

IPO 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.

Inventor Assistance Program

The Inventor Assistance Program (IAP) is the first global program of its kind. It matches developing country inventors and small businesses with limited financial means with patent attorneys, who provide *pro bono* legal assistance to secure patent protection (free legal advice on how to file a patent to protect their inventions). The program is a joint initiative of the World Intellectual Property Organization (WIPO) and the World Economic Forum, with support and input from some of the world's leading businesses and law firms. WIPO and The Forum have developed IAP aimed at making the IP system more accessible by matching financially under-resourced inventors of promising new technologies and ideas with qualified IP counsel, to assist in securing patent protection for their innovations. IAP is designed to assist both individuals and small entities who lack the financial resources to navigate the patent system on their own. The Program helps solve the problem experienced by patent filers on unaffordable professional fees relative to filing international patents by putting eligible inventors and small businesses in touch with an expert in their country who is willing to help them free of charge.

For more information, access:

<https://www.wipo.int/iap/>

Registration of licensing agreement in Thailand

Department of Intellectual Property, Thailand

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

Consideration criteria

Licensing Agreement to use the patent is the contract, with which the patent/petty patent owners grants the specific right to the licensee. The permission shall not exceed the protection period as prescribed by law.

- * 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 of the laws.

Conditions of application submission

1. To register a licensing agreement, the applicant shall submit the form as determined by the Director-General, together with a licensing contract to use 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 or 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.

Notes:

1. The working process starts after the inspection of the documents is completed, as specified in the manual of the public service.
2. In case the application or documentary evidence is not correct or incomplete, the official shall record the defect of the document or indicate the required additional documentary evidence (Record of conditions on application reception). The applicant shall correct the document and/or submit the additional document within 90 days of the application filing date. If the applicant fails to submit all additional documents within the specific period of time, the applicant shall be deemed to have abandoned the application. The official shall return the application to the applicant and inform the reason of the return and his appeal right.
3. Any person fee paid to the Department of Intellectual Property shall not be refunded in all cases, except

- (1) The law stipulates that the fee must be refunded, or
- (2) The applicant double-paid or overpaid the fee, by which the faulty payment resulted from the mistake of the state official, not the payer. In this regard, the Department of Intellectual Property shall consider the refund case by case.
4. In case the applicant is required to submit many additional documentary evidences, the applicant shall submit all additional documentary evidences in the same time.
5. In case the applicant submits the copy of the documentary evidence, the applicant shall certify the copy of the documentary evidence.
6. In case the applicant submits the document in foreign language, the applicant shall submit the document with Thai translation and the correct translation certification of the translator.
7. In case the applicant or the authorized patent agent/patent attorney does not submit the application by himself, and

granted power to the other person to submit the application, the application submitter shall present a sub power of attorney or temporary power of attorney, so that he is eligible to submit the application and sign in the record of conditions on application reception. If it appears that the application and the documentary evidence is not correct or incomplete, and the application submitter is not authorized to sign on the said record, the official shall not receive the application.

8. The working period does not include the time period when the applicant follows the official's instruction or corrects the application, or the period of temporary suspension of registration.

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

Recent Publications from World Intellectual Property Organizations

World Intellectual Property Indicators 2018

This authoritative report analyzes IP activity around the globe. Covering the filing, registration and maintenance of patents, utility models, trademarks, industrial designs, microorganisms, and plant variety protection, and geographical indications, the 2018 edition also looks at the creative economy for the first time, making it even more comprehensive. The special theme explores how one might statistically capture patent litigation activity and presents selected statistics for the United Kingdom and the United States of America.

Global Innovation Index 2018

The Global Innovation Index 2018 provides detailed metrics about the innovation performance of 126 countries and economies around the world. Its 80 indicators explore a broad vision of innovation, including political environment, education, infrastructure and business sophistication. The GII 2018 analyses the energy innovation landscape of the next decade and identifies possible breakthroughs in fields such as energy production, storage, distribution, and consumption. It also looks at how breakthrough innovation occurs at the grassroots level and describes how small-scale renewable systems are on the rise.

A Guide to Intellectual Property Issues in Access and Benefit-sharing Agreements

An essential complement to the WIPO Database of Access and Benefit-sharing Agreements, this guide offers users and providers of genetic resources an accessible overview of intellectual property issues in access and benefit-sharing agreements.

An Introduction to Patents for Small and Medium-sized Enterprises

This is the third in the series of guides on Intellectual Property for Business. It focuses on patents, a crucial tool to enable a company to draw maximum benefit from new technological ideas.

WIPO-ASEAN Design Manual

This document is a manual which provides the technical detail of the survey questionnaire designed and implemented for the study on "Understanding the Use of Industrial Designs –the Case of Indonesia, Philippines and Thailand.

For more information, access:

<https://www.wipo.int/publications/>