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# **The Other Way: Alternative Dispute Resolution in IP Disputes**

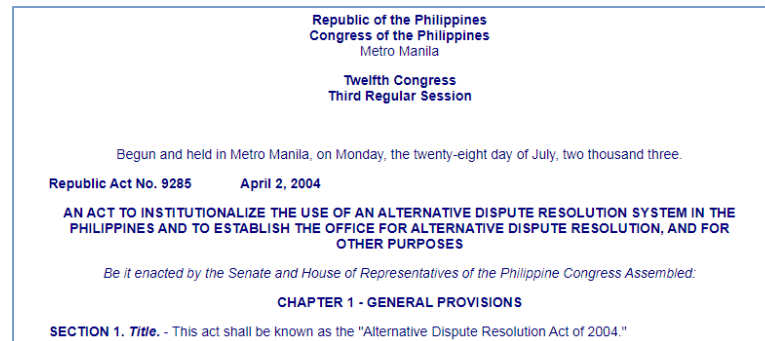
**Luwin M. Dela Concha**  
IPRS IV, Bureau of Legal Affairs  
Operation Management Officer, ADRS  
IPOPHL

# Definitions (R.A. 9285, ADR Act of 2004)



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- "Alternative Dispute Resolution System" means any **process or procedure** used to **resolve a dispute or controversy, other than by adjudication** of a presiding judge of a court or an officer of a government agency, as defined in this Act, in which a **neutral third party** participates to assist in the resolution of issues, which includes **arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof** (Sec. 3).



# Definitions (R.A. 9285, ADR Act of 2004)

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- "Mediation" means a **voluntary process** in which a **mediator, selected by the disputing parties, facilitates communication and negotiation**, and assist the parties in reaching a **voluntary agreement** regarding a dispute.
- "Mediator" means a **person** who conducts **mediation**.

(Sec. 3).

# Philippine Legislations on ADR

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- **Republic Act No. 9285, S. 2004, ADR Act of 2004.**
  - **Establishing the policy to actively promote and the use of ADR in the country.**
  - **Created the Office for ADR, the main Agency of the government tasked to promote, develop and expand the use of ADR.**
  - **Providing concrete legal framework for Mediation by defining the principle of Confidentiality of Information.**

# Philippine Legislations on ADR

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- **Executive Order No. 523, S. 2006.**
  - **All government agencies under the Executive Department shall promote the use of ADR in resolving disputes filed before them.**

# Philippine Legislations on ADR

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- **Executive Order No. 97, S. 2012.**
  - **All agencies shall submit a report on the status of their ADR program.**
  - **Conferring all functions and power related to ADR to the Office for ADR (OADR).**

# Overview of ADR and Mediation in IPOPHL

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- **May 2010, established the Dispute Settlement Division based on the power of the IPOPHL to settle royalty rates and disputes on performer's rights.**
- **2003, Launch of Mediation Program. Conducted training of IPOPHL personnel and mediated pending BLA cases.**

## **Challenges/Issues:**

- **Conflict of interests**
- **How to compensate IPOPHL personnel**

# Overview of ADR and Mediation in IPOPHL

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- **2010, IPO Mediation Office was created. Institutionalized mandatory mediation**
- **Established accreditation standards for mediators**
- **Declared a Settlement Period for parties to avail of lower mediation rate to encourage the use of mediation**
- **Created an independent pool of mediators**



# Overview of ADR and Mediation in IPOPHL

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- **2011, regular mediation of cases**
- **Created the BLA-Alternative Dispute Resolution Services (BLA-ADRS)**
- **May 2015, launched WIPO Mediation Option**
- **July 2019, established Mediation Outside Litigation**

# Overview of ADR and Mediation in IPOPHL

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- **May 2020, shifted to Online Mediation**
- **January 2021, transformed to 100% conduct of online mediation**

## **Challenges:**

- **Changing the mindset of lawyers and parties**
- **Encouraging the use of ADR and mediation**

## **Our Learnings:**

- **The role of a Project “Champion”**
- **Support of Top Management is essential**

# Mediation in IPOPHL

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## Coverage:

- **IPV**
- **IPC**
- **Technology transfer payments**
- **Terms of license involving author's rights**
- **Appealed cases to the ODG**



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# Mediation Services in IPOPHL

- **IPOPHL-Mandatory Mediation (Memorandum Circular No. 008, s. 2018), Pre-Litigation Mediation**
- **IPOPHL-WIPO Mediation Option (IPOPHL-WIPO MOU on ADR, May 7, 2014, Office Order no. 15-067, s. 2015), WIPO-based Mediation**
- **Mediation Outside Litigation (Memorandum Circular No. 2019-006), Planned Early Dispute Resolution**

IPOPHL MEMORANDUM CIRCULAR NO. 008  
Series of 2018

**SUBJECT: Revised Rules on Mediation**

**WHEREAS**, Republic Act No. 9285, also known as the Alternative Dispute Resolution Act of 2004, directed all government agencies to encourage and actively promote the use of Alternative Dispute Resolution ("ADR") as an efficient tool and procedure for resolving disputes or cases;

**WHEREAS**, the Intellectual Property Office of the Philippines ("IPOPHL") enhanced its ADR Program, whereby cases filed in the IPOPHL are referred to mediation;

Memorandum Circular No. 2019 006  
Series of 2019

**Subject: Rules of Procedure for IPOPHL Mediation Outside of Litigation**

**WHEREAS**, Republic Act No. 9285, also known as the Alternative Dispute Resolution Act of 2004, directed all government agencies to encourage and actively promote the use of Alternative Dispute Resolution ("ADR") as an efficient tool in resolving of disputes;

**WHEREAS**, under Office Order No. 154, Series of 2010 entitled Rules of Procedure for IPO Mediation Proceedings as amended by Memorandum Circular No. 008, Series of 2018, Revised Rules in Mediation, cases filed in the Intellectual Property Office of the Philippines (IPOPHL), shall undergo mandatory mediation following the success of the IPOPHL mediation program;

# IPOPHL Mandatory Mediation Procedure



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## Case referred to mediation

- Only cases where the respondent submitted an answer are referred to mediation

## Pre-mediation Conference

- Penalties for failure of parties to appear or pay the mediation fees
- The parties can be represented by counsel subject to the submission of SPA, Secretary's Certificate or Board Resolution
- Most Senior Officer of non-attending party is reachable by phone or other communication device

## Commencement of mediation

- Mediation period limited to 90-day period
- Parties can request for extension

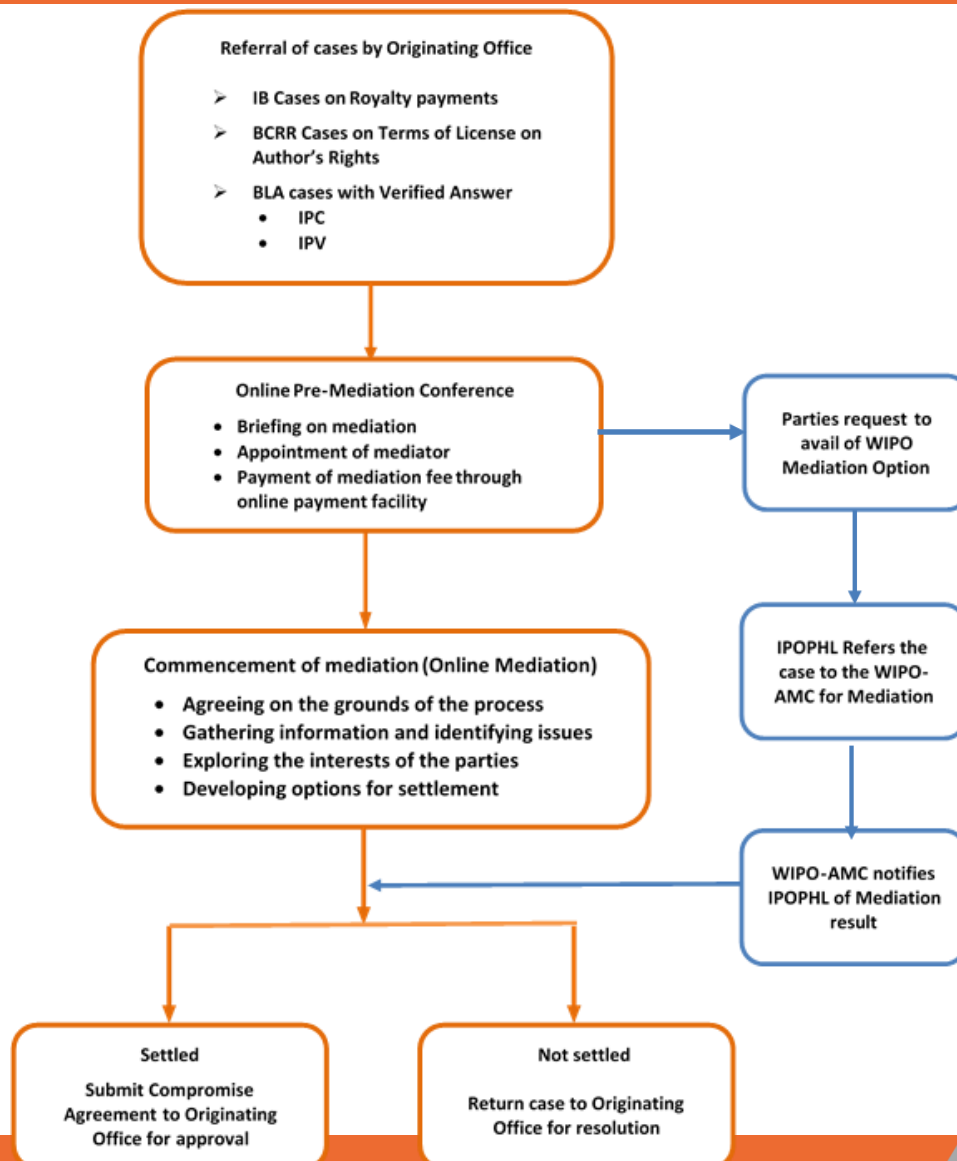
## Outcome of Mediation

- Originating Office will issue decision based on compromise
- Not settled cases will be referred back to litigation for resolution

# IPOPHL Mandatory Mediation Process



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# IPOPHL-WIPO Mediation Option



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- Based on the IPOPHL-WIPO MOU implemented on April 2014
- Parties has the option to refer their case to the WIPO's Arbitration and Mediation Center (AMC)
- Advantageous for parties seeking related disputes in multiple jurisdictions



MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)  
GENEVA, SWITZERLAND  
AND  
THE INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES  
(IPOPHL), MANILA, THE REPUBLIC OF THE PHILIPPINES  
(HEREINAFTER REFERRED TO COLLECTIVELY AS PARTIES AND  
INDIVIDUALLY AS PARTY) CONCERNING THE PROVISION OF  
ALTERNATIVE DISPUTE RESOLUTION SERVICES TO PARTIES  
INVOLVED IN CASES SUBMITTED WITH IPOPHL

# IPOPHL-WIPO Mediation Option

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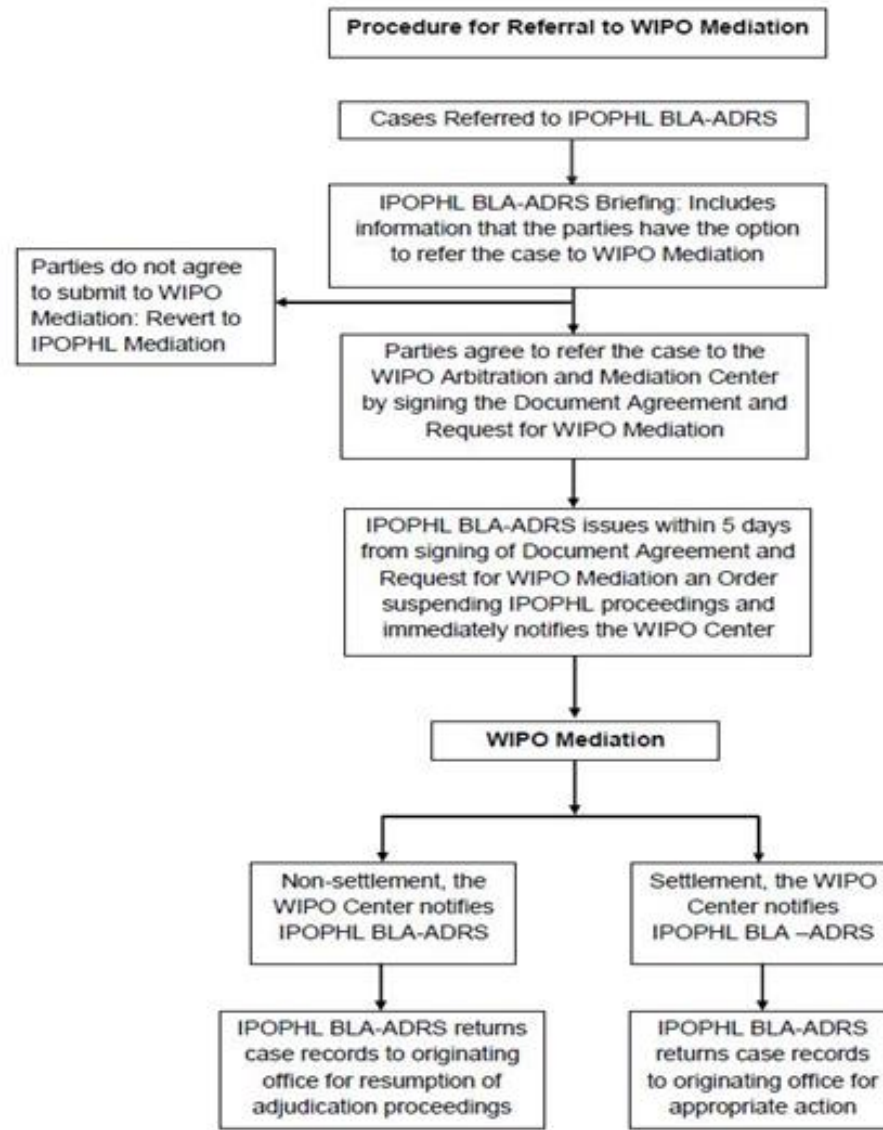
- **The parties can appoint any mediator from the WIPO Panel of International mediators**
- **Mediation fees are based on WIPO preferential rate**



# WIPO Mediation Option Process



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# Mediation Outside Litigation

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- **Shall apply to any dispute involving or related to IP issue matter**
- **Parties are required to file a request for mediation**
- **The parties can be represented by counsel subject to the submission of SPA, Secretary's Certificate or Board Resolution**
- **Most Senior Officer of non-attending party should be reachable by phone or any other communication device**



# Mediation Outside Litigation

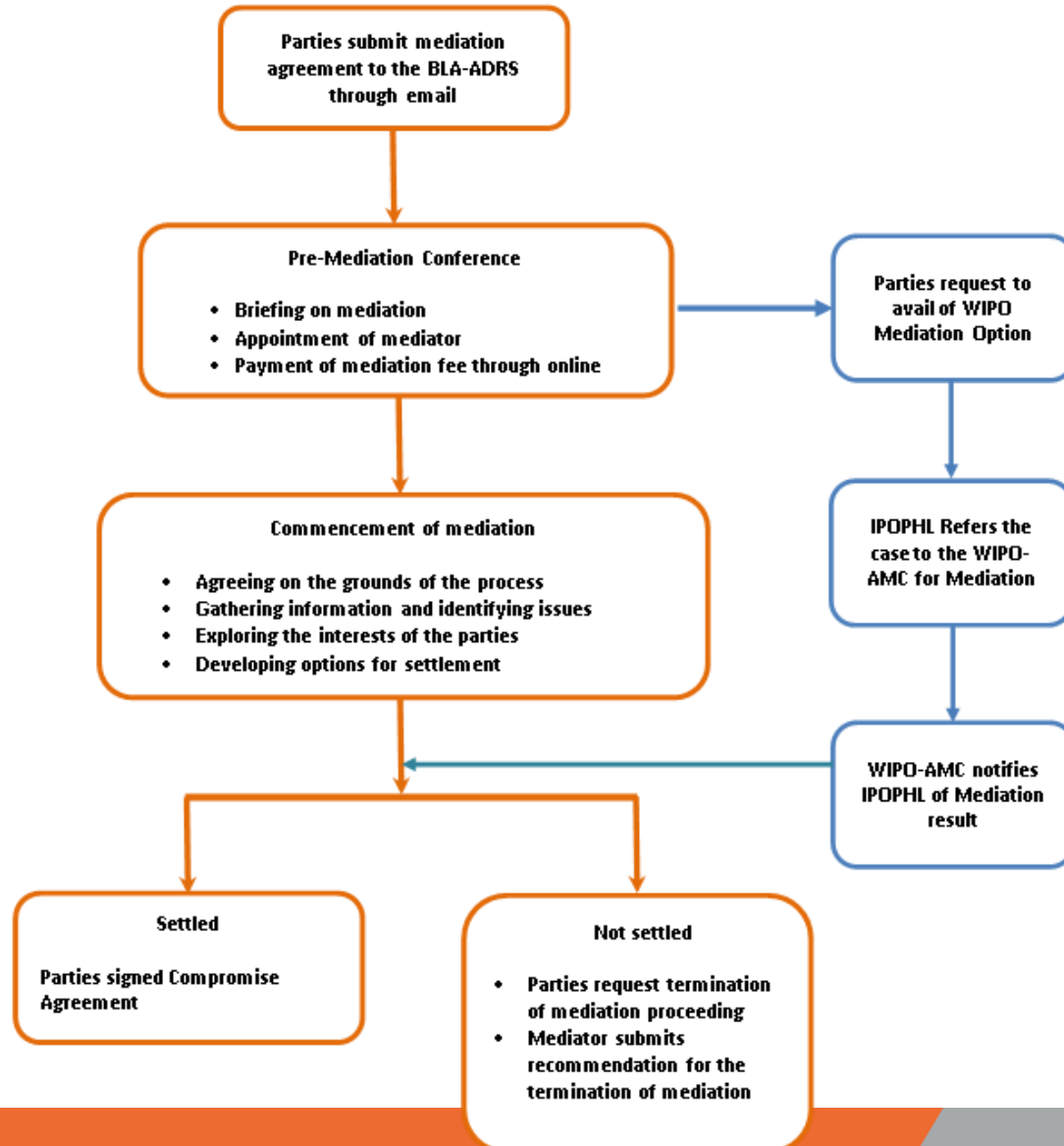
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- **Mediation is terminated upon:**
  - **Signing of the Compromise Agreement**
  - **Termination by the parties**
  - **Non-settlement of the mediation**
- **Non-settlement is not a bar to submit dispute to litigation**
- **Confidentiality disclosure of the proceedings**

# IPOPHL Mediation Outside Litigation Process



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# Implementation of Online Mediation

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- To ensure continuity of service
- Effective May 4, 2020 (IPOPHL Memorandum Circular No. 2020-012)
- Optional to the parties
- No added fees required

**IPOPHL MEMORANDUM CIRCULAR NO. 2020-012**

**SUBJECT: SUPPLEMENTAL ADVISORY ON IPOPHL SERVICES RE MEDIATION**

WHEREAS, in light of the Enhanced Community Quarantine imposed from 16 March 2020 to 15 May 2020, the IPOPHL issued Memorandum Circulars 2020-06 up to 2020-11 providing guidelines for the continued delivery of its services;

WHEREAS, under Memorandum Circular No. 2020-11, all hearings including mediation are suspended up to 15 May 2020;

# Best Practices in IPOPHL Mediation

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- **Training and accreditation of mediators**
- ❖ **Standard accreditation system of mediators**
- ❖ **IPOPHL roster composed of 16 neutrals**
- ❖ **IPOPHL mediators are composed of IP and legal experts; and seasoned mediators in the Philippines**
- ❖ **Conduct of continuous training on emerging IP issues in cooperation with local and international partners, WIPO, EUIPO, OADR, etc.**
- ❖ **IPOPHL Mediators are recognized/accredited by OADR, the main government agency on ADR**

# Best Practices in IPOPHL Mediation

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- **Ethics and codes of conduct of mediators**
- ❖ **Code of Ethical Standards for IPOPHL Mediators**
- ❖ **Grievance for Parties in Mediation**

# Best Practices in IPOPHL Mediation

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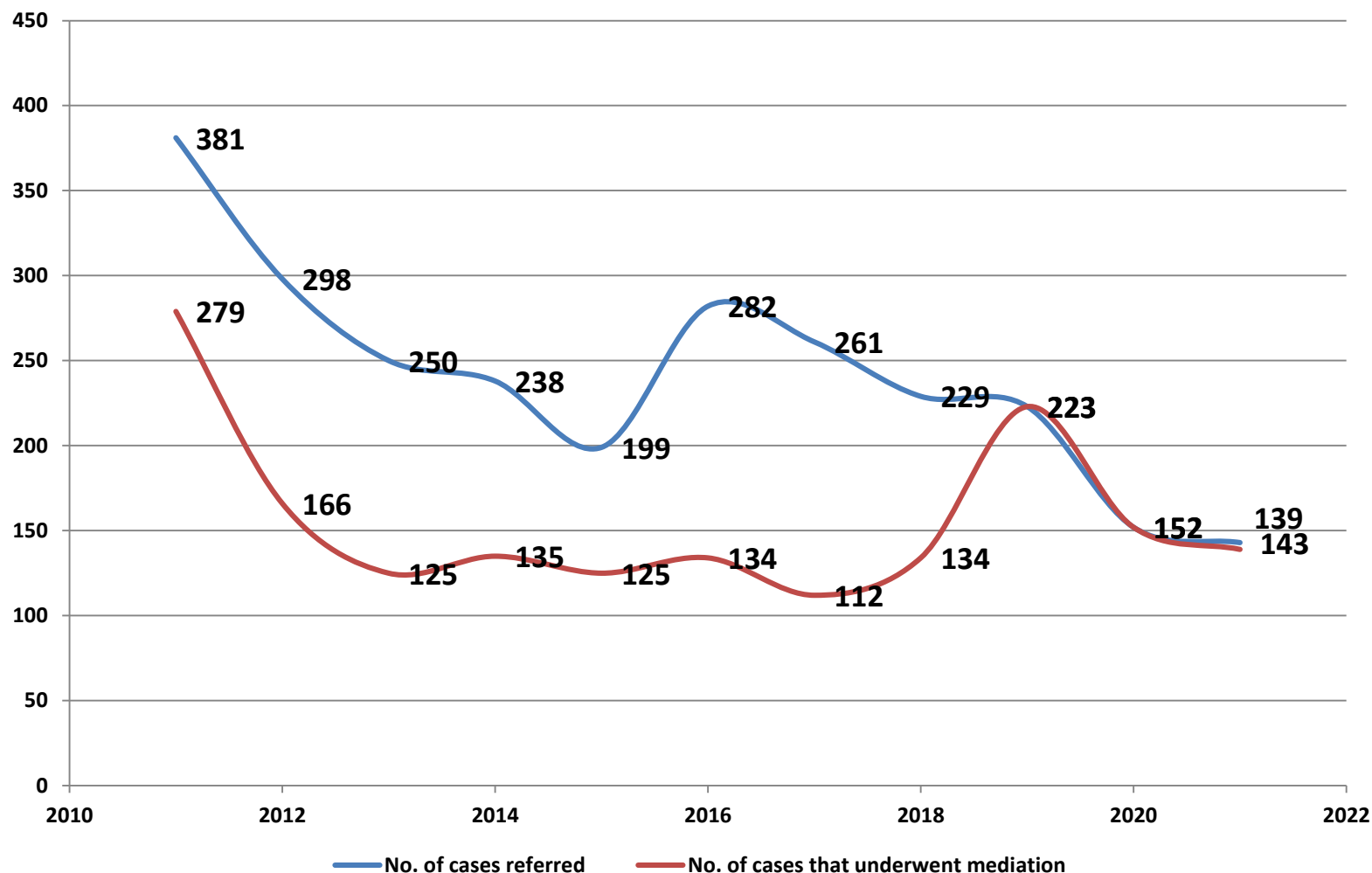
- **Effective Case Management**
- ❖ **Dedicated unit managing the mediation process**
- ❖ **Penalty for non-appearance of a party in mediation meetings**
- ❖ **100% online process**
- ❖ **ISO 9001:2015 compliant procedures**





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# Statistics. Referral v. Mediated cases

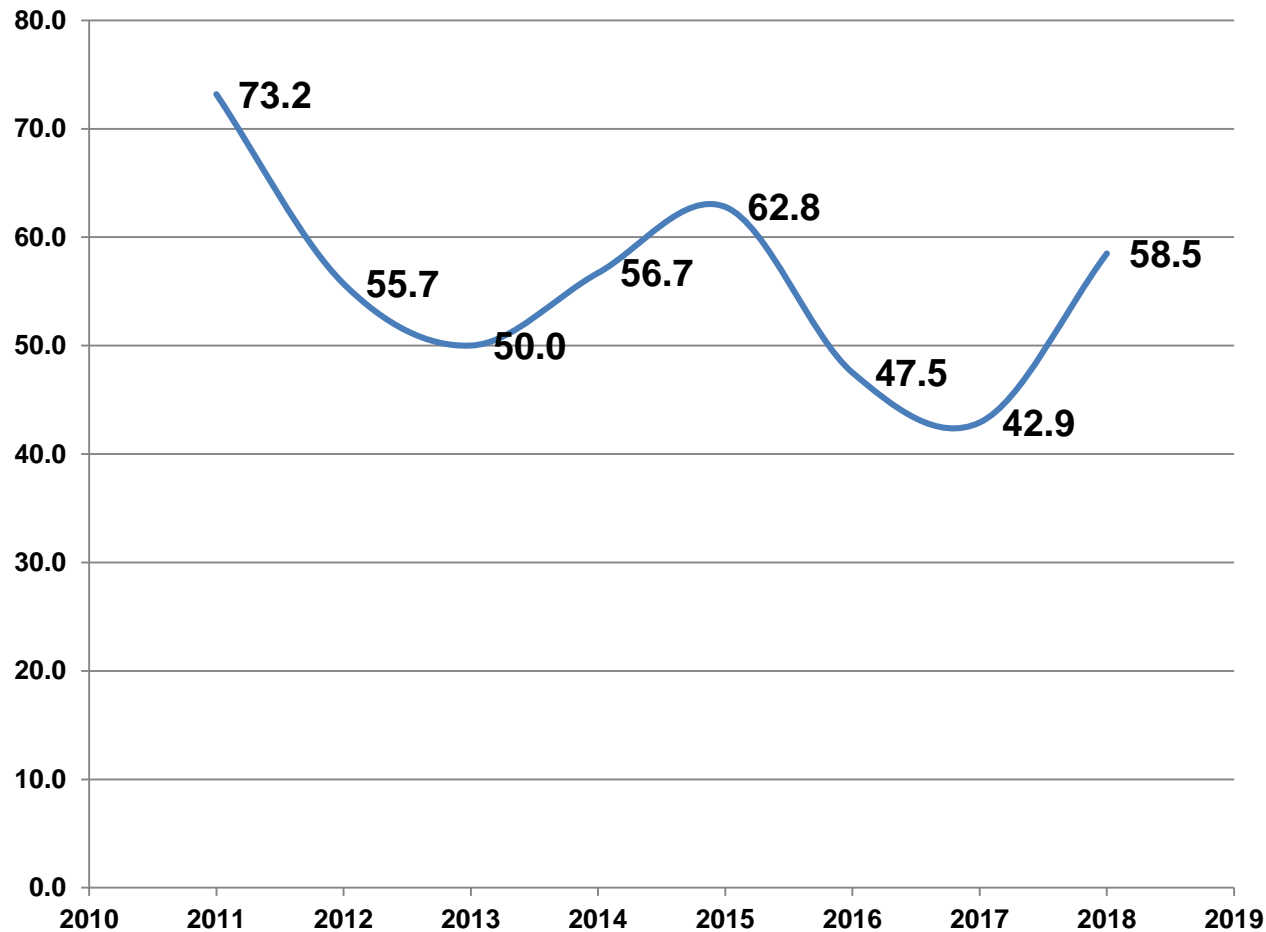


**Note: In August 2018, IPOPHL implemented mandatory mediation.**

# Statistics. Acceptance Rate Prior to Mandatory Mediation



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**Note:** In August 2018, IPOPHL implemented mandatory mediation.



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# Statistics- Settled vs. total mediated

Year	Settled	Total Mediated	Settlement Rate
2011	90	279	32.2%
2012	83	166	50.0%
2013	55	125	44.0%
2014	69	135	51.1%
2015	47	106	44.3%
2016	51	118	43.2%
2017	66	136	53.8%
2018	47	136	34.6%
2019	57	220	25.9%
2020	41	133	30.8%
2021 (September)	36	139	25.9%
<b>Total</b>	<b>642</b>	<b>1,693</b>	<b>37.9%</b>

# Examples of Cases

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## **Case No. 1, Unfair Competition; Cancellation of ID**

**Parties: L'Oreal, plaintiff vs. Ever Bilena and DSS Trading, Respondents**

### **Case Digest:**

- **L'Oreal and Ever Bilena also has ongoing cases in the lower court**
- **Referred to mediation on February 2011 and mediation proceedings started on March 2011**
- **Parties reached a settlement on June 2011**

# Examples of Cases

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## Settlement Agreement:

- Parties agreed to include in the settlement all outstanding cases including those pending in the lower court
- L'Oreal agreed to withdraw all its cases against Ever Bilena and DSS
- Ever Bilena agreed to dismiss all counterclaims

# Examples of Cases

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## **Continuation: Settlement Agreement:**

- **Ever Bilena settled to continue registration of its IDs but agreed not to renew registration once they expire**
- **Ever Bilena and DSS to pull out from the market the products which are subject of the lawsuit**

# Examples of Cases

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## Case No. 2, Copyright Infringement

**Parties: AAA, a CMO for composers, authors and publishers, plaintiff vs. BBB, a large cable corporation in the Philippines, Respondent**

### Case Digest:

- **AAA sued BBB for copyright infringement for communication to the public via cable rebroadcast or retransmission of copyrighted musical compositions without license from AAA**

# Examples of Cases

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## Case No. 2, Copyright Infringement

### Settlement Agreement:

- **BBB agreed to pay AAA a total of Php 47,880,900 (US 957,618) for damages for the next five years starting upon the signing of the CA**
- **BBB agreed to signed a license/user agreement with BBB for all its cable services**





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**Thank you!**

**Q & A**



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and Innovative Philippines***

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