

OFFICE ORDER NO. 79
Series of 2005

SUBJECT: AMENDMENTS TO THE REGULATIONS ON INTER PARTES PROCEEDINGS (As amended by Office Order No. 18, s. 1998 and as modified by Office Order No. 12, s. 2002)

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 Section 10.3 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines, the Director General may by Regulations establish the procedure to govern Inter Partes proceedings;

Whereas, the Regulations on Inter Partes Proceedings, which took effect on 20 October 1998 was amended per Office Order No. 18, s. 1998 dated 31 December 1998 and subsequently modified per Office Order No. 12, s. 2002 re: IPO Uniform Rules on Appeal;

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

Now, wherefore, the Regulations on Inter Partes Proceedings, as amended and modified, are hereby further amended, as follows:

Section 1. Rule 1, Section 1(f) is hereby amended, to read as follows:

(f) "Hearing Officer" means the Officer authorized to exercise the functions of "Hearing Officer" in these Regulations;

Section 2. Rule 2, Sections 1 to 3 are hereby amended, to read, as follows:

Section 1. The contested or Inter Partes proceedings are:

1.1 Patent Cases

(a) Petition to cancel an invention patent, utility model registration, industrial design registration, or any claim or parts of a claim, and registration of topography or layout design of integrated circuits based on Rule 402, paragraphs (a) and (b) of the Layout Design (Topography) of Integrated Circuits Regulations (Office Order No. 19, s. 2002);

(b) Petition for Compulsory Licensing or a license to exploit a patented invention.

1.2. Trademark Cases

(a) Opposition against the registration of a mark published for opposition; and

(b) Petition to cancel the registration of a mark.

Section 2. *Parties in Inter Partes proceedings* – The petitioner in a cancellation proceeding and in a compulsory licensing proceeding or the opposer in an opposition proceeding shall be deemed to be in the position of plaintiff while the patentee, registrant or applicant shall be the respondent in a cancellation, compulsory licensing or opposition proceeding who shall be in the position of defendant, with respect thereto.

Section 3. *Original jurisdiction over Inter Partes proceedings* – The Bureau shall have original jurisdiction over Inter Partes proceedings. The proceedings shall be heard before the Director, Assistant Director or the duly designated Hearing Officer. The Director, however, shall render, issue and sign all decisions and final orders.

Section 3. Rule 2, Section 5 is deleted.

Section 4. Rule 2, Section 6 and 7 are hereby amended and converted into Sections 5 and 6, to read as follows:

Section 5. *Rules of Procedure to be followed in the conduct of hearing of Inter Partes cases.* – The rules of procedure herein contained primarily apply in the conduct of hearing of *Inter Partes* cases. The Rules of Court may be applied suppletorily. The Bureau shall not be bound by strict technical rules of procedure and evidence but may adopt, in the absence of any applicable rule herein, such mode of proceedings which is consistent with the requirements of fair play and conducive to the just, speedy and inexpensive disposition of cases, and which will give the Bureau the greatest possibility to focus on the contentious issues before it.

Section 6. *Powers of Hearing Officer* – Hearing Officers are authorized to administer oaths and affirmations, issue summons to compel attendance of parties and witnesses as well as subpoena duces tecum for the production of any book, papers, correspondence and other records which are material to the case. Hearing Officers may also make preliminary rulings on questions raised during the proceedings provided that the Director shall render the ultimate decisions or issue final orders.

Section 5. Rule 2, Sections 8 to Section 23 are hereby deleted and in place thereof, are the following new Sections:

Section 7. *Filing of Petition or Opposition* –

7.1. The petition or opposition, together with the affidavits of witnesses and originals of the documents and other requirements, shall be filed with the Bureau, provided, that in case of public documents, certified copies shall be allowed in lieu of the originals. The Bureau shall check if the petition or opposition is in due form as provided in the Regulations particularly Rule 3, Section 3; Rule 4, Section 2; Rule 5, Section 3; Rule 6, Section 9; Rule 7, Sections 3 and 5; Rule 8, Sections 3 and 4. For petition for cancellation of layout design (topography) of integrated circuits, Rule 3, Section 3 applies as to the form and requirements. The affidavits, documents and other evidence shall be marked consecutively as “Exhibits” beginning with the letter “A”.

7.2. The prescribed fees under the IPO Fee Structure shall be paid upon the filing of the petition or opposition otherwise, the petition or opposition shall be considered as not filed.

7.3. If the petition or opposition is in the required form and complies with the requirements including the certification of non-forum shopping, the Bureau shall docket the same by assigning the Inter Partes Case Number. Otherwise, the case shall be dismissed outright without prejudice. A second dismissal of this nature shall be with prejudice.

7.4. The Bureau shall *motu proprio* dismiss the case outright due to lack of jurisdiction, improper venue, and failure to state a cause of action.

Section 8. *Answer* –

8.1. Within three (3) working days from receipt of the petition or opposition, the Bureau shall issue an order for the respondent to file an answer together with the affidavits of witnesses and originals of documents, and at the same time shall notify all parties required to be notified in the IP Code and these Regulations, provided, that in case of public documents, certified true copies may be submitted in lieu of the originals. The affidavits and documents shall be marked consecutively as “Exhibits” beginning with the number “1”.

8.2. The respondent shall file the answer within thirty (30) days from receipt of the Notice to Answer together with the duly marked affidavits of witnesses and other documents serving copies thereof upon the petitioner or opposer. Upon proper motion and payment of the applicable fee, the Bureau may grant an additional period of thirty (30) days within which to file the answer. No further extension shall be granted except for the most compelling reason and in no case shall the period exceed 120 days from receipt of the Notice to Answer.

8.3. The petitioner or opposer may file a reply within a non-extendible period of ten (10) days from receipt of a copy of the answer. On the other hand, the respondent may file a rejoinder also within ten (10) days from receipt of a copy of the reply. In

filing the reply or rejoinder, additional documents may be submitted, which shall be duly marked in accordance with the preceding sections.

Section 9. *Petition or Opposition and Answer must be verified* – Subject to Rules 7 and 8 of these regulations, the petition or opposition and the answer must be verified. Otherwise, the same shall not be considered as having been filed.

Section 10. *Prohibited pleadings* – No motion to dismiss shall be entertained. Instead, all grounds for dismissal shall be pleaded as affirmative defenses, the resolution of which shall be made in the decision on the merits. Neither shall a motion for bill of particulars, motion for reconsideration of interlocutory orders, and all other pleadings subsequent to the filing of a rejoinder, shall be allowed.

Section 11. *Effect of failure to file Answer* – In case the respondent fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the petition or opposition, the affidavits of the witnesses and the documentary evidence submitted by the petitioner or opposer.

Section 12. *Evidence for the Parties* –

12.1. The verified petition or opposition, reply if any, duly marked affidavits of the witnesses, and the documents submitted, shall constitute the entire evidence for the petitioner or opposer. The verified answer, rejoinder if any, and the duly marked affidavits and documents submitted shall constitute the evidence for the respondent. Affidavits, documents and other evidence not submitted and duly marked in accordance with the preceding sections shall not be admitted as evidence.

12.2. Affidavits of witnesses shall be allowed and admitted as evidence provided that for non-residents of the Philippines, it is duly authenticated by the concerned Philippine consular or diplomatic office, and for local residents, duly notarized. In both instances, no cross-examination shall be allowed.

Section 13. *Decision on the Pleadings* – Within fifteen (15) days after the last responsive pleading has been filed, the Director may render the decision on the case if the same does not warrant further proceedings.

Section 14. *Preliminary Conference* –

14.1. The preliminary conference shall be conducted within forty-five (45) days but not less than thirty (30) days from receipt of the last pleading for the following purposes:

- (a) Submission of the case for mediation under applicable laws, rules and regulations on mediation;
- (b) Possibility of an amicable settlement; and
- (c) Clarification of issues.

14.2. 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 provided with a notarized power of attorney or the appropriate corporate authorization to make admissions and/or to accept and approve compromise proposals.

14.3. Immediately after the termination of the preliminary conference, the Hearing Officer shall issue an order requiring the parties to submit their respective position papers and, if desired, draft decisions within a non-extendible period of ten (10) days from receipt of the said order. The position papers, and the draft decisions, if any, 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, and draft decisions, if any. Any such new matters or issues shall be disregarded.

A party who fails to attend the preliminary conference shall be deemed to have waived the right to submit position papers and draft decision.

Section 15. *Submission for Decision* –

15.1. After the lapse of the reglementary period provided in Section 14.3 within which to file the position paper, with or without the parties having submitted the same, the Hearing Officer shall order the case submitted for decision.

15.2. Within forty (45) days from the date on which the case was submitted for decision, the Director shall render the decision.

Section 16. Equitable principles may be applied. – In all Inter Partes proceedings, the equitable principles of laches, estoppel and acquiescence, when applicable, may be considered and applied.

Section 6. Rule 3, Section 4 is hereby amended to read, as follows:

Section 4. *Notice of Filing of Petition* – The Bureau shall serve notice of the filing of the petition upon the patentee and all persons having grants or licenses, or any other right, title or interest in and to the patent and the invention covered thereby, as appears of record in the Office, and of notice of the date of hearing thereon on such persons and the petitioner. Notice of the filing of the petition shall be published in the IPO Gazette.

Section 7. Rule 6, Section 10 is hereby amended to read, as follows:

Section 10. *Notice of Filing of Petition* – Upon filing of a petition, the Director shall forthwith serve notice of the filing thereof upon the patent owner and all persons

having grants or licenses, or any other right, title or interest in and to the patent and invention covered thereby as appears on the record in the Office, on such persons and petitioner. The resident agent or representative appointed in accordance with Section 33 of the IP Code, shall be bound to accept service of notice of the filing of the petition within the meaning of this Section.

Section 8. Rule 7, Section 2(a) is hereby amended to read, as follows:

Section 2. *(a) Notice* – Upon the filing of an opposition and payment of the required fee, the Bureau shall serve notice of the filing on the applicant, and the opposer and all other persons having any right, title or interest in the mark covered by the application, as appear of record in the Office.

Section 9. Rule 8, Section 5 is hereby amended to read, as follows:

Section 5. *Service of Petition and Notice* – Upon the filing of a petition for cancellation in proper form and payment of the required fee, the Director shall cause a copy of said petition to be served on the registrant-respondent requiring such party to answer the petition in accordance with Rule 2 hereof.

Section 10. In accordance with the modifications under Office Order No. 12, s. 2002 re: IPO Uniform Rules on Appeal, Rule 9, Sections 1 and 9 are hereby amended to read, as follows:

Section 1. *Appeal to the Director General* –

(a) The decision or order of the Director or the Committee of Three as may be applicable, shall become final and executory thirty (30) days after receipt of a copy thereof by the appellant or appellants unless within the said period, a motion for reconsideration is filed with the Director or an appeal has been perfected. Provided, that only one (1) motion for reconsideration of the decision or order of the Director shall be allowed; and, in case the motion for reconsideration is denied, the appellant or appellants has/have the balance of the period prescribed above within which to file the appeal.

Section 9. *Appeal from the Decision of the Director General* –

The decision or order of the Director General shall be final and executory fifteen (15) days after receipt of a copy thereof by the parties unless appealed to the Court of Appeals in accordance with Rules of Court. The appeal shall not stay the decision or order of the Director General unless the Court of Appeals directs otherwise. No motion for reconsideration of the decision or order of the Director General shall be allowed.

Section 11. *Effect on Pending Cases* – All pending Inter Partes cases pending before the Bureau which has not yet undergone pre-trial conference shall be governed by these amendments. For this

purpose, the Director shall cancel all scheduled pre-trial conferences and shall notify the parties who shall be allowed to submit amended petition or opposition or answer and/or the affidavits of witnesses and supporting documents and evidence, as the case may be, in conformity with the requirements under these amendments. With respect to pending cases, which have already undergone pre-trial conference, the Director shall issue a notice asking the parties if they agree to be governed by these amendments. If the parties agree, the pre-trial conference shall be considered the preliminary conference and the Hearing Officer shall give opportunity to the parties to submit or complete their respective evidence as taken up during the pre-trial conference, including the affidavits of the witnesses and documents and other evidence, in conformity with these amendments. Thereafter, the Hearing Officer shall consider the preliminary conference terminated and proceed accordingly.

Section 12. *Separability* – If any provision of these Order or application of such provisions to any circumstance is held invalid, the remainder of these amendments shall not be affected thereby.

Section 13. *Filing of Certified Copies* – Ms. Marites A Caliwan, Acting 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 14. *Effectivity* – These amendments shall take effect fifteen days after publication in a newspaper of general circulation.

15 August 2005, Makati City.

Recommending Approval:

IRENEO M. GALICIA
Deputy Director General

Approved:

ADRIAN S. CRISTOBAL, JR.
Director General