Legal and Policy Implications of the Trans-Pacific Partnership Agreement: Focus on Intellectual Property

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ABSTRACT

On October 5, 2015, after seven years of negotiations, 12 Pacific Rim countries\(^2\) including the United States (US) signed the Trans-Pacific Partnership (TPP) Agreement, a new-generation free trade agreement (FTA) that aims to achieve higher levels of outcomes by building upon earlier agreements and establishing new-generation obligations among the participating parties.

On September 23, 2010, in his speech at the Council of Foreign Relations in New York City, former President Benigno Aquino III announced the Philippines’ interest to join the TPP Agreement. With the US withdrawal from the TPP Agreement under the administration of President Donald Trump, it seemed, at first, that the rest of the signatories will not push through with its ratification. On May 21, 2017, however, the remaining 11 signatories vowed to revive the deal, leaving the door open for the return of the US (The Strait Times 2017). Thus, an examination of relevant TPP Agreement provisions and their legal and policy implications on the Philippines remains important. Moreover, similar new-generation FTAs are currently being negotiated by the Philippines, such as the Regional Comprehensive Economic Partnership among the members of the

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\(^2\) Australia, Brunei, Canada, Chile, Japan, Peru, Malaysia, Mexico, New Zealand, Singapore, United States, and Viet Nam
Association of Southeast Asian Nations (ASEAN) and six states with which the
ASEAN has existing free trade agreements, and the European Union–Philippines
Free Trade Agreement.

The Philippines is currently a signatory of a number of FTAs on a bilateral
basis or as a member of the ASEAN. Many of these FTAs were prepared and
signed before 2010 and have been shaped by developments during this period.
As the Philippines participates in negotiations for these new-generation FTAs, it
is crucial for the Philippines to have a critical assessment of its readiness to meet
the obligations set out therein. Among others, the legal and policy implications of
particular new-generation FTA provisions must be carefully examined.

This paper seeks to provide a study of the legal and policy implications of
the intellectual property (IP) provisions of these new-generation FTAs through
an analysis of the relevant IP provisions of the TPP Agreement. These provisions
have drawn much attention and debate in the course of the negotiations, given the
scope and depth of the new obligations introduced therein on the protection and
enforcement of different forms of IP. This study gives special focus to the patent
provisions of the TPP Agreement, particularly on the provisions for pharmaceutical
products as these have been the subject of much debate with regard to their impact
on access to medicines.

To achieve this purpose, a review of Chapter 18 of the TPP Agreement was
undertaken. A review of the IP treaties and conventions ratified by the Philippines,
the current IP laws and related laws enacted to implement these treaties, as well as
the legal framework within which IP rights are protected and enforced, was also
undertaken to assess their convergence with TPP obligations, draw out the gaps,
and identify policy and regulatory changes and administrative actions that may be
required for the Philippines to achieve readiness to join the TPP or similar FTAs.

INTRODUCTION

The protection and promotion of intellectual property (IP) rights is a national policy enshrined in
the 1987 Philippine Constitution. Article IV Section 13 mandates the state to protect and secure the
exclusive rights of scientists, inventors, artists, and other gifted citizens to their IP and creations,
particularly when beneficial to the people, for such period as may be provided by law.

The primary law which governs IP protection and enforcement in the Philippines is the
Intellectual Property Code (IP Code) which was enacted to comply with the country’s commitments
under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). It provides
for the protection and enforcement of patents, utility models, industrial designs, trademarks and
service marks, copyrights and related rights, among others, and sets out the legal framework for IP
protection and enforcement in the Philippines.

In 2001, Republic Act (RA) 9150 was enacted amending certain sections of the IP Code to
provide protection for layout designs (topographies) of integrated circuits.

3 Australia, China, India, Japan, South Korea, and New Zealand
In preparation for its accession to the 1991 Act of the International Union for the Protection of New Varieties of Plants (UPOV) Convention (UPOV 1991), the Philippines enacted the Philippine Plant Variety Protection Act in 2002 to protect and secure the exclusive rights of breeders with respect to their new plant variety. However, for failure to make certain amendments to the law as recommended by the UPOV Council to better comply with UPOV 1991 (UPOV 2007), the Philippines is not yet able to accede to the convention despite having lapsed 15 years since the passage of the Plant Variety Protection Act.

In 2008, with the passage of the Universally Accessible Cheaper and Quality Medicines Act (Cheaper Medicines Act), the IP Code was amended (1) to allow, prior to the expiration of a drug patent, the testing, production, and Food and Drug Administration (FDA) registration of generic versions so that these could be sold immediately upon the expiration of the patents; (2) to prevent the evergreening of patents by establishing the nonpatentability of new uses for known substances; and (3) to allow parallel importation of patented medicines from countries.

In 2013, the IP Code was further amended by RA 10372 which was enacted, among others, to comply with the Philippines’ treaty obligations under the World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). It also established the Bureau of Copyrights, which was granted original jurisdiction to resolve disputes relating to the terms of a license involving the author’s right to public performance or other communication of his work, and was authorized to accept, review, and decide on applications for the accreditation of collective management organizations or similar entities. Under RA 10372, the director-general was likewise authorized to undertake IP enforcement actions, supported by the concerned government agencies.

Other laws that provide additional IP protection and remedies for infringement are the Electronic Commerce Act (RA 8792), the Optical Media Act (RA 9239), the Anti-Camcording Act (RA 10088), and the Anti-Cable Television and Cable Internet Tapping Act of 2013 (RA 10515).


NEW IP OBLIGATIONS UNDER THE TPP

Trademarks

Types of signs registrable as trademarks
Under the IP Code, only visible signs are registrable as trademarks. Section 121.1 of the IP Code defines a “mark” as “any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods”, and a “collective mark” as “any visible sign designated as such in the application for registration and capable of distinguishing the origin or any other common characteristic, including the quality of goods or services of different enterprises which use the sign under the control of the registered owner of the collective mark”. These definitions are in keeping with Article 15.1 of the TRIPS Agreement which allows parties to require, as a condition for registration, that signs be visually perceptible.
This flexibility is removed under Article 18.18 of the Trans-Pacific Partnership (TPP) Agreement which provides that: “No Party shall require, as a condition for registration, that a sign be visually perceptible nor shall a Party deny registration of a trademark solely on the ground that the sign of which it is composed is a sound.” Section 18.18 further provides that each party shall make best efforts to register scent marks. Under the TPP, the Philippines is required to amend the IP Code to remove visibility as a condition for trademark registration.

Well-known trademarks
In consonance with Article 16.3 of the TRIPS Agreement in relation to Article 6bis of the Paris Convention, Section 123(f) of the IP Code provides that a mark cannot be registered if it is identical with, or is confusingly similar to, or constitutes a translation of a well-known mark registered in the Philippines, even with respect to goods or services which are not similar to those for which registration is applied, provided, that use of the mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered mark, and, provided further, that the interests of the owner of the registered mark are likely to be damaged by such use. On the other hand, unregistered well-known marks are protected only with respect to related goods and services but not those which are dissimilar.4

Article 18.22.2 of the TPP provides that the protection afforded by Article 6bis of the Paris Convention shall extend to goods or services that are not identical or similar to those identified by an unregistered but well-known trademark. This provision is a rewording and an expansion of Article 16.3 of the TRIPS Agreement. Under the TPP, the Philippines must amend the IP Code so that the protection afforded by Article 16.3 of the TRIPS Agreement to registered well-known marks will extend to unregistered well-known marks.

Domain names and cybersquatting
Article 18.28.1 of the TPP provides that each party shall make available, in connection with its system for the management of its country-code top-level domain names, an appropriate procedure for a nonjudicial resolution of domain name disputes. Article 18.28.1(b) further provides that each party shall make available online public access to a reliable and accurate database of contact information concerning domain name registrants, in accordance with each party’s law regarding protection of privacy and personal data.

While cybersquatting is considered a punishable offense under the Cybercrime Prevention Act, the Philippines does not currently have such a system for nonjudicial resolution of disputes involving domain names registered by dotPH, the country’s official domain registry. However, dotPH recognizes the decisions rendered by the WIPO and the Hong Kong Dispute Resolution Center involving domain name disputes. Under the TPP, the Philippines is obliged to establish and maintain its own system for nonjudicial resolution of domain name disputes.

Geographic indications
TPP Article 18.1 defines geographic indication (GI) as “an indication that identifies a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin”. TPP Article 18.19 states that: “Each Party shall also provide that signs that may serve as geographical indications are capable of protection under its trademark system.”

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4 Section 123(e), IP Code
The TPP definition of GI echoes the definition in Article 22.1 of the TRIPS Agreement. However, under the TRIPS Agreement, GIs are treated separately from trademarks. Further, the TRIPS Agreement does not require the parties to provide that signs that may serve as GI are to be protected under the trademark system.

Section 123.1(j) of the IP Code provides that a mark cannot be registered if it “consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time, or production of the goods or rendering of the services, or other characteristics of the goods or services”. Applications for trademarks containing GI are accepted by the Intellectual Property Office of the Philippines (IPOPHL), and such applications are examined under trademark rules. However, for such application to be allowed and granted registration, the IPOPHL requires in practice, though not as a formal requirement under the IPOPHL Rules and Regulations on Trademarks and Service Marks, that the GI be disclaimed or that the applicant must present documents showing the GI owner’s permission to register the GI. Thus, while applications for registration of marks containing GI are accepted, GI per se are not protected as trademarks since the IPOPHL requires a disclaimer of such GI. The registered owner of a trademark, which includes a disclaimed GI, is protected only with regard to the portions of the mark that are not disclaimed. The registrant cannot claim protection over the disclaimed GI.

The TPP does not mandate the adoption of any particular system or approach in protecting GI, as stated in Article 18.30 of the TPP text. Rather, it aims to prevent the creation of GI protections that will displace the rights of prior trademark owners. Thus, Articles 18.31 and 18.32 of the TPP provide for the opposition and cancellation of GI on various grounds. The potential impact of the foregoing provisions is that a later GI cannot override existing trademark rights, whether or not such marks are registered. Should the Philippines join the TPP and similar agreements, this may render future agreements with the European Union (EU) difficult to achieve if the EU demands full and unqualified recognition for its GIs. GI protection is already governed by Articles 24.5 and 24.6 of the TRIPS Agreement.

Copyright and related rights

With the amendment of the IP Code to comply with the provisions of the WCT and the WPPT, most of the TPP obligations relating to copyright are already provided for under the law. However, there are new obligations set forth in the TPP that would require further amendments to the IP Code.

Term of protection for copyright and related rights

Section 213.1 of the IP Code grants copyright protection for works during the life of the author and 50 years after his death. In case of works of applied art, Section 213.4 grants protection for 25 years from the date of making. The standard term for copyright protection is 50 years, in keeping with the periods provided under the Berne Convention, TRIPS, WCT, and WPPT.

Article 18.63 of the TPP extends the term of copyright protection to 70 years. It was pointed out that the extension of copyright term entails a real monetary cost for countries that are currently observing the standard of life plus 50 years, or 50 years from publication (Weatherall 2015). This represents a pure windfall for copyright owners and a transfer of wealth from users to copyright owners, most of whom will be located overseas since a majority of content consumed in most TPP countries is produced overseas (Weatherall 2015). An extension of copyright term in the Philippines would mean additional cost for the procurement of copyright content which, under the IP Code, would already be in public domain.
An important issue to be considered by the Philippines is whether the benefits of extending copyright term would, in the long run, outweigh the costs entailed by such extension. A 2014 WIPO study (Francisco et al. 2014) revealed that copyright-based industries (CBIs) altogether contributed PHP 661.23 billion, or 7.34 percent of the national gross domestic product (GDP). CBIs altogether employed 560,664, or 14.14 percent of total employment in all industries. Exports of CBIs are 3.33 percent and 2.03 percent of total exports in 2010 and 2012, respectively.

**Technological protection measures**
The TPP provisions on technological protection measures (TPMs) seek to provide stronger protection for these technologies by requiring parties to impose civil and criminal sanctions upon any person who (a) knowingly circumvents without authority any effective TPM that controls access to a protected work, performance, or phonogram; or (b) commercially deals in products or services that (i) are marketed for the purpose of circumventing any effective TPM; (ii) have only a limited commercially significant purpose or use other than circumvention of any effective TPM; or (iii) are primarily designed, produced, or performed for the purpose of circumventing any effective TPM. The TPP further requires that circumvention of TPM must be considered as an offense independent from copyright or related rights infringement.

The TPP provisions on TPM have no equivalent in the Berne Convention and the TRIPS Agreement as these agreements predate the rise of these technologies. On the other hand, Article 11 of WCT merely requires the parties to provide adequate legal protection and effective legal remedies against the circumvention of effective TPM, without providing specific modes of protection and remedies.

The IP Code does not consider the circumvention of TPM as a civil or criminal offense independent of infringement of copyright and related rights. Rather, in cases of copyright infringement, the amount of civil damages awarded to the copyright owner is doubled if the infringement involves circumvention of effective TPMs. Moreover, in criminal cases, the maximum penalty is also imposed. Should the Philippines join the TPP Agreement and/or similar FTAs, the IP Code must be amended to conform with the obligations set out therein for TPM protection.

In making such amendments, the Philippines must be mindful that the TPP provisions protect a potentially very expansive set of technologies. As defined under Article 18.68.5, the TPMs covered are not limited to those designed to prevent or restrict acts related to the exploitation of copyright content, but include “pure” access controls. By protecting access controls, the TPP provisions on TPM should be strictly interpreted, bearing in mind their purpose, i.e., to provide adequate legal protection and remedies against circumvention of effective TPM used by authors, performers, and phonogram producers. Such interpretation would exclude TPM used for purposes unrelated to exploitation of copyright content from the anti-circumvention law.

**Rights management information (RMI)**
The TPP seeks to provide adequate and effective legal remedies to protect rights management information (RMI) by requiring TPP countries to impose civil and criminal sanctions upon any person “who without authority, and knowing, or having reasonable grounds to know, that it would induce, enable, facilitate, or conceal an infringement of the copyright or related right of authors, performers, or producers of phonograms: (a) knowingly removes or alters any RMI; (b) knowingly distributes or imports for distribution RMI knowing that the RMI has been altered without authority;

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5 Section 216 of the IP Code, as amended by RA 10372
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or (c) knowingly distributes, imports for distribution, broadcasts, communicates, or makes available to the public copies of works, performances, or phonograms, knowing that RMI has been removed or altered without authority”. Under the IP Code, the acts of removing or altering RMI or commercially dealing in works with RMI that has been removed or altered, are not considered as independent offenses, whether civil or criminal, from infringement of copyright and related rights. Rather, in cases of copyright infringement, the amount of civil damages awarded to the copyright owner is doubled if the infringement involves such RMI-related acts. In criminal cases, the maximum imposable penalty is also enforced.

Further, Article 33(b) of the Electronic Commerce Act, which penalizes piracy or infringement of copyrighted content through the use of telecommunications network (including the internet), includes among the prohibited acts the unauthorized copying, reproduction, dissemination, distribution, importation, use, removal, alteration, substitution, modification, storage, uploading, downloading, communication, making available to the public, or broadcasting of protected material, electronic signatures, or copyrighted works including legally protected sound recordings, or phonograms, or information material on protected works, by a minimum fine of PHP 100,000 and a maximum commensurate to the damage incurred, and a mandatory imprisonment of six months to three years.

The language of the TPP on RMI protection draws from Article 12 of the WCT but expands its scope. While the WCT is confined to electronic RMI, the TPP covers other forms of RMI. Footnote 96 of the TPP text, however, provides that a party may comply with the obligations under Article 18.69 by providing protection only to electronic RMI. This flexibility is important. In the nonelectronic context, there is a significant potential for overlap with rules against the manufacture, importation, or use of false or counterfeit labels, as well as rules relating to materials and implements used in the creation or manufacture of infringing goods. This can mean the multiplication of the offenses that a person commits in the act of copyright infringement. Multiplying the wrongful acts has the potential to lead to overcharging of defendants in the criminal context, and increases the extent of civil liability. Under the IP Code, RMI is not limited to electronic RMI.

**PATENTS AND UNDISCLOSED TEST OR OTHER DATA**

Patentable subject matter

**New uses, new methods, or new processes of using a known product**

Article 18.37.1 of the TPP provides that each party shall make patents available for any invention, whether a product or process, in all fields of technology, provided that the invention is new, involves an inventive step, and is capable of industrial application. Article 18.37.2 further provides that each party confirms that patents are available for inventions claimed as at least one of the following: new uses of a known product, new methods of using a known product, or new processes of using a known product. This provision has no equivalent in the TRIPS Agreement.

Section 22.1 of the IP Code, as amended by the Cheaper Medicines Act, includes among nonpatentable subject matter, (a) the mere discovery of a new form or new property of a known

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6 Section 216 of the IP Code, as amended by RA 10372
7 Section 171.13, IP Code
substance which does not result in the enhancement of the known efficacy of that substance, or (b) the mere discovery of any new property or new use for a known substance, or (c) the mere use of a known process unless such known process results in a new product that employs at least one new reactant. This provision was enacted to prohibit the evergreening of patents and promote the development of generic drugs, to ensure greater access to cheaper and quality medicines in the country.

Section 18.37.2 of the TPP appears to be in conflict with Section 22.1 of the IP Code, which expressly prohibits the patenting of mere discovery of any new property or new use of a known substance, and which makes no mention of the protection of “new methods of using a known product” or “new processes of using a known product”. From the language of Section 22.1 of the IP Code, it can be gleaned that a new use for a known substance may be granted patent protection, provided, that such new use (defined as second/further medical use) is not a mere discovery, that is, not inherent in the prior art.

The IPOPHL “Examination Guidelines for Pharmaceutical Patent Applications Involving Known Substances” provides that: For a medical application to be construed as a “further medical use” not inherent in the prior art, the new technical effect would have led to a truly new therapeutic application, such as the healing of a different pathology, or the treatment of the same disease with the same compound however carried out on a new group of subjects distinguishable from the previously suggested subjects for such treatment, or would have led to new dosage forms of the known composition.

Unlike Section 22.1 of the IP Code, Article 18.37.2 of the TPP does not qualify that the “new uses of a known product” should be more than just mere discovery. This could be interpreted to mean that even new uses inherent in the prior art may be covered. In such a case, this provision would be in conflict with the express provision of Article 22.1 of the IP Code. Should the Philippines join the TPP and similar agreements, it may have to amend the IP Code to comply with the obligation set out in Article 18.37.2. The Philippines must study the implications of this provision on access to medicines and assess its possible impact on public health.

**Inventions derived from plants**

Article 18.37.4 of the TPP provides that a party may also exclude from patentability plants other than microorganisms. However, each party confirms that patents are available at least for inventions that are derived from plants, provided, that they comply with the patentability requirements under Article 18.37.1 and do not fall under the excluded subject matter in Article 18.37.3(b). Article 18.37.4 does not define what “inventions derived from plants” means, which could refer, but may or may not be limited, to plant varieties.

Like the TPP, Article 27.3(a) of the TRIPS agreement allows parties to exclude from patentability plants other than microorganisms. However, TRIPS Article 27.3(a) grants the parties the option of protecting plant varieties by patents, or by an effective sui generis system, or any combination thereof.

Pursuant to Article 27.3(a) of the TRIPS Agreement and Section 22.4 of the IP Code, the Philippine Plant Variety Protection Act was enacted in 2002, which provides a sui generis protection for plant varieties. The enactment was in preparation for the Philippines’ accession to the UPOV 1991. For this purpose, the law was submitted to the UPOV Council for assessment as to its compliance with UPOV 1991. As discussed above, however, the Philippines is not yet able to accede to the convention for failure to make certain amendments to the law as recommended by the UPOV Council (UPOV 2007). Article 18.7.2(d) of the TPP requires the parties to accede to the UPOV 1991.
UPOV 1991 is the most recent version of the UPOV treaties which provide for sui generis protection of plant varieties, including discovered varieties. The first UPOV Act was drafted in 1961 and was later revised in acts adopted in 1972, 1978, and 1991 to grant more expansive rights to plant breeders. The 1978 Act permits its signatories to protect plant varieties either with a distinct breeder’s right or with a patent. However, Article 2(1) precludes member-states from granting both forms of protection for one and the same botanical genus or species. The UPOV 1991 removed the UPOV 1978’s ban on dual protection and now permits member-states to protect the same plant variety with both a breeders’ right and a patent.

TPP Article 18.37.4 is both TRIPS plus and UPOV 1991 plus in that it requires countries to grant patent protection to plant varieties, in addition to the sui generis protection provided under UPOV 1991. In deciding to join the TPP, the Philippine government must study the implications of granting additional patent protection for plant varieties, in addition to that provided under the Philippine Plant Varieties Act, and ascertain the nature and extent of its impact on food security.

Patent term adjustment for patent office delays
Article 18.46.3 of the TPP provides that, “if there are unreasonable delays in a Party’s issuance of patents, said Party shall provide the means to, and at the request of the patent owner, shall adjust the term of the patent to compensate for such delays.” Article 18.46.4 further provides that “an unreasonable delay, at least, shall include a delay in the issuance of a patent of more than five years from the date of filing of the application in the territory of the party, or three years after a request for examination of the application has been made, whichever is later.”

This provision has no equivalent in the TRIPS Agreement nor the IP Code. This provision will extend the monopoly rights of patent holders beyond the 20 years standard protection counted from the time of the filing of the patent application. Moreover, the extent of patent term adjustment and the standards for adjustment is not defined, and parties may be pressured into providing lengthy adjustment periods.

Other than the extension of monopoly rights, there does not seem to be any significant purpose underpinning this provision. The purpose of granting patent rights is to grant exclusive rights to the patent holder with regard to the commercial exploitation of his invention. Under Article 33 of the TRIPS Agreement (and under Section 54 of the IP Code), patent protection is granted for at least 20 years from filing of the application. This means that from the time that the patent application is filed, the applicant already enjoys patent protection. Under Section 46 of the IP Code, while the patent holder may not be able to enforce its patent rights until the patent is actually granted, the remedies of the patent holder upon the grant of the patent retroact to and cover infringements committed from the time of publication of the patent application. The retroactive effect of the patent holder’s remedies for patent infringement ensures that the patent holder is not deprived of his exclusive rights during the period of patent examination.

Measures relating to agricultural chemical products
Article 18.47 of the TPP provides for data exclusivity for undisclosed data and other data for a new agricultural chemical product in two instances: (a) if a party, as a condition for granting marketing

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8 UPOV 1991 Article 1(vi) defines a plant variety as a “plant grouping within a single botanical taxon of the lowest known rank” which can be “defined by the expression of the characteristics resulting from a given genotype or combination of genotypes; distinguished from any other plant grouping by the expression of at least one of the said characteristics; and considered as a unit with regard to its suitability for being propagated unchanged”. 
approval, requires the submission of undisclosed test or other data concerning the safety and efficacy of the product or (b) if a party, as a condition for granting marketing approval, permits the submission of a prior marketing approval of the product in another territory.

In the first instance, Article 18.47.1 provides that the party shall not allow persons, without the consent of the person that previously submitted such information, to market the same or a similar product on the basis of that information or the marketing approval granted to the person that submitted such test or other data, for at least 10 years from the date of marketing approval of the new agricultural chemical product in the territory of the party. In the second instance, Article 18.47.2 requires at least 10 years data exclusivity for undisclosed test or other data concerning the safety and efficacy of the product in support of that prior marketing approval, or other evidence of the prior marketing approval in the other territory. The language of the provision shows that its real object is marketing exclusivity.

This provision is TRIPS plus. Article 39.3 of the TRIPS Agreement does not mandate data exclusivity for new agricultural chemical products, but only requires the protection of such data against unfair commercial use and disclosure. The clear objective of this provision is to prevent the early market entry of the same or similar agricultural chemical products, whether or not the new agricultural chemical product is covered by a patent. Article 18.47 of the TPP is applicable whether or not a new agricultural product is patentable, and even if the patent has already expired. This provision effectively extends the term of patent protection of products, for which the patent term has already expired, and provides monopoly rights even for unpatented products.

Article 18.54 of the TPP provides that if a product is subject to a system of marketing approval in the territory of a party pursuant to Article 18.47, and is also covered by a patent in the territory of that party, said party shall not alter the period of protection that it provides pursuant to Article 18.47 earlier than the end of the period of protection specified therein. That is, a party cannot provide that the period of data exclusivity shall terminate upon the expiration of the patent. That is, if the patent of an agricultural chemical product is about to expire in two years, for example, the period of data exclusivity granted to a patentee that submitted undisclosed test data or test data for the approval of such product will not expire with the expiration of the patent. Data exclusivity protection will be provided for the full period of at least 10 years from the date of marketing approval granted to such product, even if such period exceeds the period of patent protection.

In deciding to join FTAs with a similar provision, the Philippine government must study whether Article 18.47 has implications on public interest concerns such as food security in order to ascertain the nature and extent of its impact.

**Measures relating to pharmaceutical products**

*Patent term adjustment for unreasonable curtailment*

Article 18.48.2 of the TPP provides that, with respect to a pharmaceutical product (or pharmaceutical substance) that is subject to a patent, each party shall make available an adjustment of the patent term to compensate the patent owner for unreasonable curtailment of the effective patent term as a result of the marketing approval process. In the alternative, Footnote 46 provides that a party may alternatively make available a period of additional sui generis protection for unreasonable curtailment of the effective patent term as a result of the marketing approval process. Each party may provide for conditions and limitations, provided that the party continues to give effect to TPP Article 18.48.

Patent term extension for delays in marketing approval is not provided under the TRIPS Agreement nor the IP Code. The object of this provision is to allow pharmaceutical patent holders
to maximize profits from the commercialization of their products. As the expiration of patent means
the entry of generic products in a party’s territory and the decrease in the price of drugs that may
consequently ensue, delays in the grant of marketing approval can mean lost profits.

This provision extends patent monopoly rights beyond the 20 years limit established by the
TRIPS Agreement. Moreover, Article 18.48.2 does not define what “unreasonable curtailment”
means, nor does it define the extent and standards for patent term adjustment. Parties may be exposed
to disputes concerning their interpretation of what constitutes “unreasonable curtailment” and be
pressured into providing lengthy adjustment periods. It is important that the term “unreasonable
delay” be defined to provide a definite and reasonable period for the grant of marketing approval and
avoid disputes resulting from unreasonable expectations from applicants.

Patent term extensions due to administrative delays in granting patent or marketing approval
“represent an essentially unfair and dysfunctional mechanism” (Correa 2015), as it penalizes the
public with a longer monopoly for the failure of the administration to process patent and marketing
approval applications within a reasonable time. It also puts pressure on the authorities to make
decisions without sufficient consideration of the reasons that may lead to the refusal of an application
(Correa 2015).

**Protection of undisclosed test or other data**

As in the case of new chemical agricultural products, Article 18.50 of the TPP provides for data
exclusivity for undisclosed data and other data for a new pharmaceutical product in two instances,
but for a period of five years.

This provision is TRIPS plus. Article 39.3 of the TRIPS Agreement does not mandate data
exclusivity for new pharmaceutical products but only requires the protection of such data against
unfair commercial use. The clear objective of this provision is to prevent the early market entry
of the same or similar products, whether or not the new pharmaceutical product is covered
by a patent. TPP Article 18.50 is applicable whether or not a new pharmaceutical product is
patentable and even if the patent has already expired. This provision effectively extends the term
of patent protection.

In addition, Article 18.50.2 of the TPP requires the parties to either (a) grant data exclusivity
for a period of at least three years with respect to new clinical information submitted as required
in support of a marketing approval of a previously approved pharmaceutical product covering a
new indication, new formulation, or new method of administration or, alternatively, (b) grant data
exclusivity for a period of at least five years to new pharmaceutical products that contain a chemical
entity that has not been previously approved in that party.

Data exclusivity for new forms or uses of a known pharmaceutical product is a form of
evergreening. Data exclusivity applies whether or not such product is covered by a patent or the
patent has already expired. An off-patent drug presented as a new indication, a new formulation,
a new method of administration, or a new combination is covered by the TPP data exclusivity
provisions and can delay entry of generic medicines in a party’s territory.

Article 18.54 of the TPP provides that, if a product is subject to a system of marketing approval
in the territory of a party pursuant to Article 18.50 and is also covered by a patent in the territory of
that party, the party shall not alter the period of protection that it provides pursuant to Article 18.50,
earlier than the end of the period of protection specified therein.

Under the TPP, the Philippines must assess the impact of this provision on access to medicines
and negotiate for flexibilities that may mitigate its negative impact, such as those granted to Malaysia
and Peru.
Measures relating to the marketing of certain pharmaceutical products

In cases where a party permits, as a condition for the marketing approval of a pharmaceutical product, persons, other than the person originally submitting the safety and efficacy information, to rely on evidence or information concerning the safety and efficacy of a product that was previously approved, the TPP requires said party to make available a regulatory mechanism that links marketing approval for pharmaceutical products to patent status (patent linkage). Article 18.51 provides two options to comply with this obligation.

The first option is for the party to make available (a) a system to provide notice or to allow notification to a patent holder (or the licensee or holder of marketing or approval), prior to the marketing of such a pharmaceutical product, that such other person is seeking to market that product during the term of an applicable patent claiming the approved product or its approved method of use; (b) adequate time and opportunity for such a patent holder to seek available remedies, prior to the marketing of an allegedly infringing product; and (c) procedures, such as judicial or administrative proceedings, and expeditious remedies, such as preliminary injunctions or equivalent effective provisional measures, for the timely resolution of disputes concerning the validity or infringement of an applicable patent claiming an approved pharmaceutical product or its approved method of use.

As an alternative, a party may adopt or maintain a system other than judicial proceedings that precludes, based upon patent-related information submitted to the marketing approval authority by a patent holder or the applicant for marketing approval, or based on direct coordination between the marketing approval authority and the patent office, the issuance of marketing approval to any third person seeking to market a pharmaceutical product subject to a patent claiming that product, unless by consent or acquiescence of the patent holder.

This is a TRIPS plus provision. It seeks to provide an additional protection for pharmaceutical owners who claim that patent linkage will prevent infringement that may occur if generic versions of a patented product are approved for commercialization. This overlooks the fact that most patents do not cover the drugs as such, but different forms thereof, including pharmaceutical formulations and combinations, and that the role of drug regulatory agencies is to protect public health, not to take part in private disputes about intellectual property protection.

Patent linkage offers pharmaceutical patent holders an advantage not available to patent holders in other areas of technology, i.e., the use of the health and regulatory mechanism to facilitate the enforcement of their patents, but also because patent linkage can create an additional burden on medicines regulators.

The development implications of linkage provisions may be substantial, as they may unduly restrain generic competition that reduces drug prices and increases access to medicines. Even spurious patents may function as barriers to the market entry of generic medicines. Patent linkage can facilitate abuse, since the financial benefits to patent holders of deterring generic market entry may outweigh the risk of penalties. In joining the TPP or similar agreements, the Philippines must assess the impact of this provision on access to medicines as well as the administrative and budgetary considerations relative to its implementation.

Biologics

Article 18.52 of the TPP provides two options for the protection of biologics. With respect to the first marketing approval in a party of a new pharmaceutical product that is or contains a biologic, said party may either (a) provide effective market protection through the implementation of Article 18.50.1 (Protection of Undisclosed Test or Other Data) and Article 18.50.3, mutatis mutandis, for
a period of at least eight years from the date of first marketing approval of that product in that party or (b) provide effective market protection: (i) through the implementation of Article 18.50.1 (Protection of Undisclosed Test or Other Data) and Article 18.50.3, mutatis mutandis, for a period of at least five years from the date of first marketing approval of that product in that party; (ii) through other measures; and (iii) recognizing that market circumstances also contribute to effective market protection to deliver a comparable outcome in the market.

This provision is TRIPS plus. The TRIPS Agreement does not have express provisions for biologics. The clear objective of this provision is to grant market exclusivity to biologics, which may not be patentable in all cases, and prevent the early market entry for the same products or biosimilars, whether or not the new biologic is covered by a patent. Article 18.52 is applicable whether or not a new biologic is patentable and whether the patent granted has already expired. This provision effectively extends the term of protection for biologics covered by patent and provides monopoly rights for unpatented biologics.

Article 18.54 further provides that if a product is subject to a system of marketing approval in the territory of a party pursuant to Article 18.52 and is also covered by a patent in the territory of that party, the party shall not alter the period of protection that it provides pursuant to 18.52 in the event that the patent protection terminates on a date earlier than the end of the period of protection specified therein. Data exclusivity protection will be provided for the full period of at least eight years under Option 1 and five years under Option 2, from the date of marketing approval granted to such product, even if such period exceeds the period of patent protection.

With regard to biologics, there are two issues of concern: (a) whether biologics should be granted data exclusivity protection and (b) how long should the data exclusivity protection be if such is granted. Unlike drugs, which are typically manufactured through chemical synthesis and generally have well-defined chemical structures, biologics are mostly very large, complex molecules or mixtures of molecules, manufactured in a living system such as a microorganism, or plant, or animal cells. Advocates for data exclusivity argue that, because of the nature of biologics, patents may provide less clear and less predictable intellectual property protection for biologics than for small molecule drugs. Biologics rely on multiple patents, including narrower product patents and process patents that may be more vulnerable to inventing around than small molecule product patents. Data exclusivity provisions are designed to reduce uncertainty and provide some stability and predictability for developers and investors against costly litigation and early patent disruption. They also provide an important incentive for products that spend a long time in basic research or clinical development after their core patents are filed.

Critics of data exclusivity, on the other hand, contend that the patent system has a proven record of protecting and stimulating biotechnology innovation. It is argued that pioneer biologic drugs are covered by more and varied patents than small-molecule branded products, including manufacturing and technology platform patents. Patent cases between pioneer manufacturers reveal that patents such as process, manufacturing, and method of use claims can be infringed by a branded competitor. These cases show that the range of patents claiming a biologic product provides a strong assurance that at least one of a biologic drug product’s patents will cover a follow-on biologic drug product. There is no evidence that the patents claiming the compound or molecule of pioneer biologic drugs have been designed around more frequently than those claiming small-molecule drug products. There are a variety of ways to draft claims broadly enough to cover the types of drug structure variations expected in follow-on biologics.

Most countries do not provide data exclusivity protection for biologics. Where biologics are granted data exclusivity, state practices vary on the length of data exclusivity protection. In the
United States, data exclusivity protection is for 12 years and in Australia, the data exclusivity period for biologics is 5 years.

The TPP requires countries to apply the provision on biologics to a very broad range of products. Article 18.52.2 provides that: “each Party shall apply Article 18.52 to, at a minimum, a product that is, or, alternatively, contains, a protein produced using biotechnology processes, for use in human beings for the prevention, treatment, or cure of a disease or condition.” This captures a very broad array of products, and reduces the prospect for governments to narrow the scope of the obligation and define for themselves which products it applies to.

The IP Code does not contain any express provisions on biologics. Should the Philippines join the TPP or similar agreements, the Philippines must assess the impact of this provision on access to medicines. The Philippines may also negotiate for flexibilities that can mitigate its negative impact, such as those granted to Malaysia and Peru in Annexes 18-C and 18-D, respectively.

ENFORCEMENT

Article 18.71.2 requires TPP parties to make available the enforcement procedures set forth in Article 18.74 (Civil and Administrative Procedures and Remedies), Article 18.75 (Provisional Measures), and Article 18.77 (Criminal Procedures and Penalties) to the same extent in the digital environment with respect to acts of trademark infringement, as well as copyright or related rights infringement. Under Philippine laws, civil, criminal, and administrative remedies are available in instances of trademark infringement and copyright and related rights infringement. However, these laws were enacted in compliance with the provisions of the Paris Convention, the Berne Convention, the TRIPS Agreement, the WCT, and the WPPT, and may have to be amended to comply with the TRIPS plus obligations under the TPP.

Criminal procedures and penalties

Article 18.77.1 of the TPP provides that each party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright or related rights piracy on a commercial scale. Willful copyright or related rights piracy “on a commercial scale” includes, at least, (a) acts carried out for commercial advantage or financial gain and (b) significant acts, not carried out for commercial advantage or financial gain, that have a substantial prejudicial impact on the interests of the copyright or related rights owner in relation to the marketplace.

Criminal penalties for trademark and copyright infringement are provided under Sections 170 and 217, respectively, of the IP Code, which was enacted in compliance with the obligations in the TRIPS Agreement.

Internet service providers

Article 18.82 of the TPP requires parties to ensure that legal remedies are available to address copyright infringement in the online environment by providing enforcement procedures that permit copyright holders to take effective action against such infringement. In so doing, Article 18.82 requires parties to maintain appropriate safe harbors for internet service providers (ISPs) which shall

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9 It is notable that Section J of the TPP IP Chapter makes no mention about trademark infringement. While the section is confined to copyright infringement, there appears to be no prohibition for parties to apply the internet service providers safe harbor provisions in cases of trademark infringement.
include: (a) legal incentives for ISPs to cooperate with copyright owners to deter or take action to deter the unauthorized storage and transmission of copyrighted materials and (b) limitations or safe harbors in its law that preclude monetary relief against ISPs for copyright infringements that they do not control, initiate, or direct. In this regard, Article 18.82 requires parties to prescribe in its law conditions for ISPs to qualify for the limitations described in Article 18.82.1(b), or, alternatively, to provide for circumstances under which ISPs do not qualify for such limitations. Such limitations shall include those in respect of the functions enumerated in Article 18.82.2 such as routing, caching, storage, hosting, and linking.

In order to qualify for safe harbors in the performance of its functions, the ISP must expeditiously remove or disable access to material residing on their networks or systems upon obtaining actual knowledge of the copyright infringement, or becoming aware of facts or circumstances from which the infringement is apparent. The ISP that removes or disables access to material in good faith shall be exempt from any liability, provided that it takes reasonable steps in advance or promptly after to notify the person whose material is removed or disabled. The TPP does not require but allows a system of counternotices, which allows the ISP to restore the material subject of the counternotice, unless the person giving the original notice seeks judicial relief within a reasonable period of time.

Article 18.82.5 of the TPP requires each party to ensure that monetary remedies are available in its legal system against any person that makes a knowing material misrepresentation in a notice or counternotice that causes injury to any interested party as a result of an ISP relying on the misrepresentation.

The TPP provides that eligibility for safe harbor provisions shall not be conditioned on the ISP monitoring its service or affirmatively seeking facts indicating infringing activity. Moreover, the failure of an ISP to qualify for safe harbor provisions does not itself result in liability, without prejudice to the availability of other limitations and exceptions to copyright or any other defenses under a party’s legal system.

TPP Article 18.82.7 requires parties to provide judicial or administrative procedures that enable a copyright owner, which has made a legally sufficient claim of copyright infringement, to obtain expeditiously from the ISP information in the provider’s possession identifying the alleged infringer, in cases in which that information is sought for the purpose of protecting or enforcing that copyright. Should the Philippines join the TPP, it must ensure that the implementation of this provision is consistent with the provisions of the Data Privacy Act.

Footnote 154 states that: Party may comply with the obligations in paragraph 3 by maintaining a framework in which: (a) there is a stakeholder organization that includes representatives of both ISPs and right holders, established with government involvement; (b) that stakeholder organization develops and maintains effective, efficient, and timely procedures for entities certified by the stakeholder organization to verify, without undue delay, the validity of each notice of alleged copyright infringement by confirming that the notice is not the result of mistake or misidentification, before forwarding the verified notice to the relevant ISP; (c) there are appropriate guidelines for ISPs to follow in order to qualify for the limitation described in paragraph 1(b), including requiring that the ISP promptly removes or disables access to the identified materials upon receipt of a verified notice, and be exempted from liability for having done so in good faith in accordance with those guidelines; and (d) there are appropriate measures that provide for liability in cases in which an ISP has actual knowledge of the infringement or awareness of facts or circumstances from which the infringement is apparent.

11 TPP Article 18.82.3(a)
12 TPP Article 18.82.3(b)
13 TPP Article 18.82.4(a)
14 TPP Article 18.82(6)
15 TPP Article 18.82(7)
16 RA 10173
While Section 30 of the Electronic Commerce Act provides for the instances where an ISP shall not be civilly or criminally liable for acts defined in Section 5 thereof, the act does not contain the takedown requirement provided for in the TPP, for the purpose of qualifying for safe harbor provisions. Should the Philippines join the TPP, the Electronic Commerce Act must be amended to include this requirement and comply with the other obligations set out in the TPP, such as providing legal incentives for ISPs to cooperate with copyright owners to deter or take action to deter the unauthorized storage and transmission of copyrighted materials.

RECOMMENDATION

For the Philippines to be ready to join the TPP or similar agreements, it must be in a position where it can comply with the new obligations set out therein, including the TRIPS plus obligations provided in the IP chapter. For this purpose, the Philippines must be ready to amend its IP laws and regulations and its law enforcement system to establish a legal framework that will accommodate the expanded IP protection and enforcement rights afforded to IP holders under the TPP.

In compliance with Article 18.7.2(d) of the TPP, the Philippines must accede to UPOV 1991. In this regard, the Philippines must amend the Plant Variety Protection Act to comply with the March 2007 recommendations of the UPOV Council, so that the Philippines can deposit its instrument of accession to the treaty. More than the accession to UPOV 1991, the Philippines, pursuant to Article 18.37.4 of the TPP, must also be prepared to make available patent protection to plant varieties in addition to the sui generis protection granted by the Plant Variety Protection Act. The implications of the UPOV Council's suggested amendments, as well as the impact of the TPP's required additional patent protection, will have to be carefully studied, especially with regard to food security concerns of the Philippines.

The Philippines must likewise amend the IP Code to accommodate the new TPP obligations on trademark protection and enforcement. For one, the Philippines must expand the scope of its trademark protection by removing the requirement that a trademark must be visible to be granted trademark protection. In this regard, the Philippines must establish very clear standards and requirements for the registrability of nonvisible marks, including the particularly controversial scent marks, should the Philippines choose to protect them. Further, Section 123(f) of the IP Code must be amended so that Article 6bis of the Paris Convention shall apply mutatis mutandis even to unregistered well-known marks, such that their protection also extends to dissimilar goods or services.

Pursuant to Article 18.77.5 of the TPP, the IP Code must be amended to provide for criminal procedures and penalties for aiding and abetting the commission of the following acts: (a) willful trademark counterfeiting and (b) willful importation and domestic use, in the course of trade and on a commercial scale, of an infringing label or packaging.

Pursuant to Article 18.74.12 of the TPP, Section 157.1 of the IP Code must likewise be amended to provide that in civil judicial proceedings for trademark infringement, the courts shall have the authority, at the right holder’s request, to order the destruction of counterfeit goods, except in exceptional circumstances, without compensation of any sort.

17 Offering the transmission, routing, or providing of connections for online communications, digital or otherwise, between or among points specified by a user, of electronic documents of the user’s choosing; or the necessary technical means by which electronic documents of an originator may be stored and made accessible to a designated or undesignated third party.
Pursuant to the TPP provisions on GI, the Philippines, in granting recognition or protection to GI, must ensure that a later geographical indication cannot override existing trademark rights, whether or not such marks are registered. And should the Philippines amend the IP Code to protect GI through the trademark system, or enact a law for the sui generis protection of GI, these IP Code amendments or sui generis law should include provisions for the opposition and cancellation of GI, in accordance with Articles 18.31 and 18.32 of the TPP. Compliance with this TPP obligation may render future trade agreements with the EU (or any jurisdiction promoting full GI protection) difficult to achieve, if the EU demands full and unqualified recognition for its GI. Thus, the Philippines must carefully consider whether such a possible tradeoff, with regard to access to the European market, would be outweighed by the potential trade benefits of the TPP.

The Philippines must likewise amend the IP Code to accommodate the new TPP obligations on patent protection and enforcement. In connection with the TPP provisions on patentable subject matter, Sections 22 and 26 of the IP Code must be amended to grant protection to at least one of the following: new uses of a known product, new methods of using a known product, or new processes of using a known product. The implications of these amendments to access of medicines must be seriously considered. The grant of protection to any one of the required patentable subject matter under Article 18.37.2 of the TPP is in conflict with the Cheaper Medicines Act, as it makes possible the evergreening of pharmaceutical patents and prevents the early entry of generic medicine into the Philippines.

In compliance with TPP Articles 18.46.3 and 18.48.2, the IP Code must also be amended to include provisions for patent term extensions resulting from unreasonable delays in the grant of patents and unreasonable curtailment of effective patent term resulting from delayed marketing approval of pharmaceutical products. In the latter case, the Philippines may alternatively make available a period of additional sui generis protection due to the unreasonable curtailment of the effective patent term. The implications of these amendments to access of medicines must be carefully studied. The extension of patent term due to delay in the grant of patents or marketing approval will prevent the early entry of generic drugs into the country. Should the Philippines join the TPP and similar agreements, the Philippines may negotiate for the maximum transition period granted to a TPP country in connection with the implementation of the TPP patent term extension provisions, to mitigate their negative impact.\(^\text{18}\)

Closely connected to these new patent obligations are the data exclusivity and patent linkage provisions of the TPP. Pursuant to TPP Articles 18.50 and 18.52, and in connection with the grant of the first marketing approval for new pharmaceutical products/substances (and new indication, new formulation, or new method of administration; or alternatively, new pharmaceutical products that contain a chemical entity that has not been previously approved), and new pharmaceutical products that are or contain a biologic, the Philippines must ensure that data exclusivity protection (or marketing exclusivity) must be granted for the undisclosed data and other data submitted to secure such marketing approval, for the periods stated in the TPP provisions. The TPP provisions on data exclusivity have the effect of delaying the entry of generic drugs into the country. Thus, their implications on access to medicines and public health must be carefully studied. Should the Philippines join the TPP and similar agreements, the Philippines may negotiate for flexibilities that can mitigate their negative impact, such as those granted to Malaysia and Peru in Annexes 18-C and

\(^{18}\) Viet Nam has a transition period of five years to put into effect provisions for patent term adjustment due to delay in regulatory approval and a transition period of three years to put into effect provisions for patent term adjustment due to delay in patent grant.
18-D, respectively. Further, the Philippines may negotiate for the maximum transition period granted to a TPP country in connection with the implementation of the TPP data exclusivity provisions.\(^{19}\)

In connection with the marketing approval of generic medicines, the Philippines must make available either of the two mechanisms of patent linkage under TPP Article 18.51 to afford pharmaceutical patent holders the regulatory mechanism that would enable them to prevent the entry of generic products that possibly infringe on their patents. The TPP provisions on data exclusivity and patent linkage can delay the entry of generic drugs into the country, including noninfringing ones. Their implications on access to medicines and public health must be carefully studied. Moreover, the demands of patent linkage on the human resource and financial capability of the FDA must be carefully considered. Should the Philippines join the TPP and similar agreements, the Philippines may negotiate for the maximum transition period granted to a TPP country in connection with the implementation of the TPP patent linkage provisions.\(^{20}\)

Pursuant to Article 18.47 of the TPP, and in connection with the grant of the first marketing approval for new agricultural chemical products, the Philippines must ensure that data exclusivity protection (or marketing exclusivity) for a period of 10 years must be provided for the undisclosed data and other data submitted to secure such marketing approval. The implications of this TPP obligation will have to be carefully studied with regard to its impact on food security.

The Philippines must also be prepared to comply with the expanded copyright protection granted under the TPP. The IP Code must be amended to provide for the extension of the periods of copyright protection, from the TRIPS standard of 50 years to 70 years, pursuant to TPP Article 18.63. The Philippines must carefully consider the impact of copyright term extension, not only with regard to the amount of lost savings for royalties payable for works that should already be in the public domain, among other possible negative impacts, but also the long-term benefits of copyright extension. The Philippines must assess whether the copyright term extension would, in the long run, be actually beneficial to the country, considering the economic contribution of the copyright-based industries in the Philippines in terms of contribution to Philippine GDP and employment.

Pursuant to Article 18.77.5 of the TPP, the IP Code must be amended to provide for criminal procedures and penalties for aiding and abetting the willful importation or exportation of pirated copyright goods on a commercial scale.

The Philippines must also provide more effective measures for the deterrence of IP infringement, including the criminalization of certain acts. In connection with the TPP provisions on TPM (Article 18.68) and RMI (Article 18.69), the IP Code must be amended to make the acts identified in these provisions to be independent offenses, separate and distinct from copyright infringement, for which civil and criminal procedures and remedies shall be made available to the copyright or related rights holder. In this regard, the IP Code must also be amended to grant the courts, in civil judicial proceedings concerning such acts, with the authority provided under Article 18.74.17(a) of the TPP, such as the power to grant provisional remedies and award damages. With regard to TPM protection, the Philippines must be mindful that the TPMs to be covered are limited to those designed to prevent or restrict acts related to the exploitation of copyright content and must not include “pure” access controls or TPM the use of which is unrelated to exploitation of copyright content. Concerning RMI

\(^{19}\) Vietnam has a transition period of 10 years to put into effect provisions for data exclusivity for biologics, new pharmaceutical products/substances, and new clinical information/combinations.

\(^{20}\) Malaysia has a transition period of 4.5 years to put into effect provisions for patent linkage.
protection, care must be taken that the possible overlapping of remedies for violations involving nonelectronic RMI will not lead to excessive liabilities for a single offense.

Pursuant to Article 18.78 of the TPP, the IP Code (or other existing laws penalizing the violation of trade secrets) must be amended to include provisions that will ensure that persons have the legal means to prevent trade secrets lawfully in their control from being disclosed to, acquired by, or used by others, including state-owned enterprises, without their consent in a manner contrary to honest commercial practices.

Pursuant to Article 18.79.1 of the TPP, the Anti-Cable Television and Cable Internet Tapping Act must be amended: (a) to impose criminal penalties on persons committing the following acts: manufacture, assembly, modification, import, export, sale, lease, or distribution of a tangible or intangible device or system, with knowledge or having reason to know that the device or system meets at least one of the following conditions: (i) it is intended to be used to assist; (ii) it is primarily of assistance; or (iii) its principal function is solely to assist, in decoding an encrypted program-carrying satellite signal without the authorization of the lawful distributor; (b) to provide for civil remedies for a person that holds an interest in an encrypted program-carrying satellite signal or its content and that is injured by an activity described in Article 18.79.1; and (c) to provide for criminal penalties or civil remedies for willfully manufacturing or distributing equipment knowing that the equipment is intended to be used in the unauthorized reception of any encrypted program-carrying cable signal.

To ensure the effective enforcement of the IP rights granted under the TPP, the Philippines must grant additional powers to its judicial and administrative authorities. Pursuant to TPP Article 18.74.13, the IP Code must be amended to provide that in civil judicial proceedings concerning the enforcement of an IP right, the courts shall have the authority, on a justified request of the right holder, to order the infringer or the alleged infringer to provide to the right holder or to the courts, at least for the purpose of collecting evidence, relevant information that the infringer or alleged infringer possesses or controls, which may include information regarding any person involved in any aspect of the infringement or alleged infringement, and the means of production or the channels of distribution of the infringing or allegedly infringing goods or services, including the identification of third persons alleged to be involved in the production and distribution of such goods or services and of their channels of distribution. In this regard, care must be taken that the mere accusation of infringement does not create the foundation for a fishing expedition. Courts should develop appropriate principles in the exercise of this broad power. Moreover, such authority shall be without prejudice to Philippine laws governing privilege, the protection of confidentiality of information sources, or the processing of personal data.

In connection with Article 18.75.2 of the TPP, Rule 58, Section 5 of the 1997 Rules of Civil Procedure, which provides a stricter standard for granting a temporary restraining order (TRO), may have to be amended such that the applicant needs only to provide any reasonably available evidence in order to satisfy the judicial authority, with a sufficient degree of certainty, that the applicant's right is being infringed or that the infringement is imminent. It must be noted, however, that such amendment would have the effect of having two different standards for issuance of TRO in civil cases—a less strict standard for IP cases and a stricter standard for other cases.

Pursuant to TPP Article 18.76.3, Customs Administrative Order No. 6-2002 must also be amended to authorize the Bureau of Customs (BOC) to require a right holder initiating procedures to suspend the release of suspected counterfeit or confusingly similar trademark or pirated copyright goods, to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities, and to prevent abuse. Such security or equivalent assurance shall
not unreasonably deter recourse to these procedures. The security may be in the form of a bond conditioned to hold the defendant harmless from any loss or damage resulting from any suspension of the release of goods in the event the competent authorities determine that the article is not an infringing good.

Pursuant to Article 18.76.4 of the TPP, if the BoC has detained or suspended the release of goods that are suspected of being counterfeit trademark or pirated copyright goods, the BoC shall be given the authority to either: (a) inform the right holder without undue delay of the names and addresses of the consignor, exporter, consignee, or importer; a description of the goods; the quantity of the goods; and, if known, the country of origin of the goods or (b) at least in cases of imported goods, to provide the required information to the right holder normally within 30 working days of the seizure or determination that the goods are counterfeit trademark or pirated copyright goods. Care should be taken that this provision will not authorize a fishing expedition on the part of right holders and provide the opportunity for companies to use border measures chiefly in order to extract information about competing activities. Moreover, this authority shall be without prejudice to Philippine laws pertaining to privacy or the confidentiality of information.

The Philippines must also establish administrative mechanisms to comply with certain provisions of the TPP. Under Article 18.28 of the TPP on domain names, the Philippines must make available, in connection with the management of its country code top-level domain name, a nonjudicial procedure for the resolution of domain name disputes. In this regard, the Philippines may consider granting the IPOPHL Alternative Dispute Resolution Center jurisdiction over such domain name disputes.

In deciding to join the TPP, the Philippines must carefully consider whether it is in a position to comply with the expanded IP protections provided therein, not only in terms of being able to amend its laws and implement such amendments, but whether the expected benefits of joining the TPP would outweigh the possible negative impacts of such new obligations. If it is not in such a position, the Philippines should establish and implement short-term and long-term strategies that will enable it to accede to the TPP, or any similar agreements, to facilitate its economic integration into regional and international free trade areas, and help the Philippines derive maximum benefits from such integration.

REFERENCES


