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ADDENDUM TO DOCUMENT SCP/31/7 REGARDING PATENT LAW PROVISIONS THAT CONTRIBUTE TO EFFECTIVE TRANSFER OF TECHNOLOGY, INCLUDING SUFFICIENCY OF DISCLOSURE

Document prepared by the Secretariat

1. Based on the communication received October 9, 2019 from the Delegation of the Philippines regarding patent law provisions that had contributed to effective transfer of technology, including sufficiency of disclosure, the following paragraphs should be inserted between paragraphs 29 and 30 of document SCP/31/7:

"*Philippines*

30. An Act Providing the Framework and Support System for the Ownership, Management, Use, and Commercialization of Intellectual Property Generated from Research and Development Funded by Government and for Other Purposes (RA 10055), otherwise known as Philippine Technology Transfer Act of 2009, contains unique provisions that would effectively address technology transfer constraints.[1] .

31. This law provides for the retention of ownership of IPRs derived from research funded in whole or in part by the Government Funding Agency (GFA) to the Research and Development Institute (RDI) or contractor that actually implemented the research. As to sharing revenues, the default rule is that all revenues from the commercialization of IPRs from R&D funded by GFA(s) shall accrue to the RDI, while sharing between the RDIs and their researchers shall be governed by an agreement, but shall not dismiss the 40% share in royalties of scientists, engineers, and researchers under Sec. 7 (b) of RA 8439 (Magna Carta for Scientists Engineers Researchers and other S&T Personnel in the Government).

1 FFTC Agricultural Policy Articles. The Philippine Technology Transfer Act .November 13, 2018.

32. On the use of income, public RDIs undertaking technology transfer shall be vested with the authority to use its share of the revenues derived from commercialization of IP generated from R&D funded by GFAs. All income generated from the commercialization of IPRs from R&D funded by public funds shall be constituted as a revolving fund for specific uses, including for use of defraying the cost in technology transfer and IP Protection. The law is armed with a special provision providing for a fairness opinion report when the RDI fails to benefit from public bidding. It provide the alternative to RDIs or any contractor undertaking commercialization to avail of the fairness opinion report, in lieu of the tedious government procurement process to hasten commercialization of IPRs in public RDIs.

33. In terms of capacity building, Department of Science and Technology (DOST) is mandated to take the lead in enabling smaller RDIs to be capacitated such that they will be able to manage and commercialize their own IPS efficiently. The law likewise provides for enabling institutional mechanisms to hasten commercialization such as the establishment of Technology Licensing Offices and Technology Business Development Offices. RDIs are also mandated to craft their own IP Policy frameworks with reference to the law.

34. A safeguard provision allowing government to assume ownership or use to exploit in cases of national emergency or other circumstances of extreme urgency is provided for in the law. Also, in the event where RDIs fail to commercialize or file protection for potential public funded IPRs, the GFAs can take ownership of the technology. However, the rights to the potential IPR shall revert to the RDI upon the cessation of the existence of the cases or when RDIs elect to recover ownership as determined by the designated authority.

35. In meritorious cases and to help ensure successful commercialization, the law indicates that an RDI shall allow its researcher-employee to commercialize or pursue commercialization of the IPRs generated form R & D funded by GFA by creating, owning, controlling, managing a company or spin-off firm undertaking commercialization, or accepting employment in a spin-off firm undertaking such commercialization.

36. To ensure commercialization, the law provides for mechanisms that will enhance the environment for diffusing technologies of IPRs. The Act mandates the establishment of a Technology Information Access facility, Technology Licensing Offices (TLOs) and/or Technology Business Development Offices and development of Internal IP Policies.

37. Inherently, the law will have a positive impact on researchers, RDIs, the public and even on the country's eminent and traditional resources provided that it is efficiently implemented and enforced. It will allow faster diffusion of valuable research outputs, thus ensuring accessibility and availability of important technologies or by-products (medicines, farms inputs, etc.) to the public. The creation of spin-off companies could mean more job opportunities for Filipinos.

38. For researchers, it will create financially rewarding environment for them by virtue of a mandated 40% minimum share in royalties. It is also seen that R&D workers would stick to their careers locally, and reversing the trend of brain drain among R&D workers or shifting to non-science jobs. More researchers would also venture to S&T/research, which in effect could generate more technological innovations and breakthroughs.

39. For RDIs, this would generate increased licensing and royalty revenues given the fact that the IPR are lodged to them via assignment. This would alo encourage more

R&D activities and greater cross-fertilization between entrepreneurial faculty and industry. If sustained, this will pave the way for better quality research, with closer interaction between public and private sector.

40. As for the traditional resources, the protection of IPR assets from biodiversity and genetic resources, traditional knowledge and Indigenous knowledge systems and practices as defined in Indigenous Peoples Rights Act, will now be entered through disclosure procedures during application for IPR protection.

41. Regarding the sufficiency of disclosure, Section 35 of the Intellectual Property Code (RA8293) covers disclosure and description of the invention. The application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art. Where the application concerns a microbiological process or the product thereof and involves the use of a microorganism which cannot be sufficiently disclosed in a application in such a way as to enable the invention to be carried out by a person skilled in the art, and such material is not available to the public, the application shall be supplemented by a deposit of such material with an international depositary institution.

42. Further, the Implementing Rules and Regulations of RA 8293 provide further guidance on disclosures in Rules 405 and 406. In particular, Rule 406 states that the test for enabling disclosure is whether the person to whom it is addressed could, by following the directions therein, put the invention into practice. Rule 406.1 states “The enabling disclosure shall contain a clear and detailed description of at least one way of doing the invention using working examples. It shall contain a sufficient and clear disclosure of the technical features of the invention including the manner or process of making, performing, and using the same, leaving nothing to conjecture. In case of chemical substance and pharmaceutical subject matter, the disclosure must include one or more representative embodiments or working examples, a description of the result of the pharmacological test, and all compounds must include their claimed activity.”

2. Consequently, in document SCP/31/7, paragraph 30 onwards should be renumbered accordingly.

[End of document]