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Introduction on IPOPHL's ADR Services

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Outline of Discussion:

- **Overview of IP and IP Disputes**
- **Overview of the IPOPHL-BLA IP Dispute Resolution System**
- **Legal Framework of IPOPHL ADR Services**
- **Brief Background of IPOPHL ADR Services**
- **Different Mediation Services of IPOPHL**
- **Benefits of IPOPHL Mediation Services**
- **Best Practices of IPOPHL Mediation Services**





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Overview of IP and IP Disputes



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Importance of IP in Business



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- **IP is the most important asset of an organization**
- **Sets the business apart from competitors**
- **Essential in value and wealth creation**
- **Enhances technology transfer**
- **Increases the value of the company**



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Effect of Litigation on IP Rights



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- **Reduce potential innovation/monopoly**
- **Loss in revenue and profit**
- **Loss of goodwill**
- **Unintended disclosure of trade secrets**



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Nature of IP Disputes



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- **Overlapping of IP rights**
- **High cost of litigation**
- **Long time to resolve**
- **Multiple legal jurisdictions**
- **Difficulty of enforcement of judgment**
- **Lack of confidentiality**
- **Uncertainty of outcome**



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Overview of the IPOPHL-BLA IP Dispute Resolution System



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IPOPHL is a Quasi-Judicial Agency

Section 5 (f) of RA 8293 (IP Code of the Philippines):

**Administratively adjudicate contested
proceedings affecting intellectual property rights**



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Bureau of Legal Affairs (BLA) is the Adjudication Arm of the IPOPHL

Section 10 of RA 8293 (IP Code of the Philippines):

INTER PARTES

IPR VIOLATION



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Inter Partes Cases

- **Opposition to Application for Registration of a Trademark or Service Mark**
- **Petitions for cancellation of Letters Patents and registrations of Utility Model, Industrial Design, Trademark or Service Mark, Layout Designs of ICTs**
- **Petitions for Compulsory Licensing**



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IP Rights Violation (IPV) Cases

- **Violation of IP Rights under the IP Code**
- **Unfair Competition (Sec. 168)**
- **False Designation of Origin (Sec. 169)**



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IP Rights Violation (IPV) Cases

- Jurisdiction is acquired only when there's a claim for award of damages not less than Php200k
- Provisional Remedies are available (e.g. TRO, Preliminary Injunction)
- Penalties are imposed



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Summary Procedure for Inter Partes Cases

Full-blown hearing or trial for IP Rights Violation (IPV) Cases



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Legal Framework of IPOPHL ADR Services



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Rationale and Legal Basis of IPOPHL Mediation

- “An effective IP system requires an efficient ADR mechanism”
- IPOPHL is vested with the power to administratively adjudicate contested proceedings affecting IPRs (IP Code)
- The State shall encourage the use of ADR...(R.A. 9285, ADR Act of 2004)



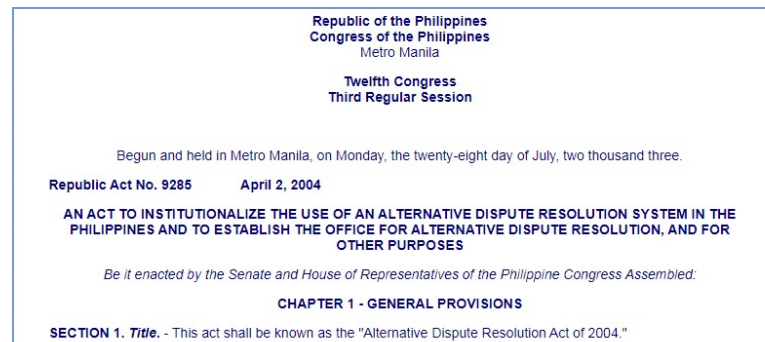
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Definitions (R.A. 9285, ADR Act of 2004)



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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).



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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).



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General Features of Mediation

- **Voluntary process**
- **Adherence to confidentiality of information**
- **Confidential information shall be inadmissible in any adversarial proceedings**
- **The mediator may not be called to testify or subpoenaed**
- **The mediator may not make a report except as to the fact that the mediation occurred and its outcome**



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Benefits of IP Mediation



- **Saves time and money;**
- **Confidentiality;**
- **Control by the parties over the process;**
- **Preserves relationship or creates a relationship;**
- **Avoids pitfalls of IP litigation**



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Brief Background of IPOPHL ADR Services



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Background of IPOPHL ADR Services

- **2001: Revised Rules on Dispute Settlement Division**
- **2003: Mediation Program**
- **2004: Rules on Mediation of BLA Cases**
- **2010: IP Philippines Mediation Office**
- **2010: Rules of Procedure for IPOPHL Mediation Proceedings**
- **2011: Specialized Arbitration was launched**
- **Establishment of ADRS**



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Mediation in IPOPHL

- Provides an option for the parties for the effective and judicious resolution of IP cases
- Alternative Dispute Resolution Services (ADRS) is IPOPHL's main unit that manages and implements its mediation procedures (Office Order No. 28, S. 2011)
- ADRS is under the Bureau of Legal Affairs.

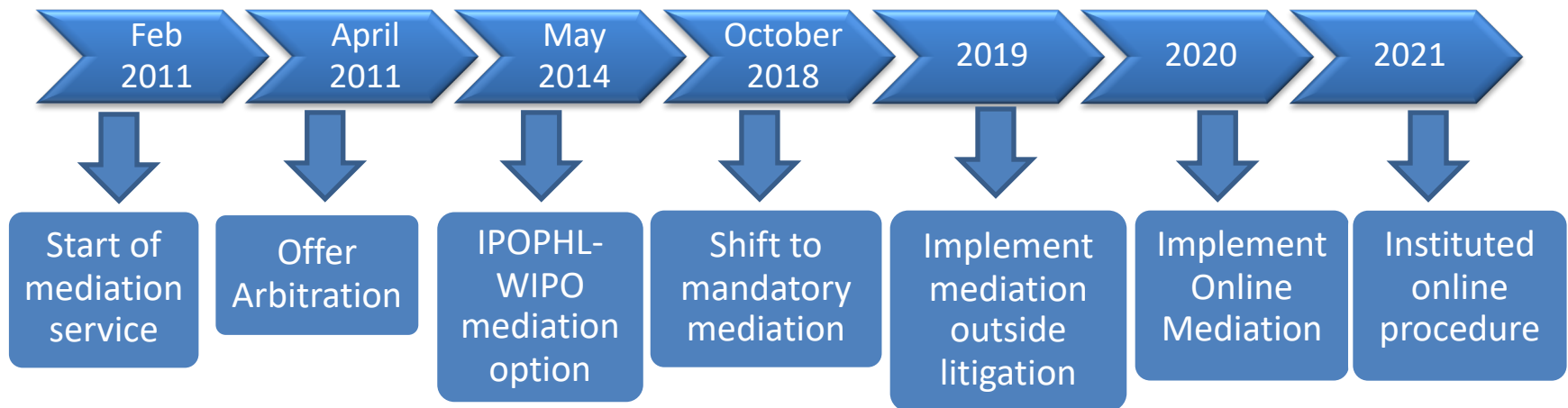


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Development of Mediation in IPOPHL



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Mediation in IPOPHL

Coverage:

(Office Order 154 s. 2010: Rules of Procedure for IPO Mediation Proceedings)

- **Administrative complaints for violations of Intellectual Property Rights (IPV) and/or Unfair Competition;**
- **Inter Partes Cases;**
- **Disputes involving technology transfer payments;**
- **Disputes relating to the terms of license involving the author's rights to public performance or other communication of his work;**
- **Cases appealed to the Office of the Director General from the decisions of the BLA, BCRR and DITTB;**



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Different Mediation Services of IPOPHL



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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;

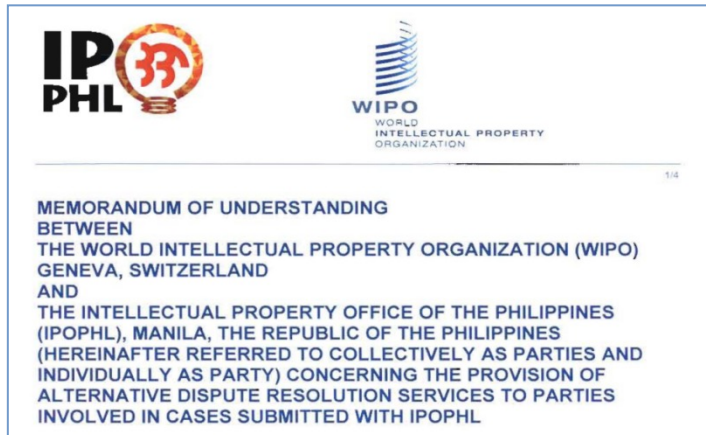
WHEREAS, under Office Order No. 154, Series of 2010 entitled Rules of Procedure for IPO Mediation Proceedings as amended by Memorandum Circular No. 008, Series of 2018, Revised Rules in Mediation, cases filed in the Intellectual Property Office of the Philippines (IPOPHL), shall undergo mandatory mediation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

IPOPHL-WIPO Mediation Option



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



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IPOPHL-WIPO Mediation Option



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- The parties can appoint any mediator from the WIPO Panel of International mediators which include also our very own IPOPHL Mediators
- Mediation fees are based on WIPO preferential rate
- To date, WIPO has waived administrative fees and has reduced the mediator's fees to the same rate as that of IPOPHL's



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Mediation Outside Litigation

- **Shall apply to any dispute involving or related to an IP issue or 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**



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Mediation Outside Litigation

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



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Rationale for Implementing MOL

- **Vast experience in mediation**
- **Experienced and competent mediators**
- **Linkage with local and international ADR organizations**

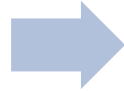


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IPOPHL Mediation Procedure

Referral of cases to Mediation

- IPOPHL issues
Order of
Mediation



Pre-Mediation Conference

- Briefing on
mediation
- Appointment
of Mediator
- Payment of
Mediation
Fees
- Parties can
request to
avail of WIPO
Option



Commencement of Mediation

- Agreeing on
the grounds
of the Process
- Gathering of
Information
and
Identifying
Issues
- Exploring the
Interests of
the Parties
- Developing
Options for
Settlement



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IPOPHL Mediation Procedure



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Settled

Submit Compromise
Agreement to
Originating Office
for Approval

Not Settled

Return Case to
Originating Office
for Resolution



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Implementation of Online Mediation

- To ensure continuity of service
- Effective May 4, 2020 (IPOP HL Memorandum Circular No. 2020-012)
- Optional to the parties (at first)
- Effective April 3, 2021 all mediation proceedings are held online
- No added fees required

IPOP HL MEMORANDUM CIRCULAR NO. 2020-012

SUBJECT: SUPPLEMENTAL ADVISORY ON IPOP HL SERVICES RE MEDIATION

WHEREAS, in light of the Enhanced Community Quarantine imposed from 16 March 2020 to 15 May 2020, the IPOP HL 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;



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Benefits of IPOPHL Mediation Services



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Usual Terms of Settlement

- **Amendment of the Trademark application**
 - **Limitation of class of goods**
 - **Change of the feature/”look” of the Trademark**
- **Deletion of the Application (TM)**
- **Co-existence Agreement**
- **Withdrawal of the case**
- **Payment of damages**
- **Reimbursement of applicant’s expenses**
- **Licensing for copyright use**



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Benefits of Mediation to the Business Environment



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- **Cost-effective option to MSMEs;**
- **Win-win solution for both parties;**
- **Different types of settlement options;**
- **Encourages business;**
- **Counterpart of Madrid Protocol for dispute resolution (IPOPHL-WIPO Mediation Option)**
- **Can result in licensing and franchising as settlement options**



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Statistics – Settlement Rate

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%
Total	642	1,693	37.9%



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Best Practices in IPOPHL Mediation Services



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Best Practices in IPOPHL Mediation

- **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.**
- ❖ **Accreditation with OADR, the main government agency on ADR**

Best Practices in IPOPHL Mediation



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- **Ethics and Code of Conduct for Mediators**

- ❖ **Code of Ethical Standards for IPOPHL Mediators**
- ❖ **Grievance for Parties in Mediation**



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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 during pre-mediation conference**
- ❖ **100% online process**
- ❖ **ISO 9001:2015 compliant procedures**



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Why Consider the Philippines as the hub for businesses?



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- **Strategic business location**
- **Liberalized and business-friendly environment**
- **Developing infrastructure for global growth**
- **Hospitable lifestyle**
- **High level of English proficiency**
- **Low cost of doing business**
- **Presence of an effective IP adjudication and alternative dispute resolution system for IP issues and matters**
- **Presence of international calibre ADR and legal practitioners**



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**“ALL CONFLICTS,
NO MATTER HOW INTRACTABLE,
ARE CAPABLE OF PEACEFUL RESOLUTION”**

-NELSON MANDELA-

THANK YOU!



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***Towards a Creative
and Innovative Philippines***

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