

SENATE

S. No. 1989

(In substitution of S. No. 1430)

PREPARED BY THE COMMITTEE ON TRADE AND COMMERCE
WITH SENATORS OSMEÑA III AND MAGSAYSAY JR. AS
AUTHORS THEREOF

AN ACT PROVIDING FOR THE PROTECTION OF
LAYOUT DESIGN (TOPOGRAPHIES) OF INTEGRATED
CIRCUITS, AMENDING FOR THE PURPOSE CERTAIN
PROVISIONS OF REPUBLIC ACT NUMBERED EIGHTY
TWO HUNDRED AND NINETY THREE (R. A. NO.
8293), OTHERWISE KNOWN AS THE INTELLECTUAL
PROPERTY CODE OF THE PHILIPPINES AND FOR
OTHER PURPOSES

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

1 SECTION 1. The title of Chapter XIII and the first provision
2 of the said chapter of R. A. No. 8293, otherwise known as the
3 Intellectual Property Code of the Philippines, are hereby amended
4 to read as follows:

"CHAPTER XIII

INDUSTRIAL DESIGN AND LAYOUT DESIGN
(TOPOGRAPHIES) OF INTEGRATED CIRCUITS

SEC. 112. *Definition [(of Industrial Design)] OF*

TERMS:

1. An *Industrial Design* is any composition of line or
colors or any three-dimensional form, whether or not
associated with lines or colors: *Provided*, That such
composition or form gives a special appearance to and
can serve as pattern for an industrial or handicraft.
[(Sec. 55, RA No. 165)]
2. *INTEGRATED CIRCUIT* MEANS A PRODUCT, IN
ITS FINAL FORM, OR AN INTERMEDIATE FORM,
IN WHICH THE ELEMENTS, AT LEAST ONE OF
WHICH IS AN ACTIVE ELEMENT, AND SOME OR
ALL OF THE INTERCONNECTIONS ARE
INTEGRALLY FORMED IN AND/OR ON A PIECE
OF MATERIAL, AND WHICH IS INTENDED TO
PERFORM AN ELECTRONIC FUNCTION; AND
3. *LAYOUT DESIGN* IS SYNONYMOUS WITH
"TOPOGRAPHY" AND MEANS THE THREE-
DIMENSIONAL DISPOSITION. HOWEVER
EXPRESSED, OF THE ELEMENTS, AT LEAST ONE
OF WHICH IS AN ACTIVE ELEMENT, AND OF
SOME OR ALL OF THE INTERCONNECTIONS OF

1 AN INTEGRATED CIRCUIT, OR SUCH A THREE-
2 DIMENSIONAL DISPOSITION PREPARED FOR AN
3 INTEGRATED CIRCUIT INTENDED FOR
4 MANUFACTURE."

5 SEC. 2. Section 113 of the same law is hereby amended to
6 read as follows:

7 "SEC. 113. *Substantive Conditions for Protection.* -

8 113.1. Only industrial designs that are new or [original]
9 ORNAMENTAL shall benefit from protection under this Act.

10 113.2. Industrial designs dictated essentially by
11 technical or functional considerations to obtain a technical
12 result or those that are contrary to public order, health or
13 morals shall not be protected.

14 113.3. ONLY LAYOUT-DESIGNS OF INTEGRATED
15 CIRCUITS THAT ARE ORIGINAL SHALL BENEFIT
16 FROM PROTECTION UNDER THIS ACT. A LAYOUT-
17 DESIGN SHALL BE CONSIDERED ORIGINAL IF IT IS
18 THE RESULT OF THE CREATOR'S OWN
19 INTELLECTUAL EFFORT AND IS NOT COMMONPLACE
20 AMONG CREATORS OF LAYOUT DESIGNS AND
21 MANUFACTURERS OF INTEGRATED CIRCUIITS AT THE
22 TIME OF ITS CREATION.

23 113.4. A LAYOUT DESIGN CONSISTING OF A
24 COMBINATION OF ELEMENTS AND
25 INTERCONNECTIONS THAT ARE COMMONPLACE

1 SHALL BE PROTECTED ONLY IF THE COMBINATION,
2 TAKEN AS A WHOLE, IS ORIGINAL."

3 SEC. 3. Section 114 of RA 8293 is hereby amended to read
4 as follows:

5 "SEC. 114. *Contents of the Application.* - 114.1

6 Every application for registration of [an] EITHER industrial
7 design OR LAYOUT DESIGN shall contain:

- 8 (a) A request for registration [of the industrial design];
9 (b) Information identifying the applicant;
10 (c) An indication of the kind of article of manufacture or
11 handicraft to which the design shall be applied;
12 (d) A representation of the article of manufacture or
13 handicraft by way of drawings, photographs or [other]
14 adequate graphic representation of the design as applied
15 to the article of manufacture or handicraft which clearly
16 and fully discloses those features for which design
17 protection is claimed; and
18 (e) The name and address of the creator, or where the
19 applicant is not the creator, a statement indicating the
20 origin of the right to the [industrial] design registration.

21 114.2 The application may be accompanied by a specimen of
22 the article embodying the industrial design OR
23 LAYOUT DESIGN and shall be subject to the payment
24 of the prescribed fee."

1 SEC. 4. Section 116 of the same law is hereby amended
2 to read as follows:

3 "SEC. 116. *Examination.* - 116.1. The Office shall
4 accord as the filing date the date of receipt of the application
5 containing indications allowing the identity of the applicant
6 to be established and representation of the article embodying
7 the industrial design OR THE LAYOUT DESIGN or a
8 pictorial representation thereof.

9 116.2. If the application does not meet these
10 requirements, the filing date should be that date when all the
11 elements specified in Sec. [105] 114 are filed or the mistakes
12 corrected. Otherwise, if the requirements are not complied
13 within the prescribed period, the application shall be
14 considered withdrawn.

15 116.3. After the application has been accorded a filing
16 date and the required fees paid on time, the applicant shall
17 comply with the requirements of Section 114 within the
18 prescribed period otherwise the application shall be considered
19 withdrawn.

20 116.4. The Office shall examine whether the industrial
21 design OR LAYOUT DESIGN complies with requirements of
22 Sections 112 and [Subsections] 113[.2 and 113.3]"

23 SEC. 5. Section 117 of the Intellectual Property Code is
24 amended to read as follows:

1 "SEC. 117. *Registration.* - 117.1. Where the office
2 finds that the conditions referred to in Section 113 are
3 fulfilled, it shall order that registration be effected in the
4 industrial design OR LAYOUT DESIGN register and cause
5 the issuance of an industrial design OR LAYOUT DESIGN
6 certificate of registration; otherwise, it shall refuse the
7 application.

8 117.2. The form and contents of an industrial design
9 OR LAYOUT DESIGN certificate shall be established by the
10 Regulations: *Provided*, That the name and address of the
11 creator shall be mentioned in every case.

12 117.3. Registration shall be published in the form and
13 within the period fixed by the Regulations.

14 117.4. The Office shall record in the register any
15 change in the identity of the proprietor of the industrial design
16 OR LAYOUT DESIGN or his representative, of proof thereof
17 is furnished to it. A fee shall be paid, with the request to
18 record the change in the identity of the proprietor. If the fee
19 is not paid, the request shall be deemed not to have been
20 filed. In such case, the former proprietor and the former
21 representative shall remain subject to the rights and
22 obligations as provided in this Act.

117.5. Anyone may inspect the Register and the files of registered industrial designs OR LAYOUT DESIGNS including files of cancellation proceedings."

SEC. 6. Section 118 of the same law is hereby amended to read as follows:

"SEC. 118. *The Term of Industrial Design OR LAYOUT DESIGN Registration.* - 118.1. The registration of an industrial design shall be for a period of five (5) years from the filing date of the application.

118.2. The registration of an industrial design may be renewed for not more than two (2) consecutive periods of five (5) years each, by paying the renewal fee.

118.3. The renewal fee shall be paid within twelve (12) months proceeding the expiration of the period of registration. However, a grace period of six (6) months shall be granted for payment of the fees after such expiration, upon payments of surcharge.

118.4. The Regulations shall fix the amount of renewal fee, the surcharge and other requirements regarding the recording of renewals of registration.

118.5. THE REGISTRATION OF A LAYOUT DESIGN SHALL BE VALID FOR A PERIOD OF TEN (10) YEARS, WITHOUT RENEWAL, AND SUCH VALIDITY TO BE COUNTED FROM THE DATE OF COMMENCEMENT OF THE PROTECTION ACCORDED TO THE LAYOUT

DESIGN. THE PROTECTION OF A LAYOUT DESIGN UNDER THIS ACT SHALL COMMENCE

A) ON THE DATE OF THE FIRST COMMERCIAL EXPLOITATION, ANYWHERE IN THE WORLD, OF THE LAYOUT DESIGN BY OR WITH THE CONSENT OF THE RIGHT HOLDER. PROVIDED, THAT AN APPLICATION FOR REGISTRATION IS FILED WITH THE INTELLECTUAL PROPERTY OFFICE WITHIN TWO (2) YEARS FROM SUCH DATE OF FIRST COMMERCIAL EXPLOITATION; OR

B) ON THE FILING DATE ACCORDED TO THE APPLICATION FOR THE REGISTRATION OF THE LAYOUT DESIGN IF THE LAYOUT DESIGN HAS NOT BEEN PREVIOUSLY EXPLOITED COMMERCIALY ANYWHERE IN THE WORLD."

SEC. 7. Section 119 of RA 8293 is amended to read as follows:

"SEC. 119. *Application of Other Sections and Chapters.* - 119.9. The following provisions relating to patents shall apply *mutatis mutandis* to an industrial design registration:

Section 21 - Novelty;

Section 24 - Prior art; *Provided*, That the disclosure is contained in

1 printed documents or in any
2 tangible form;
3 Section 25 - Non-prejudicial Disclosure;
4 [Section 27 - Inventions Created Pursuant
5 to a Commission];
6 Section 28 - Right to a Patent;
7 Section 29 - First to File Rule;
8 SECTION 30 - INVENTIONS CREATED
9 PURSUANT TO A
10 COMMISSION;
11 Section 31 - Right of Priority: *Provided*,
12 That the application for
13 industrial design shall be
14 filed within six (6) months
15 from the earliest filing date
16 of the corresponding foreign
17 application;
18 Section 33 - Appointment of Agent or
19 Representative;
20 Section 51 - Refusal of the Application;
21 Section 56 to 60 - Surrender, Correction of and
22 Changes in Patent;
23 Chapter VII - Remedies of a Person with
24 a Right to Patent;

1 Chapter VIII - Rights of Patentees and
2 Infringement of Patents; and
3 Chapter XI - Assignment and Transmis-
4 sion of Rights
5 119.2. If the essential elements of an industrial design
6 which is the subject of an application have been obtained
7 from the creation of another person without his content.
8 protection under this Chapter cannot be invoked against the
9 injured party.
10 119.3. THE FOLLOWING PROVISIONS RELATING
11 TO PATENTS SHALL APPLY *MUTATIS MUTANDIS* TO A
12 LAYOUT DESIGN OF INTEGRATED CIRCUITS
13 REGISTRATIONS:
14 SECTION 28 - RIGHT TO A PATENT;
15 SECTION 29 - FIRST TO FILE RULE;
16 SECTION 30 - INVENTIONS CREATED
17 PURSUANT TO A
18 COMMISSION
19 SECTION 33 - APPOINTMENT OF
20 AGENT OR
21 REPRESENTATIVE;
22 SECTION 56 - SURRENDER OF
23 PATENT;

SECTION 57 - CORRECTION OF
MISTAKES OF THE
OFFICE;

SECTION 58 - CORRECTION OF
MISTAKES IN THE
APPLICATION;

SECTION 59 - CHANGES IN PATENTS;

SECTION 60 - FORM AND PUBLICA-
TION OF
AMENDMENT;

CHAPTER VII - REMEDIES OF A PERSON WITH
A RIGHT TO PATENT;

CHAPTER VIII - RIGHTS OF PATENTEES AND
INFRINGEMENT OF PATENTS: *PROVIDED*, THAT THE
LAYOUT DESIGN RIGHTS AND LIMITATION OF
LAYOUT-DESIGN RIGHTS PROVIDED HEREUNDER
SHALL GOVERN;

CHAPTER X - COMPULSORY LICENSING;

CHAPTER XI - ASSIGNMENT AND
TRANSMISSION OF RIGHTS.

119.4 RIGHTS CONFERRED TO THE OWNER OF
A LAYOUT DESIGN REGISTRATION - THE OWNER
OF A LAYOUT DESIGN REGISTRATION SHALL ENJOY
THE FOLLOWING RIGHTS:

1. TO REPRODUCE, WHETHER BY
INCORPORATION IN AN INTEGRATED CIRCUIT OR
OTHERWISE, THE REGISTERED LAYOUT DESIGN IN
ITS ENTIRETY OR ANY PART THEREOF, EXCEPT THE
ACT OF REPRODUCING ANY PART THAT DOES NOT
COMPLY WITH THE REQUIREMENTS OF
ORIGINALITY; AND

2. TO SELL OR OTHERWISE DISTRIBUTE FOR
COMMERCIAL PURPOSES THE REGISTERED LAYOUT
DESIGN, AN ARTICLE OR AN INTEGRATED CIRCUIT
IN WHICH THE REGISTERED LAYOUT-DESIGN IS
INCORPORATED.

119.5. LIMITATIONS OF LAYOUT RIGHTS -
THE OWNER OF A LAYOUT DESIGN HAS NO RIGHT
TO PREVENT THIRD PARTIES FROM REPRODUCING,
SELLING OR OTHERWISE DISTRIBUTING FOR
COMMERCIAL PURPOSES THE REGISTERED LAYOUT
DESIGN IN THE FOLLOWING CIRCUMSTANCES:

1. REPRODUCTION OF THE REGISTERED LAYOUT
DESIGN FOR PRIVATE PURPOSES OR FOR THE
SOLE PURPOSE OF EVALUATION, ANALYSIS,
RESEARCH OR TEACHING;
2. WHERE THE ACT IS PERFORMED IN RESPECT
OF A LAYOUT DESIGN CREATED ON THE BASIS

OF SUCH ANALYSIS OR EVALUATION AND
WHICH IN ITSELF IS ORIGINAL;

3. WHERE THE ACT IS PERFORMED IN RESPECT
OF A REGISTERED LAYOUT DESIGN, OR IN
RESPECT OF AN INTEGRATED CIRCUIT IN
WHICH SUCH A LAYOUT DESIGN IS
INCORPORATED, THAT HAS BEEN PUT ON THE
MARKET BY OR WITH THE CONSENT OF THE
RIGHT HOLDER.

4. IN RESPECT OF AN INTEGRATED CIRCUIT
WHERE THE PERSON PERFORMING OR
ORDERING SUCH AN ACT DID NOT KNOW AND
HAD NO REASONABLE GROUND TO KNOW
WHEN ACQUIRING THE INTEGRATED CIRCUIT
OR THE ARTICLE INCORPORATING SUCH AN
INTEGRATED CIRCUIT, THAT IT INCORPORATED
AN UNLAWFULLY REPRODUCED LAYOUT
DESIGN: *PROVIDED, HOWEVER*, THAT AFTER
THE TIME THAT SUCH PERSON HAS RECEIVED
SUFFICIENT NOTICE THAT THE LAYOUT
DESIGN WAS UNLAWFULLY REPRODUCED,
THAT PERSON MAY PERFORM ANY OF THE
SAID ACTS ONLY WITH RESPECT TO THE
STOCK ON HAND OR ORDERED BEFORE SUCH
AND SHALL BE LIABLE TO PAY TO THE RIGHT

HOLDER A SUM EQUIVALENT TO AT LEAST
FIVE PERCENT (5%) OF NET SALES OR SUCH
OTHER REASONABLE ROYALTY AS WOULD BE
PAYABLE UNDER A FREELY NEGOTIATED
LICENSE IN RESPECT OF SUCH LAYOUT
DESIGN; OR

5. WHERE THE ACT IS PERFORMED IN RESPECT OF
AN IDENTICAL LAYOUT DESIGN WHICH IS
ORIGINAL AND HAS BEEN CREATED
INDEPENDENTLY BY A THIRD PARTY."

SEC. 8. Section 120 of the Intellectual Property Code is
hereby amended to read as follows:

"SECTION 120. *Cancellation of Design Registration.*

- 120.1. At any time during the term of the industrial design
registration, any person upon payment of the required fee,
may petition the Director of Legal Affairs to cancel the
industrial design on any of the following grounds;

- a. If the subject matter of the industrial design is not
registrable within the terms of Sections 112 and 113;
- b. If the subject matter is not new; or
- c. If the subject matter of the industrial design extends
beyond the content of the application as originally filed.

"120.2 Where the grounds for cancellation relate to
a part of the industrial design, cancellation may be effected

1 to such extent only. The restriction may be effected in the
2 form of an alteration of the effected features of the design.(n)

3 120.3 ANY INTERESTED PERSON MAY PETITION
4 THAT THE REGISTRATION OF A LAYOUT DESIGN BE
5 CANCELLED ON THE GROUND THAT:

- 6 i. THE LAYOUT-DESIGN CANNOT NOT BE
7 PROTECTED UNDER THIS ACT.
8 ii. THE RIGHT HOLDER IS NOT ENTITLED TO
9 PROTECTION UNDER THIS ACT; OR
10 iii. WHERE THE APPLICATION FOR REGISTRATION
11 OF THE LAYOUT DESIGN, WAS NOT FILED
12 WITHIN TWO (2) YEARS FROM ITS FIRST
13 COMMERCIAL EXPLOITATION ANYWHERE IN
14 THE WORLD.

15 WHERE THE GROUNDS FOR CANCELLATION
16 ARE ESTABLISHED WITH RESPECT ONLY TO A PART
17 OF THE LAYOUT DESIGN, ONLY THE
18 CORRESPONDING PART OF THE REGISTRATION
19 SHALL BE CANCELLED.

20 ANY CANCELLED LAYOUT-DESIGN
21 REGISTRATION OR PART THEREOF, SHALL BE
22 REGARDED AS NULL AND VOID FROM THE
23 BEGINNING AND SHALL BE IMMEDIATELY
24 WITHDRAWN FROM THE RECORDS OF THE
25 INTELLECTUAL PROPERTY OFFICE. REFERENCE TO

1 ALL CANCELLED LAYOUT DESIGN REGISTRATION
2 SHALL BE PUBLISHED IN THE IPO GAZETTE."

3 SEC. 9. *Implementing Rules and Regulations.* - The
4 Intellectual Property Office may issue Regulations prescribing details
5 for the implementation of this law. The Regulations may, in
6 particular, provide for the payment of fees in connection with
7 applications for the registration of layout designs of integrated circuits
8 and matters related thereto, including Administrative Instructions
9 relating to the procedures and other functions of the responsible unit
10 duly designated by the Director-General.

11 SEC. 10. *Applicability.* - The provisions of this Act shall
12 apply to layout designs of integrated circuits that were commercially
13 exploited anywhere in the world from and after January 1998
14 provided they meet the conditions for protection under this Act.

15 SEC.11. *Repealing Clause.* - All Acts, parts of Acts
16 inconsistent herewith are hereby repealed or amended accordingly.

17 SEC. 12. *Separability Clause.* - If any provision of this
18 Act or the application of such provision to any circumstance is held
19 invalid, the remainder of this Act shall not be affected thereby.

20 SEC. 13. *Effectivity.* - This Act shall take effect fifteen (15)
21 days after its complete publication in the *Official Gazette* or in at
22 least two (2) newspapers of general circulation.

Approved,