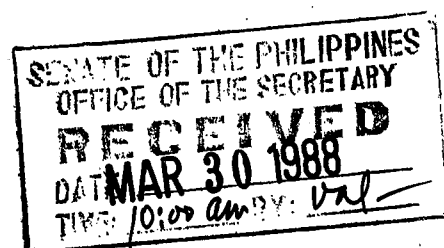


REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES

SENATE
MANILA

FIRST REGULAR SESSION

S. No. 400



INTRODUCED BY SENATOR JOVITO R. SALONGA

EXPLANATORY NOTE

The attached bill seeks to establish a National Inventors Commission and to define its powers, functions, duties and for other purposes.

The world's developed economies have taught us a lesson and given us convincing evidence of superiority triggered mainly by invention and technology. An average 2.5% of GNP support for research and development expenditures vis-a-vis our dismal .20% as against our ASEAN neighbors averaging .50% shows a lack of adequate interest and national assistance. Neglected inventors of our country are driven to seek other countries' support and assistance.

Strong policy, adequate budgetary support, and effective management and technical assistance will project the political will to develop our own inventive, innovative and creative capabilities.

Early passage of this bill is requested.


JOVITO R. SALONGA
SENATOR



'jts 3/29/88

REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
S E N A T E
M A N I L A

SENATE OF THE PHILIPPINES
OFFICE OF THE SECRETARY
RECEIVED
DATE: **MAR 30 1988**
TIME: **10:00** AMBY: **DL**

FIRST REGULAR SESSION

S. NO. 400

Introduced by Senator Jovito R. Salonga

AN ACT
TO ESTABLISH A NATIONAL INVENTORS COMMISSION, DEFINE ITS
POWERS, FUNCTIONS, DUTIES AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as the "Philippine
Invention Development Incentives Act of 1988".

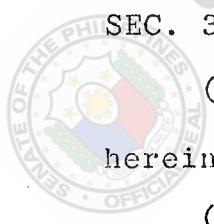
SEC. 2. There is hereby established a National
Inventors Commission, under the Office of the President of the
Philippines, for the purpose of granting financial, technical and
legal assistance and other services in order to inculcate upon
gifted Filipino citizens the value of inventiveness and
creativeness in the economic, social and political life of the
nation.

SEC. 3. As used in this Act -

(a) "National Inventors Commission" shall
hereinafter be referred to as the Commission;

(b) "Invention" shall, for the purpose of
this Act, mean any patented product, process
including implements or tools and other related
gadgets of invention, utility model and industrial
design patents;

(c) "Incentives" shall refer to any assist-
ance rendered by the Commission in the form of
technical, financial, legal and other services; and



(d) Inventor shall refer to the original owner of a letters patent certificate of an invention, or utility model or industrial design.

SEC. 4. The Commission shall have the following functions, powers and duties:

(a) To provide technical assistance to inventors by examining their submitted ideas, products and processes in the fields of agriculture, chemistry, commerce, communications, education, engineering, fishery, forestry, medicine, national defense, pharmacy, physics, public safety and welfare, public works, transportation and other fields of science and technology by determining their patentability and by helping them prepare patent applications, under certain terms and conditions;

(b) To grant financial assistance to inventors to enable them to develop, produce and market their inventions duly patented or those having pending patents, including pilot scale plants which would demonstrate the operability and industrial application, under certain terms and conditions;

(c) To render legal assistance to inventors by representing them in filing their patent applications here and abroad and in protecting their intellectual property rights from infringement and unfair competition under certain terms and conditions;

(d) To recommend to public or private lending institutions the acceptability of inventions that are beneficial to our country, as guarantees for long term loans to enable inventors to manufacture their inventions;



(e) To help inventors find markets for their inventions here and abroad;

(f) To encourage investors in the development of their inventions through the observation and celebration of a National Inventors Week annually wherein maybe granted sizeable cash awards, diploma of merits and medals to be known as Presidential Awards in the fields as contained in subparagraph (a) hereof in a competition which shall be open to all Filipino inventors with Philippine patents who may submit entries in one or more fields;

(g) To promote and encourage inventiveness and creativeness among our people by inducing them to submit new and useful ideas, researches or gadgets in the fields mentioned in subparagraph (a) through an annual "Creative Research Contest" with cash awards, diploma of merits and medals given to the winners chosen by the Presidential Panel of Judges during the National Inventors Week;

(h) To establish and maintain a public research laboratory and experimental station where authorized inventors and researchers may avail themselves of its facilities and services under certain terms and conditions. Laboratory and experimental station facilities of other government agencies, offices and instrumentalities shall also be made available to inventors or researchers who may need the same as recommended by the Commission;

(i) To publish and disseminate information on inventions, science and technology in general;

(j) To hold regular monthly seminars for the exchange of ideas among inventors;

(k) To help inventors join international competitions, exhibits and fairs on patented products, designs and processes; and

(l) To organize inventive and creative societies in schools, colleges and universities and other areas to promote and encourage inventiveness and creativeness among the youth in cooperation with the Department of Education, Culture and Sports.

SEC. 5. The Commission shall be under a Commissioner and three (3) Deputy Commissioners: One Deputy Commissioner for Administrative and Finance Services, One Deputy Commissioner for Technical Operation Services and one Deputy Commissioner for Marketing and Promotion Services, who shall be appointed by the President of the Philippines, each of whom shall be a citizen of the Philippines at least twenty-five (25) years of age and an inventor with at least one (1) letters patent certificate issued by the Philippine Patent Office or a patent agency abroad.

SEC. 6. The Commission shall organize an Advisory Council, of which the Commissioner is the Chairman. It shall consist of at least six (6) members, three (3) of whom shall be from the government sector and the other three (3) Members from the inventors sector. The Advisory Council shall assist the Commission in providing guidance and advice to inventors: Provided, That any assistance rendered by the Commission to inventors shall be rendered in the condition stated in a written contract, that the inventor agrees to give to the Commission a certain percentage of the royalty arising from

the local or foreign patents of his inventions developed, marketed and secured or protected through the assistance of the Commission, the proceeds of which shall be used to carry out the objectives of the Commission.

SEC. 7. There is hereby created an invention guarantee and loan fund which shall be used to finance a special financing program for Filipino inventions. It shall consist of the amount of Fifty million pesos (P50,000,000.00) which is authorized to be appropriated, out of any funds in the National Treasury not otherwise appropriated: Provided, That the initial amount of Five million pesos (P5,000,000.00) shall be appropriated out of the funds of the Philippine Invention Development Institute including its accumulated earnings presently deposited in the Development Bank of the Philippines.

SEC. 8. The Commissioner, with the approval of the Office of the President of the Philippines, may select a suitable location on any public land owned by the National Government for the site of the inventors community, public research laboratory and experimental stations or branch thereof with an area of at least twenty-four (24) hectares. Within three (3) months from receipt of the choice of the Commission duly approved, the Director of Lands shall cause the chosen site to be surveyed, delimited and transferred to the Commission for its exclusive jurisdiction and control.

SEC. 9. The Commission shall have the following services: Administrative and Finance Services with the following divisions: Legal, Personnel and Records, Budget and Planning, Accounting, Finance and General Services; Technical Operation Services with the following divisions: Research and Development, Patent Assistance, Techno-Economic, Pilot Plant Operations and Training and Information; and Promotion and Marketing, Trade and Exhibits, and Sales and other divisions

that the Commission may create subject to the approval of the Office of the President of the Philippines. To better assure the attainment of the objectives of this Act, the heads of divisions shall preferably be Filipino inventors at least twenty-five (25) years of age.

Such administrative, technical and marketing and promotion staff and personnel as may be necessary to carry out the functions of the Commission shall be appointed and/or contracted by the Commission.

SEC. 10. The Commission is hereby authorized to establish a "Special Invention Research and Development Assistance Fund". All donations, grants, bequests, budgetary savings and other income shall accrue to the fund to be expended for prototype fabrication, pilot plant operation, test and evaluation and other projects for the promotion and development of inventions.

SEC. 11. All donations and grants to the Commission shall be tax exempt and deductible in full from the donor's gross income for tax purposes when evidenced by a certificate duly issued by the Commission. Any person who evades or defeats, or attempts to evade or defeat in any manner any tax imposed by law by availing himself of the provisions of this section through fraud or misrepresentation shall be punished by a fine of not more than ten thousand pesos (P10,000.00) or imprisonment of not exceeding one (1) year or both, in the discretion of the court. In case the violator is a corporation or association, the president or general manager thereof shall be criminally liable, without prejudice to the criminal responsibility of the member officer or employee thereof committing such violation.

SEC. 12. To promote, encourage and develop the manufacture and/or sale of local inventions, any income derived by

the inventor from his patented inventions shall be exempted from paying all kinds of taxes, license and permit fees, except customs duties and charges on imports, during the first ten (10) years from the date of first sale, subject to the rules and regulations of the Department of Finance: Provided, That this tax exemption privilege, upon the death of the inventor, shall be extended to the legal heir.

SEC. 13. The Commission shall be constituted immediately upon approval of this Act. It shall initially operate with the existing appropriation, personnel, funds, records, equipment, facilities, chooses in action, rights, other assets and liabilities of the defunct Philippine Invention Development Institute, all of which shall be transferred to the Commission.

SEC. 14. There is hereby authorized to be appropriated annually out of any funds in the National Treasury not otherwise appropriated, the amount of at least Twenty-five million pesos (P25,000.000.00) to carry out the provisions and objectives of this Act. At least fifty percent (50%) of the annual appropriation shall be used to grant aid to inventors or those with pending patents and at least ten percent (10%) of the balance shall be used for awards and prizes as provided in Section 4 (a) of this Act.

SEC. 15. All functions referring to the promotion and development of inventions conferred upon other government agencies are hereby transferred to the Commission which shall hereafter exercise those functions.

SEC. 16. The Commission shall promulgate, subject to the approval of the Office of the President of the Philippines, such rules and regulations as may be necessary for the conduct and exercise of functions, powers and duties of the Commission under this Act.

SEC. 17. The unconstitutionality of any section, subsection, sentence, clause or term of this Act shall not affect the validity of the other provisions thereof.

SEC. 18. All provisions of law, rules, regulations or orders contrary to or inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 19. This Act shall take effect upon its approval fifteen days after its publication in at least two (2) newspapers of general circulation.

Approved,



Senate Archives (LRAS)