



IPOPHL MEMORANDUM CIRCULAR NO. 16-007

SUBJECT: Revised Rules and Regulations on Inter Partes Proceedings

Whereas, Section 10 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), provides that the Bureau of Legal Affairs shall: "10.1 Hear and decide opposition to the application for registration of marks; cancellation of trademarks; subject to the provisions of Section 64, cancellation of patents, utility models, and industrial designs; and petitions for compulsory licensing of patents;" and that "10.3. The Director General may by Regulations establish the procedure to govern the implementation of this Section."

Whereas, the Intellectual Property Office of the Philippines ("IPOPHL") has previously amended and revised the Rules and Regulations on Inter Partes Case ("IPC Rules") consistent with its thrust to continuously review and streamline its operations, systems, processes, including administrative procedures, in resolving disputes and controversies involving IP rights;

Whereas, there is a need to further amend the existing rules in order to achieve a more efficient and expeditious resolution of *Inter Partes* cases in the Bureau of Legal Affairs;

NOW, WHEREFORE, pursuant to the authority of the Director General under Sections 7 and 10 of the IP Code, the IPC Rules, are further revised, as follows:

SECTION 1. Rule 2, Section 5 is hereby amended, to read:

RULE 2 GENERAL PROVISIONS; PROCEEDINGS

X X X

Section 5. ***Modes of Service; Applicability of the Rules of Court.***- **(a) Copies of decisions, resolutions, final and interlocutory orders, notices, summons and other processes shall be delivered to the parties via personal service, registered mail, courier service and other similar means as the Director General may deem appropriate. For this purpose, the delivery or service shall be made:**

- (i) to the address of a party's legal counsel of record; or
- (ii) to the address of a party's representative of record, if such party has no legal counsel; or
- (iii) if a party has no legal counsel or representative on record, to the address of a party as appearing in its pleadings or as indicated in other relevant record of the Bureau or the IPOP HL, such as intellectual property rights certificate of registration or applications.

(b) In the absence of any applicable rules, the Rules of Court may be applied in suppletory manner.

SECTION 2. Rule 2, Section 6 is hereby amended, to read:

Section 6. Authority of the Hearing/Adjudication Officers. - The Hearing/Adjudication Officers are authorized to administer oaths and affirmation, issue summons, subpoena *duces tecum* and *ad testificandum*, interlocutory orders and preliminary rulings on questions raised, to conduct preliminary and clarificatory hearings, **to issue and sign decisions and final orders, and perform other functions as may be provided in these Rules.**

SECTION 3. Rule 2, Section 7 is hereby amended, to read:

Section 7. Filing Requirements for Opposition and Petition. x x x

(b) x x x. The verification and certification of non-forum shopping as well as the documents showing the authority of the signatory or signatories thereto, affidavits and other supporting documents, if executed and notarized abroad, must have been authenticated by the appropriate Philippine diplomatic or consular office. The execution and authentication of these documents must have been done before the filing of the case. **For purposes of filing an opposition, however, the authentication may be secured after the filing of the case provided that the execution of the documents aforementioned are done prior to such filing and provided further, that the authentication must be submitted before the issuance of the order of default or conduct of the preliminary conference under Section 13 of this Rule.**

SECTION 4. Rule 2, Section 8(c) is hereby amended to read:

Section 8. Action on the Notice of Opposition or Motion for Extension to File Notice of Opposition, and Petition. - x x x

(c) The opposer, including those who file a motion for extension of time to file notice of opposition, or the petitioner shall be given a period of five (5) days from receipt of the order to complete or to cure any of the following defect:

x x x

No further extension shall be allowed.

Failure to complete or cure the defect shall cause the dismissal of the case. **The Director or Assistant Director shall issue the final order of dismissal.**

SECTION 5. Rule 2, Section 9 is hereby amended by including a new subsection (e), to read:

Section 9. Answer.-x x x

(b) Upon proper motion founded on meritorious grounds, and the payment of the applicable fees, the Bureau may grant an additional period of 30 days within which to file the answer. **A second motion for extension of 30 days may be granted also on meritorious grounds and upon payment of the applicable fees. A third motion for extension of 30 days may be granted on compelling grounds and upon payment of the applicable fees; *Provided, that in no instance shall the filing of the answer exceed one hundred twenty (120) days from the date of the receipt of the copy of the Notice to answer; *Provided, further,**** that if the last day for filing of the answer or motion for extension falls on a Saturday, Sunday, holiday, non-working day or on a day when the Office or the Bureau is closed for business as may be declared by the Director General, the filing must be done the next succeeding working day.

(d) The respondent shall be given a period of five (5) days from receipt of the order to complete or to cure the following defects:

- (1) Non-payment in full or in part of the applicable fees, for motions for extensions to file answer;
- (2) Failure to attach the originals of the following documents:
 - (i) Verification;
 - (ii) Special Power of Attorney of representative(s) who signed the pleadings, the verification, and the certification of non-forum shopping; the proof of authority to issue or execute the Special Power of Attorney; and
 - (iii) Proof of authentication by the appropriate Philippine diplomatic or consular office, for the foregoing documents executed abroad.

No further extension shall be allowed.

SECTION 6. Rule 2, Section 11 (Prohibited Pleadings) is renumbered as Rule 2, Section 10.

SECTION 7. Rule 2, Section 12 (Referral to Mediation) is renumbered as Rule 2, Section 11, and is hereby amended, to read:

Section 11. Referral to Alternative Dispute Resolution. - If the Answer is filed on time and/or the defects are completed or cured, the case shall be referred to **the Alternative Dispute Resolution ("ADR")** in accordance with the existing applicable IPOPHL rules.

SECTION 8. Rule 2, Section 10 (Effect of failure to file Answer or to Complete the Requirements) is amended, and renumbered as Rule 2, Section 12, to read:

Section 12. Effect of Failure to file Answer or to Complete the Requirements. - **The respondent shall be declared in default if it fails to file an Answer or complete the requirements on time.**

SECTION 9. A new Section 13 in Rule 2 is added, to read:

Section 13. Delay in the Filing of Pleading/Compliance. - In resolving issues involving delays in the parties' filing of pleadings and compliance to orders, the Bureau shall take into account allegations of fraud, accident, mistake and excusable negligence.

SECTION 10. Rule 2, Section 13 is renumbered as Rule 2, Section 14, and is amended to read:

Section 14. Raffle of Cases; Preliminary conference.- (a) If the respondent is in default, or if the case is not resolved or dismissed through ADR, the Director/Assistant Director shall raffle the case to the Hearing/Adjudication Officers.

(b) If the respondent is in default, the Hearing/Adjudication Officer shall, immediately after receiving the records of the case, issue the order of default and shall require in the said order the opposer or petitioner to submit or present within ten (10) days from receipt thereof the originals and/or certified copies of the affidavits, documentary evidence and object evidence, if necessary. The case shall be decided on the basis of the petition or opposition, the affidavits of the witnesses and the documentary or object evidence submitted by the petitioner or opposer.

(c) If the case was referred to but was not resolved or dismissed through ADR, the Hearing/Adjudication Officer shall, immediately after receiving the records of the case, issue an order setting the conduct of the preliminary conference for the purpose of facilitating the resolution of the case through stipulations, clarifications and simplification of issues, and the submission and/or presentation of the original or certified true copies of affidavits, documents, and other evidence if necessary.

The parties themselves are required to appear during the preliminary conference. The presence, however, of a party during the preliminary conference may be dispensed with if said party is represented by counsel who must present and submit duly executed and appropriate power of attorney

and other documents or proof of authority to represent a party and make admissions and/or to accept compromise proposals.

Upon the termination of the preliminary conference, the Hearing/Adjudication Officer shall issue an order in open court, requiring the parties to submit their respective position papers within 10 days from the issuance of the order in open court. The order shall be included in the minutes of the preliminary conference and shall form part of the records of the case. The position papers shall take up only those matters and issues covered or alleged in the petition or opposition and the Answer, the supporting evidence, and those determined during the preliminary conference. No new matters or issues shall be raised or included in the position papers.

A party who fails to attend the preliminary conference or represented by a counselor any other person without the necessary power of attorney or appropriate corporate authorization shall be deemed to have waived the right to submit position papers.

SECTION 11. Rule 2, Section 16 is hereby amended to read:

Section 16. Submission for Decision-(a) After the lapse of the reglementary period within which to file the position paper, and with or without the parties having submitted the same, the case is deemed submitted for decision. **The Hearing/Adjudication Officers shall issue the decisions or final orders within 60 days from date the case is deemed submitted for decision.**

SECTION 12. Rule 7, Section 2 is hereby amended to read as follows:

Section 2. *Period to file opposition.* -The verified notice of opposition must be filed within 30 days from the date of the publication of the trademark application in the IPOPHL "Gazette". Upon proper motion anchored on meritorious grounds which must be expressly indicated in the motion, and the payment of the filing fee for opposition and other applicable fees, the Bureau may grant an additional period of 30 days within which to file the opposition. **A second motion for extension of 30 days may also be granted on meritorious grounds and upon payment of the applicable fees. A third and last motion for extension of 30 days may be granted on compelling grounds and upon payment of the applicable fees; Provided,** that in no case will the filing of the opposition exceed **one hundred and twenty (120)** days from the date of the aforementioned publication; *Provided, further,* that if the last day for filing of the verified opposition or motion for extension falls on a Saturday, Sunday, holiday, non-working day or on a day when the Office or the Bureau is closed for business as may be declared by the Director General, the filing must be done the next succeeding working day.

SECTION 12. Rule 9 is amended to read:

x x x

RULE 9
DECISIONS; APPEAL

Section 1. Decisions and Final Orders. - A decision or final order shall be **duly signed by the appropriate authority**, in writing, stating clearly and distinctly the facts, evidence, records, the provisions of law, rules and regulations, as well as principles and doctrines if applicable, on which it is based. The approval of a compromise agreement shall be deemed decision on the merits and shall be treated and enforced accordingly.

Section 2. **Appeal to the Director.** - (a) **Within ten (10) days after receipt of the decision or final order, a Party may file an appeal to the Director together with the payment of the applicable fees. The appeal shall be immediately denied if it is filed out of time and/or is not accompanied by the payment of the applicable fee.**

After receipt of the appeal, the Director shall issue an order for the adverse party to file comment within a non-extendible period of ten (10) days from receipt of the order. The Director shall decide on the appeal within thirty (30) days from the lapse of the period for the filing of a comment.

Within thirty (30) days after receipt of the decision by the Director, a party may file an appeal to the Director General.

(b) If a party, counsel of record or representative of record refuses to receive a copy of the decision, final order or resolution promulgated by the Hearing/Adjudication Officer, or Assistant Director or Director; or has moved out of the address said party, counsel of record or representative of record indicated in the pleadings or other records in the Bureau and/or IPOPHL, the Bureau shall post the decision, final order or resolution in the IPOPHL website.

Within ten (10) days after posting the decision or final order in the IPOPHL website, the party concerned may file together with the payment of the applicable fees, the appropriate appeal.

Section 3. Entry of Judgments (Decisions) and Final Orders. - If no appeal is filed on time, the decisions or final order becomes final and executory. The "Entry of Judgment" shall be immediately issued by the **officer who signed the decision or final order.**

SECTION 13. *Separability Clause.* -Any portion or provision of this Office Order that may be declared

invalid shall not have the effect of nullifying other portions or provisions hereof as long as such remaining portion or provision can still subsist and be given effect in their entirety.

SECTION 14. Repealing Clause. -All rules and regulations or parts thereof inconsistent herewith are hereby repealed modified accordingly.

SECTION 15. Filing of Certified Copies. -Certified copies of these Office Order shall be filed with the UP Law Center, 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 16. Effectivity and Transitory Provisions. -These amendments shall become effective fifteen (15) days after publication in a newspaper of general circulation. The amendments shall govern cases filed upon the effectivity thereof. The authority of the Assistant Director to issue/sign final orders and the authority of the Hearing/Adjudication Officers to sign/issue decisions and final orders, as well as Rule 9, as hereby amended, however, shall cover cases filed prior to the effectivity of these amendments, *Provided*, that Section 16, Rule 2, as hereby amended, shall apply only to cases submitted or deemed submitted for decision or resolution after the effectivity of these amendments.

SIGNED this 11th of July 2016, at Taguig City, Philippines.

(SGD.) ATTY. JOSEPHINE R. SANTIAGO, LLM
Director General

MT - July 14, 2016