman

Committee on Science and Technology

Jose D. Lina, Jr.
JOSE D. LINA, JR.
Vice-Chairman

MEMBERS:



Edgardo J. Angara
EDGARDO J. ANGARA

submit to committee

Victor Z. Zia
VICTOR Z. ZIA

with reservation
Rene A. V. Saguisag
RENE A. V. SAGUISAG

EX-OFFICIO MEMBERS:

Sotero H. Laurel

SOTERO H. LAUREL
President Pro Tempore

Teodoro T. Guinsana, Jr.

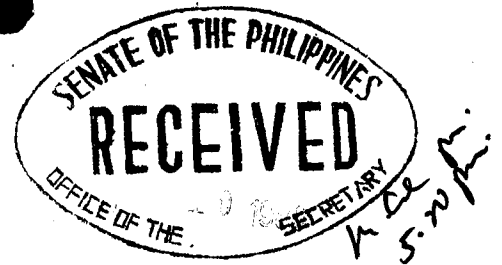
TEODORO T. GUINSANA, JR.
Majority Floor Leader

JUAN PONCE ENRILE
Minority Floor Leader

HONORABLE JOVITO R. SALONGA
President of the Senate
Manila

Senate Archives (LRAS)





S E N A T E

S. NO. 286

Introduced by Senators Lina, Jr., Romulo
Pimentel, Jr. and Estrada

EXPLANATORY NOTE

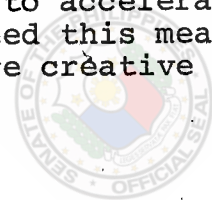
This measure gives form and substance to the Constitutional mandate to give priority to invention, innovation and their utilization in the country's productive systems and national life.

It provides a policy and program framework within which the Government in partnership and close collaboration with the private sector provides a climate conducive to invention and innovation and gives encouragement and support to inventors who are not only creative and resourceful, but who are imbued with a deep sense of nationalism.

The children and youth all over the country who are endowed with giftedness for invention and innovation will be identified, provided developmental opportunities and given access for their giftedness to unfold and bloom. This augurs well for a developing country such as ours whose major resource are our people, particularly the young, whose imagination, creativity and innovativeness will be given an avenue to flourish and grow - to eventually accrue to the country's development and productivity. The best road to greater employment is to imbue our people with resourcefulness, critical thinking skills and insights, and the will to achieve with excellence and purpose.

The measure provides for an implementing structure to provide management and technical support for the creative sector of this country. Hopefully, an Invention Guarantee and Loan Fund and an Invention Development Assistance Fund will provide some resources support and fuel the efforts of Filipino inventors.

We need invention and innovativeness in our economic recovery program for this country. We need science and technology in concrete form to accelerate our forward march to a better life for our people. We need this measure which will launch a national program towards a more creative and resourceful answer to our country's problems.

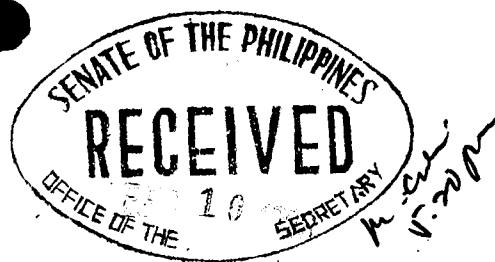


Jose D. Lina, Jr.
JOSE D. LINA, JR.

Alberto G. Romulo
ALBERTO G. ROMULO

Aquilino Q. Pimentel, Jr.
AQUILINO Q. PIMENTEL, JR.

Joseph Ejercito Estrada
JOSEPH EJERCITO ESTRADA



Introduced by Senators Lina, Jr., Romulo,
Pimentel, Jr., and Estrada

AN ACT
TO PROVIDE INCENTIVES FOR INVENTION AND ITS APPLICATION TO THE
COUNTRY'S PRODUCTIVE SYSTEMS AND NATIONAL LIFE, CREATE THE NATIONAL
INVENTORS COMMISSION, ESTABLISH AN INVENTION GUARANTEE AND
LOAN FUND, AND FOR OTHER PURPOSES

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

1 SECTION 1. Title.- This Act shall be known as the
2 Invention Incentives Act of the Philippines.

3 SEC. 2. Declaration of National Policy and Program.-

4 It is hereby declared to be the national policy to give priority to
5 invention and its utilization in the country's productive systems
6 and national life; and to this end provide incentives to inventors
7 and protect their exclusive right to their invention, particularly
8 when the invention is beneficial to the people and contributes to
9 national development and progress.

10 Pursuant to the national policy, the Government shall provide
11 a program to set up a climate conducive to invention and innovation,
12 give encouragement and support to inventors who are creative
13 and resourceful, as well as imbued with a deep sense of nationalism,
14 and maximize the capability and productivity of inventors through
15 incentives and other forms of assistance and support.

16 SEC. 3. Definition of Terms.-

17 1. Invention is the act or process of producing something
18 useful for the first time through the use of the imagination or
19 of ingenious thinking and experiment; and/or the product of
20 such process which satisfies the criteria of innovation, usefulness
21 and operativeness.

1 2. Innovation is the act or process of effecting a change
2 or introducing something new; and/or the product of such process
3 which results in a new idea, method or device. Innovation shall
4 also mean any new model of implement or tool or industrial
5 product or part of the same of practical utility by reason of
6 form, composition, construction or configuration.

7 3. Industrial design is any new, original or innovative
8 arrangement of elements that go into the production of a thing
9 or object and/or pattern that governs functioning, developing
10 or utilization of a product or interrelated group of products.

11 SEC. 4. National Inventors Commission.- There is hereby
12 created the National Inventors Commission, hereinafter referred
13 to as the Commission, composed of a Commissioner and two (2)
14 Deputy Commissioners who shall be appointed by the President
15 of the Philippines with the consent of the Commission on Appoint-
16 ments, and shall serve for a term of six years, without reappoint-
17 ment.

18 The Commission shall:

19 1. Formulate policies, programs and projects to carry out
20 the purposes of this Act; promulgate rules and regulations;
21 approve a comprehensive framework plan for providing incentives
22 for invention; approve a code of ethics for inventors and innova-
23 tors; adopt a program for the identification, development and
24 promotion of creative productivity and purposeful inventiveness
25 and innovativeness for children and youth from the ages of
26 three to twenty-four years and for youth gifted in science and
27 technology;

28 2. Implement policies, programs, projects and other
29 activities intended to carry out the purposes of this Act and
30 insure compliance with approved policies, programs, and projects,
31 as well as with the comprehensive framework plan, code of ethics,
32 program for creative productivity and giftedness in science and

S.No. _____

1 technology;

2 3. Administer and be primarily responsible for accounting
3 of the Invention and Guarantee Loan Fund, subject to existing laws,
4 rules and regulations for such funds; and

5 4. Perform such other functions and duties necessary to
6 implement this Act and which may be directed by the President
7 of the Philippines pursuant to this Act.

8 The Commission shall approve an organizational structure
9 and staffing pattern and an annual operations plan and budget,
10 subject to the approval of the Secretary of Science and Technology
11 for the program of the Commission and to the Secretary of Finance
12 for the administration of the Fund; provided that, one Deputy
13 Commissioner shall be in charge of the program and administrative
14 operations of the Commission and the other Deputy for the adminis-
15 tration of the Loan Fund.

16 The Commission shall be subject to the direct control and
17 supervision of the Office of the President; and shall submit
18 annual reports on the programs and projects and on expenditures,
19 particularly the status of the Loan Fund.

20 An Inter-Agency Advisory Committee shall be established by
21 the Commission from the public and private sector headed by the
22 Deputy Commissioner for program and administrative operations.

23 SEC. 5. Invention Guarantee and Loan Fund.- There is hereby
24 created an Invention Guarantee and Loan Fund to be used for the
25 development, manufacture, marketing and other invention-incentive
26 related activity for inventions of Filipino citizens. The Fund
27 shall be deposited in a government banking institution and shall
28 be subject to existing laws, rules and regulations on such funds of
29 the government. Subject to the approval of the Secretary of Finance,
30 the Commission shall administer the Fund in accordance with an
31 approved operations plan and rules and regulations.

1 There is hereby authorized to be appropriated out of funds
2 in the National Treasury not otherwise appropriated the initial
3 amount of fifty million pesos (₱ 50,000,000) for the initial
4 capitalization of the Invention Guarantee and Loan Fund; and
5 the amount of five million pesos (₱ 5,000,000) for annual
6 operations of the Commission. Thereafter, such amounts as may
7 be required for the Fund and for the operations of the Commission
8 shall be included in the annual appropriations Act.

9 SEC. 6. Invention Development Assistance Fund.- There is
10 hereby established an Invention Development Assistance Fund from
11 the operations of the Commission in the amount of at least thirty
12 percent of the annual operations fund of the Commission and from
13 donations, bequests, and other sources, public and private, or
14 domestic or foreign, for assisting inventors in the initial
15 experiments and prototype development and other invention-development
16 related activities of invention, innovation and/or industrial
17 design. The Fund shall be administered by the Commission and
18 in the performance of the evaluation of proposals therefor, the
19 Commission may be assisted by an Advisory Board of Inventors
20 from the public and private sector. All donations to the
21 Assistance Fund shall be tax exempt and/ or tax deductible.

22 SEC. 7. Rule-Making and Issuance of Orders.- All rules and
23 regulations, orders and other issuances, awards to Loan recipients,
24 and other acts affecting third persons or require the award of
25 funds under this Act shall first be published in a national
25 newspaper of general circulation before it takes effect.

26 SEC. 8. Separability Clause.- If any part or provisions of
27 this Act shall be held unconstitutional or invalid, other parts
28 or provisions hereof which are not affected thereby shall continue
29 in full force and effect.

SEC. 9. Repealing Clause.— Any law, decree, rules, regulations, executive orders or parts thereof inconsistent with this Act shall be deemed repealed or modified accordingly.

SEC. 10. Effectivity.— This Act shall take effect upon its approval and completion of its publication in at least two national newspapers of general circulation.

Approved,



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