

Republic of the Philippines
Department of Agriculture
PHILIPPINE CENTER FOR POSTHARVEST DEVELOPMENT AND MECHANIZATION

INTELLECTUAL PROPERTY POLICY

This Intellectual Property (IP) Policy is hereby promulgated as a legal instrument to implement the **PHILIPPINE CENTER FOR POSTHARVEST DEVELOPMENT AND MECHANIZATION (PHilMech)** Intellectual Property Rights (IPR) Policy and Guidelines, and to determine and resolve pertinent issues relative to the creation, protection, and utilization of IP assets, as well as the ownership of the rights thereof.

ARTICLE I
POLICY STATEMENT

Whereas, PHilMech is a national government agency attached to the Department of Agriculture, and is mandated by law to generate, extend, and commercialize appropriate problem-oriented postharvest and mechanization technologies and systems.

Whereas, PHilMech subscribes to the concepts and principles of IPR as rights conferred by law upon individuals and institutions for the generation of new and relevant information and technologies in agriculture and fisheries and the production of superior goods, not only for the benefit of their holder, but also and ultimately, for the society. Like any legal rights, the IPR must be invoked and be vested in the holder thereof so that the latter can strategically appropriate such rights in a way that will redound to the benefit of the general public. Otherwise, the waiver of any IPR by its owner should be explicitly made in writing. Even as a publicly funded institution expected to provide its goods and services to the public for free, the PHilMech, shall, nevertheless, invoke and vest its rights over the IP for the benefit of the institution as well as that of its employees, to the extent allowed by law.

Whereas, PHilMech shall proactively generate, protect, and commercialize IP and exercise its rights thereto, while exerting efforts to recognize and respect others' intellectual property rights. It shall pursue activities focused on generating new technologies, promoting rapid transfer of new technologies, and generating alternative sources of funding through technology transfer. In the end, the PHilMech should have attained its goal of national food security and improved quality of life for the farmers, fisherfolks, and the consumers.

Whereas, in the pursuit of these functions, new creations and discoveries, collectively known as Intellectual Property (IP), will result, which are subject to, or may be eligible for, intellectual property protection;

Whereas, the stewardship of such IP, is an important responsibility of both PHilMech and the Creator of the IP;

Whereas, PHilMech recognizes the need for encouraging the practical application and economic use of the results of research carried out at and by PHilMech for the benefit of the general public.

ARTICLE II PURPOSE

Now, therefore, in consideration of the above Policy Statement, this IP Policy is hereby adopted for the purposes of PHilMech, recognizing that no particular provision in this Policy Document shall supersede, contradict, or negate any provisions of relevant or applicable laws enacted by the Republic of the Philippines. This IP Policy is hereby promulgated to:

1. Promote, preserve, encourage, aid, and ensure flourishing innovation activities at PHilMech through scientific investigation and research;
2. Facilitate the transfer of technology or intellectual property from PHilMech to its intended manufacturers, adapters, and the appropriate industry, in order to make sure that research conducted at PHilMech results in technology applications that would benefit the industry and the general public;
3. Enhance the prestige of PHilMech as a national government research and development institution by conducting highest quality and problem-oriented postharvest researches that result in technologies that benefit not only the agricultural sector but also the relevant industries and the general public;
4. Ensure that the economic benefits arising from the commercialization of IP are distributed in a fair and equitable manner, recognizing the contributions of PHilMech, the inventors or technology creators, as well as other relevant stakeholders;
5. Establish PHilMech's procedures and guidelines with regard to the creation, protection, utilization, and ownership of intellectual properties;
6. Ensure compliance of PHilMech, its employees, and technical and contractual staff with applicable laws and regulations of the government; and
7. Ensure filing for protection of all generated intellectual properties prior to any publication, exhibit, or public exposure.
8. Be consistent with the Intellectual Property Code of the Philippines (Republic Act No.8293), Technology Transfer Act of 2009 of the Philippines (Republic Act 10055); Agriculture and Fishery Modernization Act (RA 8435), the Philippine Fisheries Code of 1998 (RA 8550); Indigenous People Rights Act (IPRA Law); the Inventor's and Invention Incentives Act (RA 7459); the Administrative Code of 1987; Magna Carta for Scientists, Engineers, Researchers and other Science and Technology Workers in Government (RA 8439); Creation of NAPHIRE, (PD 1380), Authorizing the Implementing Guidelines on Staffing Pattern, Compensation System and Funding of NAPHIRE (LOI 123); Expanding the Functions and Powers of the NAPHIRE to Include Other Basic Food Commodities, (LOI 1142); Renaming the Ministry of Agriculture and Food as Ministry of Agriculture, Reorganizing its Units, Integrating All Offices and Offices whose Functions Relate to Agriculture and Fishery into the Ministry and for Other Purposes; the Agriculture and Fisheries Modernization ACT (AFMA) of 1997 EO 366 (government rationalization plan) renaming BPRE to PHilMech; and other relevant or applicable laws of the Philippines and their corresponding amendments, implementing rules and regulations.

ARTICLE III DEFINITION OF TERMS

The following words, terms, or phrases are defined as they are used and meant contextually in this IP Policy:

1. **Assignee.** A natural or juridical person to whom all the rights, title to, and interest in an IP or proprietary information has been assigned by the owner of the technology through a written agreement or any other legal instrument.
2. **Assignment.** Refers to the act of assigning all the rights, title to, and interest in intellectual property or proprietary information by the owner of the technology through an undertaking or any other legal instrument. It is understood that when the act of IP assignment is perfected, the holder of the rights to the technology effectively loses all such rights or all claims to such rights, and that such rights shall then be effectively held by the assignee.
3. **Assisted Research.** Refers to any research and development activity supported financially and/or in kind, wholly or partly by PHilMech and undertaken by any person, or entity, private or public other than PHilMech.
4. **Commercialization.** Means any form of exploitation of intellectual property including assignment, licensing, and marketing via spinoff, the ultimate purpose of which is to make the technology accessible in the right market for the benefit of the general public, but which undertaking may also generate revenues or cash inflow in favor of PHilMech.
5. **Commissioned or Sponsored Research.** Refers to any research and development undertaking by PHilMech funded by an external partner or institution whether local or international, government or no-government entities, whereby the grant of such funds are made subject to certain conditions or agreements between PHilMech and the funding institution.
6. **Confidential Information.** Means any information or data of a confidential nature, including all oral and visual information or data, and all information or data recorded in writing or in any other medium or by any other method, and all information and data which PHilMech, and all its employees, researchers, and affiliates are under obligation, whether contractual or otherwise, to not divulge.
7. **Copyrighted Works.** Refers to literary, scientific and art works, including academic publications, scholarly books, articles, lectures, musical compositions, films, presentations and other materials or works other than software, which qualify for protection under the copyright law, all of which are generated by PHilMech from all its research and development undertakings.
8. **Directed Research.** Refers to any research and development activity undertaken by employees of PHilMech or any of its staff using PHilMech funds and resources.
9. **Due Diligence.** Refers to the reasonable steps to be taken by PHilMech, or its Intellectual Property Management Office, in order to satisfy a legal requirement, especially in licensing or commercializing a technology, such as to establish the commercial potential of a technology, and assess and weigh the business proposition in a licensing or commercialization negotiation, in favor of PHilMech.

10. **Generation of Intellectual Property.** Means the conduct of basic and applied researches focused on obtaining new knowledge and the production of new or improved technologies, products and processes.
11. **Government Funding Agency (GFA).** Means any government agency or instrumentality, or government-owned and/or controlled corporation that provides research grants and other technical and material support, from government appropriations and resources and those sourced from government-managed Official Development Assistance (ODA) funds.
12. **Holder.** Refers to a natural or juridical person who owns the rights to an IP at any given time. Unless otherwise so enunciated and duly agreed upon in a separate agreement or research contract between or among parties, it is understood that all intellectual properties generated from research and development activities by employees or staff of PHilMech in the course of their employment with PHilMech and using substantial resources of the agency, or any intellectual properties generated from research and development activities funded by PHilMech, shall be owned wholly by PHilMech, which shall have sole discretion in the exercise of the rights to such intellectual properties.
13. **Intellectual Property/Intellectual Property Rights.** Used interchangeably in this Policy Document, these terms refer to intellectual property or intellectual property rights that are relevant to PHilMech such as a) copyright and related rights; b) patents, utility models and industrial design; and other intellectual property rights such as but not limited to 1) trademarks and service marks; 2) geographic indications; 3) layout-designs (topographies) of integrated circuits; and 4) protection of undisclosed information.
14. **Intellectual Property Policy/Policy Document.** Refers to the entirety of this IP Policy promulgated by PHilMech.
15. **Intellectual Property Management Office.** Refers to an Office, equivalent to an Intellectual Property Unit which PHilMech may in the future establish, and which shall be tasked primarily to manage PHilMech's IP portfolios and undertake licensing and commercialization activities of PHilMech's IP assets.
16. **Invention/Technology Disclosure.** Refers to the act to be performed by researchers, inventors, or technology generators employed or affiliated with PHilMech, in disclosing an invention or technology, including its specifications, potential for further development, and potential for utilization or commercialization. The disclosure shall be made in writing by the inventor or technology generator using a prescribed Invention/Technology Disclosure Form.
17. **Inventor or Author.** Refers to the natural person who made substantial creative and intellectual contribution to the creation of the intellectual property, be it an invention, a utility model, an industrial design, a copyright, or other types of IP. Substantial creative and intelligent contributions include the conceptualization and planning of any activity resulting in the creation and expression of the intellectual property or proprietary information.
18. **Income.** Refers to the "gross income", meaning sales from the unit minus deductions such as Expanded Value Added Tax (EVAT) as agreed upon by PHilMech, the inventor/s, the manufacturer/s, or the industry adapters.

19. **Institutional Works.** Refers to any technology-generating works done by PHilMech employees or technical and contractual staff as part of their regular duties, using the funds, facilities, or services, and with due involvement of PHilMech.
20. **Other Income.** Refers to income from activities by PHilMech other than normal business operations, such as investment interest, foreign exchange gains, rent income, and profit from the sale of non-inventory assets as well as from utilization of intellectual property assets generated or owned by PHilMech.
21. **Proprietary information.** Refers to information or data relating to technologies, creative works, discoveries, products and processes and improvements thereto, trade secrets, formula, and ideas, which may not be formally protected through registration, but shall, nevertheless, be properly documented and recorded for protection. It includes all scientific, business or financial information relating to PHilMech, its branches, programs, divisions, units and, in the future, subsidiaries or affiliates or their respective businesses.
22. **Protection of Intellectual Property.** Refers to the act of formally registering for national or international protection with the Intellectual Property Office of the Philippines and/or with relevant IP offices abroad as the case may be, any intellectual property generated or owned by PHilMech, for the purpose of securing exclusive legal rights over such intellectual property; and, where registration is not required, the act of documenting the transfer of intellectual property or proprietary information to individuals or organizations for proper documentation and monitoring.
23. **Research Agreement.** Refers to Research Service Agreement, Cooperative Research and Development Agreement, Material Transfer Agreement, Confidentiality Agreement, Consultancy Agreement, and any other types of agreement concerning research pursued by PHilMech or its researchers.
24. **Research Collaborator.** Refers to partners, such as universities or research institutions or other entities which undertake research together with the employees or technical staff of PHilMech.
25. **Research and Development.** This refers to the scientific work, and/or work of innovation that will result in the introduction and/or improvement of products and procedures, and which involve a series of investigative activities to improve existing products and procedures or to lead to the development of new products and procedures.
26. **Researcher.** Refers to persons performing any research tasks at PHilMech, or otherwise participating in any research project administered by PHilMech, including those funded by sponsors.
27. **Research Task.** This refers to variety of activities of scientific inquiry including conceptualizing and designing research concepts and methods, data collection, enumeration, statistical analysis, data presentation, laboratory testing, technology field testing, technology pilot testing, etc.
28. **Research Funding Agreement or RFA.** Means a research contract entered into by PHilMech with other entities which basically provides research funds to PHilMech, and which sets out the terms and conditions for such funding and the conduct of the research.

29. **Resources.** Means any form of funds, facilities or resources, including equipment, consumables and human resources provided by PHilMech either in a direct or indirect way.
30. **Royalty.** Refers to payment made for the use of the rights to an IP, especially a patent, copyrighted work, franchise, or natural resource. The amount is usually a percentage of revenues obtained through the use or utilization of such IP, whether through licensing, assignment, spinoff, etc.
31. **Spin-off.** Means a company established for the purpose of exploiting, utilizing, or commercializing an IP originating from or created by PHilMech.
32. **Sponsor.** Refers to a natural person, or to any institution or entity, whether private or government, local or international, who grants research funds or endowment funds for the purpose of conducting research and development activity, the grant of such funds being subject to pertinent terms and conditions as may be stipulated in a Research Funding Agreement as defined in this IP Policy.
33. **Tangible Research Property.** Refers to research results that are in a tangible form and that include items such as materials, drawings, integrated circuit chips, computer software and other databases, processes, prototypes and circuit diagrams
34. **Technology.** Refers to a tool, a product, a systematic process, a chemical formulation, or a body or system of knowledge generated as a result of, or derived from, the conduct of research and development activities by PHilMech, which falls within the definition of intellectual property as stated in this IP Policy, and which may be eligible for grant of intellectual property rights.
35. **Technology Transfer Arrangement.** As defined in the Republic Act 8293 or the IP Code of the Philippines, refers to contracts or agreements involving the transfer of systematic knowledge for the manufacture of a product, the application of a process, or rendering of a service including management contracts; and the transfer, assignment or licensing of all forms of intellectual property rights or proprietary information.
36. **Technology Transfer Process.** This refers to the process of disseminating a technology, a body of work, or a system of knowledge or information, from the point of its origin (i.e. from its originator, creator, or owner), to its intended recipient or user (i.e. industry, business enterprise, adapter, manufacturer, or individual end-user). This is also understood as the movement of the technology from the laboratory to the appropriate market.
37. **Third party.** Refers to either a natural person or a juridical entity other than the principal (i.e. PHilMech) directly involved in a research transaction or IP commercialization agreement.
38. **Visiting Researcher.** Refers to individuals from institutions or entities whether government or private, local or international having an association with PHilMech not being either employees or contractual staff or contracted researchers. It is understood that should a Visiting Researcher conducts research through or in partnership with PHilMech, such undertaking shall be governed by this IP Policy as well as by a corresponding Research Agreement, provided that such Agreement shall contain no

provision that is contrary to or violates any stipulation of this IP Policy, or any relevant laws of the Philippines.

ARTICLE IV POLICY SCOPE AND COVERAGE

1. This IP Policy shall apply unilaterally to the following:

1.1 All PHilMech employees or staff whether in permanent, casual, contractual or temporary status;

1.2 Those under contract of service or special appointment or designation by PHilMech whether in a full-time or part-time engagement status, such as service or professional contractors, consultants and students;

1.3 PHilMech's collaborators or partners, whether in the national or international research and development network or other agencies and organizations whether public or private, such as postgraduate fellows, visiting scientists, those on sabbatical, project and study leaders, trainees, and others.

2. Relative to this IP Policy, the following shall also be covered:

2.1 Contracted staff engaged by and working for PHilMech, but without the benefit of employer-employee relationship, are required to work within the scope of this Policy Document.

2.2 Visiting researchers, industrial fellows, knowledge transfer partnership (KTP) associates and research assistants or service contractors are considered "non-employees" but shall be treated as if they are PHilMech employees insofar as they may generate IP with more than incidental use of PHilMech resources.

2.3 Any IP derived from PHilMech-directed, assisted, commissioned, or contracted research development projects, as well as innovations or creative activities, tangible research properties with or without IP protection, whether for commercial or non-commercial purposes including all technology transfer arrangements, and those undertaken by PHilMech staff not using PHilMech resources but within the mandate of PHilMech and/or related to the functions of the staff.

2.4 All types of intellectual property rights enumerated under RA 8293 such as Copyright and related rights, patents, which may come in the form of invention or their derivatives, utility models, trademarks and service marks, industrial design, layout design of integrated circuit, trade secret or undisclosed information and geographical indications.

3. This IP Policy, however, shall not apply retroactively, such as in cases in which an external researcher had entered into a research agreement with PHilMech before the effectivity of this IP Policy, or where PHilMech had previously entered into a research agreement with a third party concerning rights and obligations similarly outlined in this IP Policy.

ARTICLE V
CREATION OR GENERATION OF TECHNOLOGY OR INTELLECTUAL PROPERTY

Sponsored or Collaborative Research

1. All researchers who are employees of PHilMech shall have the duty to undertake basic and applied scientific researches that will result in the creation or generation of technologies that can provide solutions to postharvest problems, and mechanization technologies and systems.
2. Any research undertakings performed or carried out by PHilMech researchers or any of its employees whether funded by PHILMECH or by an external entity or collaborator, whether private or government, local or international, shall be subject to the provisions of this IP Policy.
3. In case PHilMech, or any of its employees, shall engage in a sponsored, collaborative, or commissioned research, the following provisions shall apply:
 - 3.1 All conditions in the Research Funding Agreement that PHilMech or any of its employees will execute with the sponsor or collaborator shall be consistent with all provisions in this IP Policy, and with all relevant provisions of laws and regulations of the Philippines. PHilMech, or any of its employees, shall not enter into any research collaboration or agreement which contains conditions that are contrary to, or that violate, or that will have the effect of negating, any provisions of this IP Policy, and of any provisions of relevant laws of the Philippines, as specified in Article II-8 of this Policy Document.
 - 3.2 PHilMech employees shall not have the right to enter into any research agreement with any third party without a prior express written authority or consent of PHilMech.
 - 3.3 For research undertakings funded by a Government Funding Agency, the research agreement shall be governed by this IP Policy, as well as by the pertinent provisions of Republic Act 10055 and other relevant laws.

Invention/Technology Disclosure

- 3.4 Where at any given phase of the research process an invention or technology has been determined, developed, or produced, the researcher employed or affiliated with PHilMech shall have the obligation to promptly disclose to PHilMech such invention or technology. The immediate disclosure shall be made following these procedures:
 - 3.4.1 Using an Invention/Technology Disclosure Form, the project leader shall disclose the descriptive details of the invention or technology as to give PHilMech enough information as to its patent and commercial potential.
 - 3.4.2 An Invention/Technology Disclosure Form should be completed when something new and useful has been conceived or developed, or when unusual, unexpected or unobvious research results have been achieved and can be utilized.

- 3.4.3 Submit the duly filled out Invention/Technology Disclosure Form to PHilMech's Intellectual Property Management Office, or Intellectual Property Unit, or its equivalent.
- 3.5 Any confidentiality provision of a research agreement aiming at the delay of public disclosure for the purpose of protection should not usually have effect for longer than three (3) months from the time the concerned party is notified of the intent to publish.
- 3.6 Any research or collaboration agreement that PHilMech or any of its employees may enter into, which may generate any intellectual property or proprietary information, shall contain the following clauses:
- “Any intellectual property or proprietary information that may be developed or produced in the course of and as a result of the implementation of this research agreement such as, but not limited to discoveries, patents, works, databases, information system, reports, articles, research papers, research notebooks or records, tri-media presentations, and other project outputs, shall be subject to the PHilMech's Intellectual Property Policy, as well as to such other laws, rules and regulations on intellectual property. All personnel involved in carrying out this agreement shall further be subject to such policies, rules and regulations.”
- 3.7 PHilMech and all its employees shall, before entering into any research agreement or collaboration, conduct **due diligence** as to the viability of such research undertaking, including the potential benefits that can be derived from such research undertaking, in favor of PHilMech, of all its stakeholders, and ultimately, of the society.

Prior Art Search and Patent Information Search

- 3.8 PHilMech and all its researchers shall, before commencing any research activity, whether sponsored externally or funded by PHilMech, conduct prior art search, patent information search, and patent analytics or patent mapping using various patent search tools (i.e. that of Thomson Reuters Patent Database or Clarivate Analytics). Such prior art search, patent information search, and patent analytics shall be done to:
- 3.8.1 Avoid reinventing the wheel whereby the research could be geared at producing unique and inventive technologies that are novel, meaning, have no prior art or are not existing yet in the state-of-the art;
- 3.8.2 Ensure the high commerciability or the added value of the resulting technology;
- 3.8.3 Determine which fields of technology are already crowded or saturated;
- 3.8.4 Conduct high quality research designed to produce technology of high impact solutions that will address the needs of the target industries; and
- 3.8.5 Optimize use of resources by conducting researches designed to create technologies that will address the needs of the agricultural industry sector.

3.9 PHilMech shall, also, direct all its researchers to perform prior art search and patent information search even at the research proposal stage, or before commencing any research activity. The proof of such search (i.e. prior art search results) shall be submitted to PHilMech's Technology Licensing Office or Intellectual Property Unit for safekeeping. In the event PHilMech does not have available personnel capable of performing extensive prior art and patent information search activities, it shall:

3.9.1 Tap an expert to perform such task; and

3.9.2 Eventually, develop a pool of highly competent patent searchers, patent analysts or patent mappers.

ARTICLE VI

PROTECTION OF INTELLECTUAL PROPERTY

IP Prosecution

1. PHILMEC shall ensure, and to the extent feasible, exhaust all means to protect or secure exclusive rights for all its intellectual property assets.
2. When a research activity results in a protectable technology, PHilMech shall:
 - 2.1 Immediately secure local patent protection of such technology by registering the same with the Intellectual Property Office of the Philippines;
 - 2.2 Whenever feasible, apply immediately for international patent protection for the same technology via the Patent Cooperation Treaty route (PCT); and
 - 2.3 Scout for available incentives for local and international patent protection (i.e. the Inventor Assistance Program of the World Intellectual Property Organization through the Intellectual Property Office of the Philippines).
3. Using an Invention/Technology Disclosure Form, researchers shall immediately disclose potential inventions to PHilMech who will then assess the merits of the technology for patent protection. For invention, PHilMech shall assess the technology as to novelty, inventiveness, and industrial applicability.
4. For technologies or intellectual properties created, produced, or developed out of an externally funded research, or a sponsored or commissioned research, the research agreement should categorically state that PHilMech shall have the option to initiate actions leading to the registration for protection of such technologies or intellectual properties, at PHilMech's expense. In cases where the research sponsor insists on assuming the prosecution of the intellectual property, the research agreement should explicitly state that the sponsor shall bear all costs related to the prosecution of the IP.

Premature Disclosure

5. So as not to jeopardize the chances at patent protection by compromising novelty, PHilMech and its researchers shall avoid any activities that will lead to, or result in, a premature disclosure of the patent. Such activities may be any or all of the following:

- 5.1 Public disclosure of the resulting patent through immediate publication in a journal;
 - 5.2 Presentation in public forums, technology exhibits, and/or presentation of the patent before a research panel or evaluation committee; and
 - 5.3 Enabling disclosure where vital or critical information about the patent are divulged for public consumption.
6. If ever a public disclosure pending protection of the patent will be necessary, PHilMech shall ensure the use of mechanisms that will preclude, or otherwise regulate or manage, the sharing or disclosure of information, such as by having all concerned parties sign a Non-Disclosure Agreement or a Confidentiality Agreement.

Drafting the Claims of the Patent

7. PHilMech shall meticulously draft the specifications of the patent, or the scope of the claims of the invention, highlighting the novelty, inventiveness, and industrial applicability of the same. In the event PHilMech does not have available personnel with the technical expertise to draft the patent claims, it shall:
- 7.1 Tap the assistance of a patent attorney, or a professional patent agent rigorously trained in the rudiments of patent drafting; and
 - 7.2 Eventually, develop an internal pool of highly skilled patent drafters.
8. Once patent protection is granted, or exclusive rights to the intellectual property are secured, PHilMech shall design a workable business plan, or commercialization map, to utilize the IP, or to bring the same to its intended users, adapters, manufacturers, or appropriate market through the various platforms of commercialization.

ARTICLE VII OWNERSHIP OF INTELLECTUAL PROPERTY

1. All intellectual properties, including laboratory notebooks, cell lines and other tangible research property, shall be owned by PHilMech subject to the following circumstances:
- 1.1 The IP was created as part of the regular duty and/or official functions of the employee;
 - 1.2 In the course of the creation of the IP, significant PHilMech resources were used. (Generally, use of regular facilities available to the general public and occasional use of personal office equipment and office staff may not be considered significant use of PHilMech resources.)
 - 1.3 If an employee creates intellectual property outside the normal course of his or her duties, but with the significant use of PHilMech resources, he or she shall be deemed to have agreed to transfer the IP Rights in such Intellectual Property to PHilMech as consideration for the use of such resources, provided that should PHilMech decide to commercialize the resulting IP, the creator shall get a share from the revenues, subject to a sharing scheme to be agreed upon between PHilMech and the IP creator, consistent with the sharing scheme laid out in this IP Policy.

- 1.4 Ownership of any intellectual property as defined in this Policy Document, created in the course of, or pursuant to a sponsored research or other type of agreement with a third party, whether government or private, local or international, shall be determined according to the terms of the prior Research Agreement, or Research Funding Agreement, without prejudice to the provisions of relevant laws of the Philippines, and to the pertinent provisions of this IP Policy.
2. Non-employees, such as visiting researchers including service contractor with no employer-employee relationship, are required to transfer to PHilMech any intellectual property they create in the course of their activities arising from their association with PHilMech. For the purposes of this IP Policy, such individuals will be treated as if they were PHilMech employees.
3. Any intellectual property created or generated in the course of the engagement of research affiliates from other institutions, or of students from learning institutions who want to do research under the auspices of PHilMech, shall be owned by the latter, subject to the prior Agreement governing the nature of such engagement.
4. Any PHilMech employee, including service contractor, who may enter into a research project or research agreement with any external party, may do so upon a prior written consent of PHilMech, and in full consideration of all provisions of this IP Policy. As such, any IP to be generated from such an undertaking shall belong to PHilMech, unless the contrary is categorically expressed in the prior research agreement.

Ownership of IP Developed from Studies

5. If an employee will be sent out for a long-term study (i.e. graduate, doctoral, postdoctoral, etc.), whether locally or abroad, either through a grant from PHilMech or through an external scholarship, and in the course of such study the employee will be able to create a technology, the same shall belong to PHilMech, unless the sponsoring entity asserts a contrary condition in a scholarship agreement, in which case the stipulations in such a scholarship agreement shall prevail over PHilMech's claim to the technology.
6. If an employee goes on a study-leave through a grant from PHilMech and creates any intellectual property in the course of his or her study, the IP shall belong to PHilMech, except if the learning institution where the employee is enrolled in has a policy that categorically asserts the contrary, in which case the policy of the learning institution as regards ownership of technologies produced by their students shall prevail over PHilMech's claim to the rights over the intellectual property.

Ownership over Copyrighted Works

7. Copyrighted works specifically commissioned by PHilMech shall be owned by it.
8. Copyrighted works developed in the performance of a sponsored research or other third party agreement shall be governed by the terms and conditions in a prior Research Agreement.
9. Generally, PHilMech shall hold copyright to any institutional works when any of the following conditions is present or deemed qualified:

- 9.1 When the material was created in the performance of the author's regular duties;
 - 9.2 When the material was created through the use of PHilMech funds, facilities, or services;
 - 9.3 When the material was created resulting from the author's involvement with PHilMech;
 - 9.4 When the material cannot be attributed to one or more authors despite the application of processes prescribed under this Policy Document and;
 - 9.5 When the materials' authorship cannot be attributed to one or a number of distinct authors because the materials are a result of simultaneous contribution over time by multiple authors.
10. If an institutional work is classified as works of the Government over which copyright claim may not apply, the prior approval of PHilMech shall still be necessary for the exploitation of the works for the purpose of generating income or profit.
11. PHilMech shall be the sole owner of its logo and shall have it registered with the Intellectual Property Office of the Philippines. Any use of such logo shall require prior license or permission from PHilMech.
12. Any provision in this IP Policy inconsistent with applicable provisions on IP ownership in Republic Act 10055, and in RA 8293, as well as with other relevant laws, shall be deemed superseded, without prejudice to the rest of the valid provisions.

Producing Evidence of Ownership

13. Where the idea cannot simply be written down by the originator, in order to prove ownership, PHilMech employees and researchers shall make sure to photocopy diagrams and designs, make notes of any discussions, record any music or other sounds at the time.
14. PHilMech shall maintain an efficient records and filing system relating to the research and development of the idea, allowing the evidence to be easily retrieved, putting the idea in material form, and providing evidence of automatically-arising intellectual property, such as copyright, thereby proving that the employee or researcher is the originator of such work, of which proof may be needed should a dispute contesting the same work ever arise.

Waiver of Copyright by PHilMech

15. Copyright to institutional works may be waived by PHilMech in favor of the author under all of the following conditions:
- 16.1 The waiver would enhance the technology transfer, functionality and access to the public.
 - 16.2 The waiver does not violate any existing contracts to third parties; and

- 16.3 PHilMech is given due acknowledgement by the author in the publication, whether local or international.

Joint Copyright

16. For emphasis, copyright to outputs of collaborative works with other institutions shall be governed and determined by the prior Research Agreement or Research Funding Agreement.

17. Copyright to outputs resulting from contributions from different persons shall be determined by the relevant provisions in this Policy Document, as well as through a dispute resolution arbitrated by the Chief of the Technology Management and Training Division, and by the Head of the Intellectual Property Management Office or its equivalent, provided that:

17.1 The person who has the greatest intellectual contribution to the development of the material or subject copyrighted work shall be considered the lead author, while the rest shall be deemed to be secondary authors, but not co-authors;

17.2 If there are two or more persons each of whom has equitable intellectual contribution to the copyrighted material, they shall be recognized as co-authors or part-authors; and

17.3 Should the copyrighted material be commercialized, the lead author, the co-authors, and the secondary authors, respectively, shall each get a share of the revenue from the Creator's Reward, in accordance with the stipulations in Article VII of this IP Policy.

Terms and Conditions in the Use of Institutional Works

18. PHilMech employees are automatically authorized to use PHilMech institutional works provided that the materials are properly cited and attributed in favor of PHilMech.

19. Third party users shall be covered by a material transfer or a licensing agreement following a Terms of Reference, viz:

19.1 The agreement applies both to the user requesting the use of the materials, and his/her employer or organization for whose programs the materials shall be used. The licensing agreement shall take effect once the works are obtained.

19.2 The user must agree to a licensing fee and the terms of payment as specified in the agreement. Fees as determined by PHilMech's IPMO shall include royalty payments, including service charge, production fee, processing and handling fee and shipping fee, if necessary.

19.3 PHilMech through its IPMO, shall draft the licensing agreement containing all conditions pertaining to the intellectual property to be licensed out.

Terms and Conditions on the Use of Database and Information Systems.

20. PHilMech shall effect the following guidelines in the use of database which are unique forms of derivative/institutional works, whether by PHilMech employees or by external users, viz:

20.1 Prior written permission from PHilMech shall be obtained by the user who copies, edits, or alters any data set provided by PHilMech;

20.2 A user shall not extract or re-utilize a database or parts of it without the consent of PHilMech or the copyright owner;

20.3 A user shall not distribute copies of the database or parts of it to third parties without authority from PHilMech;

20.4 A user shall not continue to deal with the database after the termination of his term of use of the database; and

20.5 A user shall not fail to give proper attributions or citations, in favor of PHilMech, when using the database or parts of it for public display.

21. Information Systems which are unique forms of derivative works shall be governed by the following guidelines:

21.1 A material transfer agreement from PHilMech shall be obtained by the user/entity who intends to use the information system developed by PHilMech;

21.2 A licensed copy with licensed key will be provided by PHilMech to the user/entity who shall avail himself/herself of the information system and agree that the number of personal computers with information systems installed must not exceed the total number of availed license;

21.3 A user or entity has no right to, and agree to not transfer, rent, lease, lend, copy, modify, translate, market, distribute, sublicense or electronically transmit or receive information system media or documentation;

21.4 The user agrees to not modify the information system or attempt to reverse-engineer, decompile or disassemble the information system.

Credit and Copyright Notice

22. Any public display or distribution of media assets and databases shall require the user to place a copyright notice, photo credit or any form of acknowledgement to PHilMech and to the owners of such copyright, at the end of each work.

ARTICLE VIII UTILIZATION OF INTELLECTUAL PROPERTY

IP Disclosure and Evaluation Process

1. PHilMech shall appropriate all practicable means to fulfill its technology commercialization mandate.
2. PHilMech, through its Technology Licensing Office, or its Intellectual Property Unit or its equivalent, shall evaluate the commercial or market potential of the IP. PHilMech may consult, if necessary, with other independent experts in the same field of technology for assistance in the evaluation of the IP.

3. PHilMech shall, within two weeks from the date of receipt of the Invention/Technology Disclosure Form, confirm in writing with the inventor whether or not PHilMech will pursue commercialization of the IP. Failure of PHilMech to act within the period as stated herein shall be deemed as a waiver by PHilMech of its right to commercialize the subject IP. Such waiver to commercialize, however, shall not be construed as a waiver by PHilMech of its ownership rights over the IP.
4. The Technology Licensing Office shall, at all times, maintain confidential the details of an IP disclosed to it in accordance with the confidentiality provisions contained in this IP Policy, especially during the period when the IPMO is assessing the patentability and commercial viability of the IP. During the evaluation period, the IPMO is obliged to withhold any public disclosure until such time a patent application has been filed, provided that the use of confidentially tools (such as a Confidentially Agreement) shall be observed.
5. Should the IP be covered by obligations to a sponsor or research collaborator under the terms of a grant or Research Funding Agreement, the IPMO will contact the sponsor or research collaborator and proceed with the management of the IP in accordance with the terms of the agreement with such party.
6. PHilMech shall ensure that before pursuing any commercialization activity, the subject IP has, at least, already been filed for patent protection. PHilMech may opt to pursue commercialization activity pending protection of the patent.
7. Should PHilMech decide to pursue commercialization of the IP without the benefit of filing a patent protection, or a grant thereof, it may do so aware of the potential high risks to the technology, such as:
 - 7.1 Losing the chance at patent protection by compromising novelty; and
 - 7.2 The risk of the technology being copied or accessed by the public without the IP owner enjoying the benefits of royalty).

Commercialization of the IP

8. PHilMech shall be entitled to approach, negotiate and enter into agreement with any third party on such terms and conditions as PHilMech, being the owner of the IP, may in its sole discretion deem wise.
9. PHilMech shall be entitled to assign rights or grant licenses, whether exclusive or non-exclusive, in respect of the IP for such periods as it may deem fit, or make such other arrangements relating to such IP as it may deem appropriate in order to facilitate technology transfer while protecting whatever rights the IP creator may have over the same IP.
10. PHilMech may use any means, as it may, in its sole discretion, deem proper, to protect any IP owned by it, including but not limited to instituting proceedings concerning infringement of IP rights and breach of license agreements.
11. All Intellectual Property licensing or commercialization activities by PHilMech shall proceed, and subsequent contracts thereof shall be in accordance with the pertinent provisions of Republic Act 8293 particularly Sections 87 and 88, with Republic Act

10055, or the Technology Transfer Act of the Philippines and its Implementing Rules and Regulations, and with other relevant laws, as the case may be.

12. If a technology to be commercialized proceeded from a grant from a Government Funding Agency, PHilMech, before pursuing any commercialization agreements, shall submit its commercialization plan to the Department of Science and Technology, and secure a Fairness Opinion Report in compliance with the mandate of Republic 10055, specifically Article III Section 8a.
13. If a technology proceeded from a research sponsorship with a private collaborator, commercialization of the IP shall be subject to the Research Funding Agreement between the parties, without prejudice to the relevant provisions of this IP Policy.
14. Before commercialization, PHilMech shall perform Technology Assessment so as to determine the utilization maturity and market potential of the technology. Specifically, in performing Technology Assessment, PHilMech shall determine the following:
 - 14.1 Technology Readiness Level (i.e. technology maturity for industrial application); and
 - 14.2 Market Assessment (i.e. Market Absorption Capacity).

Valuation of the Technology

15. Recognizing technology valuation, or IP valuation, as a critical component of commercialization, PHilMech shall endeavor to determine the quantitative value of a technology that has been assessed as mature enough for industry application. Knowing the potential or actual value of a technology or IP asset will give PHilMech greater leverage in negotiating its business value. To do this, PHilMech shall do the following:
 - 15.1 When a technology has already been evaluated as ready and mature for market application, PHilMech shall submit the same to its Intellectual Property Management Office or its equivalent for valuation.
 - 15.2 PHilMech shall have a stable of highly trained technology valuers who can perform valuation analysis employing the most common valuation methodologies such as Income Method, Cost Method, and Market Method;
 - 15.3 In the absence of personnel who possess the competency to perform valuation, PHilMech may tap the assistance of external experts, provided that in time, PHilMech shall invest in the development of its own manpower who can perform such task.
16. When the value of the technology has already been quantified, PHilMech shall forthwith decide on the following:
 - 16.1 Modality of commercialization (i.e. licensing, IP assignment, spinoff, etc.);
 - 16.2 Which manufacturer, technology adapter, or business enterprise it will allow access to the technology; and
 - 16.3 How much payment or royalty it will collect, as well as the mode of remitting such payment or royalty.

Technology Licensing

17. Should PHilMech opt to pursue licensing as a mode of commercialization, the technology shall be licensed out to a manufacturer, to a technology adapter, or to an industry that has the capacity to further develop, maintain, and commercialize the IP. In which case, PHilMech may elect for either exclusive or non-exclusive licensing, whichever mode PHilMech may deem to be more beneficial in its favor. PHilMech may also choose the mode of IP Assignment, or Outright Sale of the IP, in which case, PHilMech will effectively lose all its rights to the IP in exchange for a one-time royalty payment as may be agreed upon between or among the parties in a Technology Licensing Contract or Technology Transfer Arrangement.
18. In pursuing licensing activity, PHilMech shall draft the Technology Licensing Contract. In doing so, it may:
 - 18.1 Tap an internal expert who can draft the terms of the licensing contract;
 - 18.2 In the absence of an internal expert, PHilMech may consult a law firm to draft the licensing agreement, provided that such law firm shall be made to sign a Confidentiality Agreement;
 - 18.3 Submit the Technology Transfer/Technology Licensing Contract for review to the Intellectual Property Office of the Philippines as to its compliance with the pertinent provisions of Section 87 and Section 88 of the Intellectual Property Law of the Philippines; and
 - 18.4 PHilMech as the licensor, and the manufacturer or adapter as the licensee, shall understand that should the licensing contract contain provisions that are inconsistent with the provisions in Section 87 and Section 88 of the Intellectual Property Code of the Philippines, the same contract shall be deemed non-compliant, thus unenforceable. In which case, the parties shall be given the opportunity to amend or revise the assailed provisions in the licensing contract so as to conform the same with the IP Code.

Commercialization via Spinoff by the Inventor

19. In meritorious cases and to help ensure successful commercialization—subject to Article VI Section 12 of Republic Act 10055—PHilMech shall allow its inventor or the technology creator to commercialize the IP by creating, owning, controlling, or managing a company or a spinoff firm, or accepting employment as an officer, employee, or consultant in a spinoff firm undertaking such commercialization. Provided that:
 - 19.1 The inventor shall take a leave of absence, whenever applicable, for a period of one year and renewable for another year, for a total period not exceeding two years, from the time the inventor signifies in writing that he/she desires to create or participate in a spinoff company;
 - 19.2 The inventor shall still be allowed access to PHilMech's laboratory facilities, subject to reasonable fees and regulations; and
 - 19.3 The terms of engagement—as well as the assessment of the capacity of the inventor to put up or to engage in a spinoff—shall be determined by PHilMech,

through the IPMO or its equivalent, without prejudice to the tenure of employment of the inventor with PHilMech.

Sharing of Commercialization Revenues

20. Pursuant to Section 7b of Republic Act 8439, or the “Magna Carta for Scientists, Engineers, Researchers and other Science and Technology Personnel”, PHilMech and its researchers may be allowed to share among themselves the revenues accruing from the commercialization of an IP, whether on a monthly, quarterly, or annually basis, provided that:

20.1 An equitable sharing scheme shall be determined and established by PHilMech; and

20.2 Sixty percent of the accrued revenues shall be for the benefit of the national government, while 40 percent shall be for the benefit of PHilMech and its employees, or the personnel involved in the creation of the technology.

21. PHilMech shall adopt the following revenue sharing arrangement based on the 40 percent share of revenues allowed by law:

Net Cumulative Return (NCR)*	Creator’s Reward (% of NCR)	Division Share (% of NCR)	PhilMech Share (% of NCR)
PHP 100K or less	60%	20%	20%
Over PHP 100K	40%	40%	20%

*Net Cumulative Return is the money received by PHilMech in relation to exploitation of the relevant IP minus payment of fees, royalties, tax, travel, production, development costs, legal fees, expenses of registration or other protection.

22. Researchers shall get a share of the Creator’s Reward, based on the extent of their individual contribution to the research and generation of the technology. If the technology was created by a single researcher or inventor, he or she shall get the full share of the Creator’s Reward. If, say, there are two or more lead researchers or lead inventors, they shall divide equally among themselves the share from the Creator’s Reward.

23. If, however, there are personnel who had direct and significant intellectual contribution to the research or invention, but who are not the lead researchers or lead inventors, the sharing arrangement from the Creator’s Reward shall be:

- 75% for the lead researcher/s/inventor/s (to share equally among themselves)
- 25% for the support personnel (to share equally among themselves)

24. Contractual staff who also contributed to the research and creation of the technology may also get a proportionate share of the revenues, provided that:

24.1 The share of revenues to be earmarked for the contractual staff shall be sourced from the Division Share;

24.2 Regardless of individual contribution, the sharing arrangement shall be:

- 50% for the Division
- 50% for the contractual staff (to be apportioned equally among themselves)

Entitlement to Revenue Share upon Separation, Resignation, or Death

25. In case of separation from duty, resignation, or retirement, the technology creator shall still be entitled to continue to receive his or her share from the Creator's Reward for as long as rights to the technology subsist, and for as long as the same technology continues to receive revenues from licensing or commercialization royalties. The manner of remitting the royalty share to the technology creator shall be agreed upon between the latter and PHilMech.
26. In case of death of the technology creator who is a regular employee, his or her assigned heir or heirs (or the successor/s-in-interest) shall receive the royalty share for as long as rights to the technology subsist, and for as long as the same technology continues to receive revenues from licensing or commercialization royalties. The manner of remitting the royalty share to the duly assigned heir or heirs shall be agreed upon between the latter and PHilMech. The heir or heirs shall receive 50% (fifty percent) of the total share used to be received by the technology creator from the Creator's Reward, whether on a monthly, quarterly, or annually basis.
27. In case of inability by PHilMech to locate the technology creator's heir or heirs or successor/s-in-interest within three (3) years from the last publication of three notices in a newspaper of general circulation, the royalty percentage share including interests shall be deemed waived in favor of PHilMech.
28. Any person who has legal grounds for receiving any royalty, but who does not receive it, shall submit a claim in writing to PHilMech through the Intellectual Property Management Office immediately after two consecutive periods that the supposed royalty was not received.
29. Where there is reasonable basis for believing that the royalty amounts may be refunded, or that other entities may have claims to such amounts, the payments thereof shall be deferred until the matter is resolved, but the resolution of which shall be undertaken by the IPMO with dispatch, i.e. at most three (3) months from receipt of written notice on such matter.
30. Awards, prizes, honoraria and the like received by PHilMech inventors primarily as recognition for achievement in the generation of the intellectual property shall not be considered royalty.

ARTICLE IX GENERAL OBLIGATIONS

1. **Confidentiality Obligation.** All PHilMech employees, researchers, including contractual staff and affiliates, shall strictly observe confidentially at all times. Specifically, they shall:
 - 1.1 Maintain confidential all information whether made or developed on their own, or in collaboration with colleagues, or acquired through discussions (whether formal or informal) with colleagues;
 - 1.2 Keep PHilMech's business secret in confidence. With regard to this IP Policy, every fact, information, solution or data related to the research carried out at, or by PHilMech, whose public disclosure, or acquisition or exploitation by unauthorized

persons could damage or endanger PHilMech's lawful, financial, economic or market interests, shall qualify as business secret. Researchers shall, when communicating with third parties, exercise all **due diligence** regarding confidentiality provisions.

1.3 Disclosure of Confidential Information, however, may be allowed under the following circumstances:

1.3.1 Disclosure is required by law;

1.3.2 Disclosure is made with the prior written consent of PHilMech;

1.3.3 When extremely necessary, provided that all parties are made to sign a Non-Disclosure Agreement, or Confidentiality Agreement

2. Disclosure of Conflicts of Interest. With regard to any potential conflicts of interest, PHilMech employees, especially the researchers and technology generators, shall:

2.1 Be aware, at all times, that their primary commitment of time and intellectual contributions as employees of PHilMech should be to research and innovation and generation of technologies leading to the fulfillment of the institution's mandate.

2.2 Ensure that their agreements with third parties do not conflict with their obligations to PHilMech or to this IP Policy. This provision shall apply in particular to private consultancy and other research service agreements concluded with third parties. Each researcher should make his or her obligations to PHilMech clear to those with whom such agreements may be made, and should likewise ensure that those parties are provided with a copy of this IP Policy.

2.3 Make full and honest disclosure to, and seek the prior approval of, PHilMech with respect to the following circumstances:

2.3.1 Researchers undertaking sponsored or collaborative research with an organization or company that has a licensed IP from PHilMech, where the research is related to or in the same area as the licensed IP;

2.3.2 Deployment of PHilMech researchers to do product and/or process research and development for an organization or company in which the researchers have an interest, whether directly or indirectly;

2.3.3 Transmitting confidential information to an organization or company;

2.3.4 Purchase of equipment, instruments, materials or other items for research from an organization or company in which a researcher has an interest, whether directly or indirectly; and

2.3.5 Engaging in consultation or commercial exploitation of a PHilMech's IP with an organization or company in which the researcher has any interest, whether directly or indirectly.

2.4 A PHilMech researcher shall be deemed to have an interest if he/she or any person related to him/her within the third degree of consanguinity or affinity is an official of, or holds a significant share in the organization or company.

3. Failure to disclose interest in an organization or company and/or to seek approval from PHilMech as required shall make the employee or researcher liable, for which he/she shall be subject to disciplinary or other actions which PHilMech may, in its sole discretion, impose, provided that such action by PHilMech shall be consistent with this IP Policy and with other relevant laws.

ARTICLE X ADMINISTRATION

Creation of the Intellectual Property Management Office

1. To supervise the implementation of this IP Policy and the commercialization of all its IP assets, PHilMech shall establish an Intellectual Property Management Office (IPMO).
2. The IPMO shall serve as the equivalent of an Intellectual Property Unit. It shall help strengthen the IP management and IP commercialization agenda of PHilMech by developing strategies and plans for the marketing, licensing, and industrial application of PHilMech's IP assets.
3. Specifically, the IPMO shall perform the following vital functions:
 - 3.1 Administer and monitor the implementation of this IP Policy;
 - 3.2 Manage PHilMech's IP portfolios including the drafting, filing and prosecution of applications with the Intellectual Property Office of the Philippines, and/or with other IP offices abroad, as well as the maintenance of granted patents, copyright, and registered trademarks;
 - 3.3 Evaluate the potential of the works and/or inventions submitted for commercialization, including the preparation of business and marketing plans;
 - 3.4 Secure sources of possible financial assistance for the commercialization of the PHilMech's IP assets;
 - 3.5 Initiate and develop long-term plans for licensing and commercialization of PHilMech's commercializable IP assets;
 - 3.6 Negotiate and manage contracts for the commercialization of PHilMech's IP assets;
 - 3.7 Administer the funds allocated for the protection and commercialization of the PHilMech's IP assets;
 - 3.8 Administer payments derived from any commercialized IP assets to their rightful recipients (i.e. the IP creators, etc.);
 - 3.9 Resolve issues or conflicts on sharing and receiving of revenues from commercialized IP assets;
 - 3.10 Resolve any dispute that may arise from the interpretation of this IP Policy;

- 3.11 Negotiate with PhilMech personnel, with respect to the development of independently owned technologies after a determination of their commercial potential for purposes of registration, licensing or joint venture agreements;
- 3.12 Act a custodian of legal instruments such as but not limited to IP undertakings, disclosures, confidentiality, material, and licensing or commercialization agreements;
- 3.13 Monitor compliance of all researchers with this IP Policy;
- 3.14 Maintain database of all IPs generated, applied for patent, registration or copyright and all major accomplishments of the IPMO;
- 3.15 File patents for registration, including copyright for deposit, and other IPs as well as biological materials with the assistance of project implementers/creators;
- 3.16 Perform evaluation and validation of the prior art and patent information search report conducted by technology creators;
- 3.17 Assist technology creators or researchers in the valuation of the technologies ripe for commercialization; and
- 3.18 With assistance from concerned units, committees and designated staff, oversee the technology transfer arrangements and the commercialization of IPs and proprietary information.

Staffing of the IPMO

- 1. PHilMech shall see to it that the staff of the IPMO shall be trained, acquire skills, and develop the multiple competencies needed to perform the functions of an IPMO, such as, among others relevant skills:
 - 1.1 Prior art search,
 - 1.2 Patent information search,
 - 1.3 Patent analytics,
 - 1.4 Patent mapping,
 - 1.5 Patent mining,
 - 1.6 Technology valuation,
 - 1.7 Technology assessment,
 - 1.8 Drafting licensing contracts,
 - 1.9 Technology pitching, and
 - 1.10 Technology licensing negotiation.

2. The IPMO shall be manned by the following personnel with their corresponding responsibilities and minimum qualifications:
 - 2.1 **Senior Technology Licensing Officer (one personnel).** He/She directs and supervises the day-to-day operation of the IPMO. He/She must have a background in Industrial Psychology, Organization Management, Communication, Business Administration, or related competencies. A master's degree in any of these fields will be preferred.
 - 2.2 **Junior Technology Licensing Officer (four personnel).** They evaluate the patentability and commerciability of PhilMech IP assets submitted to the IPMO. They must have a background in Engineering, in Natural Sciences, or in Physical Sciences, respectively. A master's degree along these fields will be preferred.
 - 2.3 **Financial Operations Staff (one personnel).** He/She handles the financial matters of the IPMO. He/She must have a background in Accounting, Finance, or Business.
 - 2.4 **Marketing Officer (three personnel).** They scout for suitable partners for the commercialization of PhilMech's IP assets, and prepare the commercialization plan or agenda of PHilMech. They must have a background in Marketing, Business Development, Industrial Psychology, Marketing Communication, or Digital Communication. A master's degree in any of these fields will be preferred.
 - 2.5 **Legal Officer (one personnel).** He/She handles the legal matters and issues relating to PhilMech's IP assets. He/She must be a lawyer.
 - 2.6 **Office Operations Staff (two personnel).** They provide administrative support to the personnel of the IPMO. They must have a background in Computer Science, Computer Engineering, Information Technology, or in Digital Media.
3. PHilMech shall allocate funds for the operations of the IPMO. Such funds may be complemented by receipt of grants, endowments, royalties, and other funds generated internally and/or externally. (Royalties to support the IPMO may be derived from PHilMech's share of the royalties from licensing or commercialization of technologies.)

ARTICLE XI GENERAL PROVISIONS

1. **Interpretation.** In the event of conflict between any provision of this IP Policy and any pertinent law, regulation, or any other PHilMech policy, only the affected provision(s) shall be rendered ineffective without prejudice to the other provisions of this IP Policy.
2. **Penalties.** Any person adjudged to have violated any of the provisions of this IP Policy shall be meted out with any of the following penalties, whichever may be deemed just and appropriate:
 - 2.1 Forfeiture of his or her share of the royalty from the Creator's Reward for the equivalent of at least three (3) months and maximum of six (6) months;
 - 2.2 Ineligibility to be sent to a local or foreign scholarship or training for a period not exceeding three (3) years;
 - 2.3 Forfeiture of the Performance Based Bonus (PBB) for three (3) consecutive years; or

2.4 Any other just and appropriate penalty to be determined by the IPMO.

3. **Dispute Resolution.** Any dispute related to intellectual property or arising from the interpretation of this IP Policy shall first be reviewed and settled by the IPMO. If the dispute had not been settled by the IPMO, the IPMO shall then form an Oversight Committee consisting of a nominee each from the parties (including two members from the IPMO without having to be nominated), to mediate the dispute. The nominees (except the two IPMO members) shall then nominate a third member who is acceptable to both nominees. The Oversight Committee shall then settle the dispute with utmost integrity and transparency. If the parties will not be amenable to mediation, or to the results of the mediation, they may avail themselves of any remedy provided for by existing laws, rules, and regulations, provided that PHilMech shall no longer participate in any proceedings pursued outside of its jurisdiction, if such will not serve PHilMech's best interest, except when PHilMech is otherwise so ordered, directed, or summoned by a lawful authority, or by a court of law.
4. **Amendment/Revision.** This IP Policy may be amended or revised by PHilMech at any time as may be deemed appropriate or necessary, but not sooner than three years after its first effectivity. Succeeding amendments/revisions may be done every three years thereafter. The IPMO shall ensure that all PHilMech's personnel or employees are consulted prior to the effectivity of the amendments/revisions.
5. **Effectivity.** This IP Policy shall be made effective upon:
 - 5.1 the issuance of a signed Resolution by the Management Committee (ManCom) of PHilMech directing the implementation of this IP Policy;
 - 5.2 posting this IP Policy on the official website of PHilMech, and/or
 - 5.3 upon publication of this IP Policy in a newspaper of general circulation.

ARTICLE XII TRANSITORY PROVISIONS

1. This IP Policy shall not apply retroactively, such as to any prior or existing or ongoing research, licensing, or commercialization agreements between PHilMech and any third party.
2. However, if any existing or ongoing agreement should be renewed, amended, or revised at a time this IP Policy has already taken effect, the same agreement shall conform to this IP Policy, or shall automatically be under the operative provisions of this IP Policy.
