

Registration of technology transfer agreements in the Philippines

Board of Investments, Philippines

<http://boi.gov.ph>

Royalties and similar fees

Royalties and similar fees can be charged to operations provided payments for said fees are covered by a technology transfer agreement (TTA) which conforms with the mandatory and restrictive provisions of the Intellectual Property Code (IPC). Compliance of the TTA with the IPC requirements will not require the registration of the TTA with the Documentation, Information and Technology Transfer Bureau (DITTB) of the Intellectual Property Office (IPO).

The non-conformity of the TTA with the IPC shall generally render the TTA unenforceable. However, in certain exceptional and meritorious cases provided under the IPC, non-compliance with the IPC is allowed subject to prior approval of the TTA by the IPO. The IPC provides certain restrictions in the terms and conditions of the TTA particularly those that will adversely affect free competition and trade. It also prescribes certain mandatory provisions that should be included in the TTA.

Royalties and similar fees are generally subject to 30% gross income tax and 12% value added tax when payable to a non-resident foreign corporation. However, the tax rates for the royalties payable to residents of foreign countries with which the Philippines has a tax treaty vary according to the terms of the respective treaties.

Reimbursements of actual cost

Reimbursements of actual cost incurred abroad for operations such as maintaining offices, advertising, commission, etc. are allowed provided they are duly supported by documents and that these costs are incurred in connection with the regular course of trade or business of the local paying company.

Technology transfer arrangements

Technology transfer arrangements refer to contracts or agreements involving the following: transfer of systematic knowledge for the manufacture of a product or the application of a process; rendering of a service, including management contracts; and the transfer, assignment, or licensing of all forms of intellectual property rights, including licensing of computer software, except computer software developed for mass market.

Government approval

Within ten days from the filing of the request for certification of compliance, the DITTB conducts a summary evaluation of the TTA. If the TTA conforms with the Prohibited Clauses and Mandatory Provisions of the IPC, the DITTB issues a Certificate of Compliance. Otherwise, the DITTB notifies the parties of any violation and requires them to comply with the IPC if they wish to obtain a Certificate of Compliance.

Documentary support

With the liberalization of foreign exchange rules, remittance of royalties, fees, or similar payments to a foreign company, net of the applicable taxes, may be made through AABs without need of BSP approval. The following documents may be required by the AABs to prove the legitimacy of the transaction: (a) copy of contract/agreement; (b) statement/computation of the royalty/copyright/patent/licensing fee; and (c) proof of payment of withholding tax or tax exemption or entitlement to preferential tax treatment, as the case may be.

ASEAN Standards Harmonization Initiative for Energy Efficiency

Funded under the EU SWITCH-Asia affiliated program, ASEAN SHINE aims at increasing the market share of higher efficient air-conditioners in ASEAN through harmonization of test methods and energy efficiency standards, adoption of common minimum energy performance standards, and changing consumer purchasing attitudes in favour of energy efficient air-conditioners.

For more information, contact:

ASEAN Centre for Energy

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Registration of transfer of patent and petty patent in Thailand

Department of Intellectual Property, Thailand

<http://www.ipthailand.go.th>

Consideration criteria

The patent transferring contract is a contract with which the assignor grants the right to the assignee right (assignment of patent/petty patent). In this regard, the right transferring shall not exceed the protection period as follows;

- * The protection period of invention patent lasts 20 years.
- * The protection period of petty patent lasts 6 years, or upon the petty patent renewal application according to Article 65 paragraph 2 the laws.

Conditions of application submission

1. To register a transfer of the patent/petty patent, the applicant shall submit the form as determined by the Director-General, together with the transferring contract of the invention patent/petty patent.

2. Authorization

2.1 In case the applicant of the patent does not reside in the Kingdom of Thailand, he shall authorize the patent agent/patent attorney registered with the Director-General of the Department of Intellectual Property to act on his behalf. In this regard, the power of attorney shall be presented to the Director-General in accordance with the following regulations;

(1) If the authorization is done outside the Kingdom of Thailand, the signatures in the authorization letter or power of attorney shall be certified by the authorized official of the Thai embassy or consulate or Director of the office of the Ministry of Commerce located in the country where the principal or power grantor resides, or the person authorized to act on behalf of the said officials or the person authorized to certify the signature according to the law in that country, or

(2) In case the authorization is done in the Kingdom of Thailand, the applicant shall submit a copy of passport or temporary residence certificate of the principal or power grantor, or any evidence indicating that at the time the authorization was made, the principal or power grantor was in Thailand.

2.2 The Power of Attorney shall be attached with the revenue stamp of 30 Baht/patent agent/patent attorney/application.

Proceeding according to the official's instruction

1. In case that the official finds a correctable defect in the application, the official shall notify the applicant or his patent agent/patent attorney for the correction. The applicant shall finish the correction within 90 days of the notification reception date. After such period, without the correction, the applicant shall be deemed to have abandoned the application, except the Director-General extends the period for correction as deemed appropriate due to any necessity.
2. After the applicant corrected the application, the applicant shall submit the correction application and the fee to the Department of Intellectual Property or the provincial office of the Ministry of Commerce. The corrected application shall enter the consideration and initial inspection processes respectively, similarly to the re-submission of the application.
3. In case of application submission via the website of the Department of Intellectual Property, the inspecting official shall check the completeness of information and details in the patent/petty patent application, request or other applications based on information and details appearing in the e-patent filing system. In this regard, the applicant shall present the application and supporting documents to the Department of Intellectual Property within 15 days of application number reception date and patent/petty patent application filing date via internet. The inspection of application submitted via internet shall be in accordance with the Notification of the Department of Intellectual Property Re: Principles and conditions for submission of patent/petty patent application, requests or other applications via internet.

Relevant laws

- The Ministerial Regulation No.25 (B.E. 2542) issued by virtue of the Patent Act B.E. 2522 (Dated 24 September 1999).
- The Patent Act B.E. 2522 as amended by the Patent Act (No. 2) B.E. 2535 and the Patent Act (No. 3) B.E. 2542