



Administrative Order No. 006
Series of 2020

SUBJECT: GUIDELINES FOR THE IMPLEMENTATION OF INVENTION-BASED ENTERPRISE DEVELOPMENT (IBED) PROGRAM – COMPONENT 1

1.0 BACKGROUND

The Department of Science and Technology through the Technology Application and Promotion Institute (TAPI) implements the Republic Act No. 7459 otherwise known as “Inventors and Invention Incentives Act of the Philippines” which provides various assistance to Filipino inventors. In recognition of the indispensability and ingenuity of the Filipino inventors in the development of technology, TAPI implements a program for the pilot production of invention.

2.0 PROGRAM DESCRIPTION

The Invention-Based Enterprise Development (IBED) Program shall support an Inventor by developing his/her invention to become a business enterprise by making it available to the consumers. The Program offers financial assistance to cover pilot-scale testing or producing on a small scale to test the feasibility and marketability of the product, and pilot or initial production including the provision of raw materials and the purchase of the tools / apparatus needed to manufacture the product.

3.0 PROGRAM OBJECTIVES

The Invention-Based Enterprise Development Component 1 Program aims to:

- 3.1 Provide financial support to commercially viable technologies; and
- 3.2 Provide technical and consultancy services to applicants to reduce the risks for marketing and initial commercialization of viable technologies.

TAPI, recognizing the principles that fairness and equity demands that everyone in society whether female or male has the right to achieve their full potential, realizes the need to provide varying support to men and women inventors, innovators, and entrepreneurs to commercialize their inventions, innovations, generated technologies, products and research outputs.

Gender Equality Goals and Outcomes

- 3.3 Enhanced gender responsiveness in the entire operation of the Institute to ensure that the services are participatory, fair, empowering and sustainable; and

- 3.4 Enhanced equal opportunity principles of men and women inventors, innovators, and entrepreneurs, beneficiaries of the Program for attaining their full potential and enable to become effective contributors to development.

4.0 DEFINITION OF TERMS

- 4.1 **Affidavit of Undertaking** refers to the legal document that states the responsibility of the co-implementor on the approved IBED Project;
- 4.2 **Co-Implementor** refers to the person assigned by the individual proponent who will execute the Affidavit of Undertaking once the project is approved and will have equal responsibility of the project. Provided, aside from the Affidavit of Undertaking, a Certificate of Co-Implementation will be executed and that the co-implementor could be any immediate member of the family of legal age or any person of his or her choice;
- 4.3 **Commercial viability** means that a product / invention has the ability to compete with existing products/inventions in the market and make profit;
- 4.4 **Delinquent Project / Account** refers to any project/account which the proponent failed to comply with at least three (3) written demands/instructions which include the non-exclusive list below:
- a. Failure to submit financial/status report / liquidation documents within the prescribed period;
 - b. Failure to complete the project within the prescribed period.
- 4.5 **Department of Science and Technology (DOST)** is the premiere science and technology body in the country charged with the twin mandate of providing central direction, leadership and coordination of all scientific and technological activities, and of formulating policies, programs and projects to support national development;
- 4.6 **Financial Grant** refers to the funds provided to the proponent on a particular project for a specified period that does not require repayment;
- 4.7 **Industrial Designs (ID)** may be three-dimensional features, such as the shape of the surface of an article, or of two-dimensional features, such as patterns, lines or color. Industrial designs are applied to a wide-variety of products of industry and handicraft: from technical and medical instruments to watches, jewelry and other luxury items; from housewares and electrical appliances to vehicles; from textile designs to leisure goods. An industrial design is non-functional; it is primarily of an aesthetic nature and any technical features of which it is applied are not protected (source: www.ipophl.gov.ph);

- 4.8 **Invention Patent or Patent** refers to any patented machine, product, process including implements or tools and other related gadgets of invention, utility model and industrial design patents;
- 4.9 **Line-Item Budget (LIB)** refers to the detailed breakdown of financial assistance requested and reflects counterpart of the proponent;
- 4.10 **Pilot Scale Testing** refers to innovative scaled-up (greater than laboratory or bench scale) activity aimed at gaining experience that may lead to further technical improvement of a product and/or production process prior to commercialization. For Pilot Scale Testing, the consumers may or may not pay for the cost of the product being tested;
- 4.11 **Pilot Production for Market Testing** refers to producing of goods or products for the first time in order to check whether the new goods or products will be saleable or not;
- 4.12 **Project Completion** refers to the completion of the project as prescribed in the scheduled timeline of activities and submission of required documents as stipulated in the Memorandum of Agreement;
- 4.13 **Project Duration** - The duration of the project is one to two years after the release of financial assistance.
- 4.14 **Project Implementor** refers to the person assigned in writing (i.e Special Order (for government institution) by the head of the juridical entity in order to implement the project in behalf of the proponent;
- 4.15 **Proponent** refers to individual inventor/maker/designer that prepares and submits project proposals for TAPI's assistance for the pilot production of inventions/utility model/industrial design. They shall exert all necessary efforts to attain objectives specified in the approved project proposal;
- 4.16 **RTEC – Regional Technical Evaluation Committee** is composed of technical experts from the DOST Regional Office that shall evaluate the merits of the request for funding assistance of local / regional inventors. The RTEC shall endorse the request for funding assistance to TAPI;
- 4.17 **Technical Evaluation Committee (TEC)** refers to the committee whose primary function is to review/evaluate the merits of the proposal based on the criteria stated under Item 8 hereof; the Committee is created through a Special Order (SO) and will be comprised of the following TAPI employees:
- 4.17.1 One (1) chairperson, normally the Supervising Science Research Specialist of IBED I unit

4.17.2 Three (3) members who, preferably, are knowledgeable on the submitted technology; and

4.17.3 One member/secretariat, normally the IBED Program Manager.

4.18 **Utility Model** may be a useful machine, implement, tools, product, composition, process, improvement or part of the same that is of practical utility, novelty and industrial applicability. A utility model is entitled to seven (7) years of protection from the date of filing with no possibility of renewal (source: www.ipophil.gov.ph).

5.0 PROGRAM COVERAGE

Subject to availability of funds, the Program shall provide financial assistance in the form of a grant amounting to up to P350,000.00 to cover the pilot production costs such as raw materials, tools/apparatus, devices used for the production of the invention in sufficient quantity to pilot and market test the product. Other production costs such as labor, honoraria, professional services, transportation, communication, and overhead expenses will be the counterpart of the requesting inventor.

6.0 ELIGIBILITY

The proponent shall satisfy the following to be eligible for assistance:

- a) Any male and female Filipino citizen pursuant to Republic Act 7192 on Women in Development and Nation Building Act;
- b) Permanently residing in the Philippines;
- c) Must have invention/utility model (UM)/industrial design (ID) that has valid patent/registration one (1) year from the time of submission of the proposal and at least one (1) year from the time of approval for patent/UM/ID with certificates issued by the Intellectual Property Office of the Philippines (IPOPHL);
- d) Must have patent/UM/ID with active status (i.e. not withdrawn or forfeited) at the time of submission of the proposal for patent/UM/ID with pending registration at the IPOPHL;
- e) The said invention/UM/ID, which is the subject of the proposal, already has a commercial prototype with validated data results or have gone through preliminary scientific data gathering relating or proving its intended use;
- f) Of good moral character or has not been convicted of any case involving moral turpitude;
- g) With no delinquent account with TAPI.

7.0 CHECKLIST OF REQUIREMENTS

- a) Application letter addressed to TAPI Director duly signed by the proponent with postal address and full contact details;
- b) Signed Data Privacy Consent Form (Annex "A");

- c) Endorsement letter from DOST Regional Office including Regional Technical Evaluation Committee (RTEC) report, *if applicable*;
- d) Project proposal indicating the amount requested following the prescribed format (Annex "B");
- e) Copy of the active and valid Patent/UM/ID application/registration papers with complete disclosures (i.e. abstract, specifications, claims and drawings):
 - For Patent/UM/ID with pending registration at the IPOPHL – copy of the P/UM/ID application with IPOPHL stamp and a copy of the most recent office action from the IPOPHL, *if applicable*
 - For Patent/UM/ID with issued certificate from the IPOPHL – copy of the P/UM/ID certificate
- f) Preliminary test results of the subject technology, *if applicable*;
- g) List of prospective client/customer/user with address and contact number;
- h) Quotations from the suppliers for the items in the Line-item Budget (LIB);
- i) Personal bio-data of the proponent or company profile if applicant is a juridical person;
- j) Valid government-issued ID;
- k) Letter from a co-implementor with complete contact details following the prescribed format (Annex "C");
- l) Certification of Residency from Barangay Center or Barangay Clearance;

8.0 PROGRAM CRITERIA

The invention shall be evaluated based on the following:

- a.) Technical viability shall include production efficiency or advanced features of the invention over existing product with the same functions, appearance, acceptability, advantage over existing products in the market, potential for development and availability of resources;
- b.) Market viability may include any of the following: potential market, competitive advantages over the existing products, and proposed marketing strategy; and
- c.) Financial viability may include mark-ups, proposed selling price over prevailing price of similar products and the like;
- d.) Compliance to environmental and/or any applicable laws and standards, if applicable.
- e.) Social benefits.

9.0 PROGRAM IMPLEMENTATION PROCEDURES

- 9.1 Proponent shall submit through TAPI Records Section letter request with attached project proposal and documentary requirements in Section 7 above addressed to the Director. The Record Section forwards the request/proposal to the Office of the Director (OD) within one (1) day from

receipt. OD forwards the request to the appropriate Division Manager (DM) within two (2) working days from receipt of the request.

9.2 Upon receipt, DM checks whether the proposal fall within IBED I. If in the negative, the DM shall forward the same to the PM of the proper program within one (1) working day from receipt. If the Proposal falls within IBED I, DM forwards the request/proposal within one (1) working day from receipt of the request to IBED I PM who will check the completeness of the documents and communicates to the proponent its feedback in accordance with the provisions below:

9.2.1 If the proposal is incomplete, IBED I Unit will send, within three (3) workings day from receipt, an acknowledgement letter to the proponent with instruction to submit lacking requirements within **forty-five (45) calendar days** together with the list of requirements as indicated under Section 8 above. If no response/formal letter is received within the said period, the request shall be deemed withdrawn/ dropped without prejudice to its re-filing. TAPI, through its Director notifies proponent of its decision to drop the project in writing within five (5) working days from the expiration of the 45-day period.

9.2.2 If the proposal is complete, IBED I Unit will send an acknowledgment letter to the proponent within three (3) working days from the receipt of the proposal, informing the proponent that the proposal is complete and is now being evaluated. IBED I Unit shall submit to OD a draft of Special Order creating the TEC for the Director's signature.

9.2.3 If the proposal is found to be complete but NOT viable for assistance, the proponent shall be informed accordingly in writing within ten (10) days from the receipt of the proposal.

9.3 OD, after finding the proposal to be acceptable, signs the Special Order creating the TEC within three (3) working days from the receipt of the recommendation letter, whose primary function shall be to review/evaluate the merits of the proposal based on the criteria stated under Section 8 hereof.

9.4 The Director shall have the sole discretion in the selection and appointment of TEC members upon due recommendation of IBED I Unit.

9.5 Within fourteen (14) days from the issuance of the SO, the TEC conducts evaluation based on the criteria provided under Item 8 hereof and validates the proposal through calls, emails, letters and other appropriate and efficient means. If necessary and upon due issuance of Travel Order/Pass Slip, TEC may conduct site visit together with the DOST Regional Office (RO) or Provincial Science and Technology Center (PSTC) staff to check, verify and validate the information indicated in the project proposal provided that such visit shall be within the 14-working day

period mentioned above. In cases where RO or PSTC will not attend the site visit upon valid written justification, the TEC shall proceed with the visit. The following shall be conducted during the visit:

- 9.5.1 Validating the existence and due execution of documents submitted by the proponent;
- 9.5.2 Validating the existence of the company/entity declared in the proposal as well as their operations and processes;
- 9.5.3 Gathering of data or information from the proponent and the surrounding community; and
- 9.5.4 Other related activities as TEC may deem necessary.

At the conclusion of the visit, TEC shall accomplish and sign the Site Visit Form (ANNEX "D").

- 9.6 In highly meritorious cases and subject to the approval of the Director, TEC may conduct other site visits in order to confirm/verify other critical information on the proponent and the proposal.
- 9.7 In case TEC cannot personally conduct site visits due to various constraints, TEC shall send a written request to the concerned RO/PSTO Staff (RTEC) to perform the site visits and other validation activities. TEC shall request that RO/PSTO Staff accomplish and sign the Site Visit Form (Annex "D"). TEC shall secure from RO/PSTO Staff the Site Visit Form and shall consider the same in their evaluation. An advance copy of the Site Visit Form may be sent via email to TEC to expedite the procedure.
- 9.8 The IBED I Unit shall submit the TEC Report for the project with a rating of below 80% per filled up Evaluation Sheet (Annex "E" of the TEC Members to the Director or EXECOM for their information and inform the proponent on the disapproval of his/her proposal within three (3) working days.
- 9.9 The IBED I Unit shall submit the TEC Report for the project with a rating of above 80% per filled up Evaluation Sheet (Annex "E" of the TEC Members to the Director or EXECOM for approval/disapproval pursuant to the provisions of Policy Resolution No. 2019-05 "Approval of Projects for Funding Assistance" or its amendments, if any; Provided that, the approval/disapproval shall be issued within ten (10) working days from receipt of IBED I Unit's recommendation; the TEC Evaluation Report should indicate the following: (1) highlights of evaluation based on the said activities, (2) documents submitted by the proponent, and (3) the recommended LIB.

9.10 TAPI, through IBED I Unit, informs the proponent of the decision in accordance with the provisions below:

9.10.1 If the project proposal is disapproved by the Director or EXECOM, whichever is applicable, PM shall notify the Proponent in writing within three (3) working days from the receipt of the disapproval.

9.10.2 If the request is approved by the Director or EXECOM, whichever is applicable, PM shall notify the Proponent in writing within three (3) working days from receipt of the approval via Memorandum of Agreement (MOA) for signature of the Proponent.

9.11 Legal Unit, in coordination with IBED I Unit shall facilitate the contract briefing and the signing of the Memorandum of Agreement (MOA) within one (1) working day from receipt thereof;

9.12 Within three (3) working days from the receipt of the signed MOA, IBED I Unit shall process the notarization of the same and then forwards the notarized MOA with other necessary documents to FAD for the processing of release of funds to the Proponent.

10.0 MONITORING OF PROJECTS

10.1 DOST-TAPI shall conduct project monitoring on a regular basis, at least once a year. The proponent shall submit liquidation documents to include financial and Progress Report following the prescribed TAPI format. In pursuit to gender-responsive TAPI, basic GAD orientation will be included during the event proper and/or project monitoring.

10.2 The Program proponent/beneficiaries may be endorsed to other programs for further improvement of their technologies and/or business.

11.0 EFFECTIVITY

This Order shall take effect immediately after its posting in TAPI Official Website and shall supersede all contrary provisions of any previously issued guidelines for the Program.

Taguig City, Philippines, FEB 27 2020 .


EDGAR I. GARCIA
Director

ANNEX A
DATA PRIVACY CONSENT FORM

DATA PRIVACY CONSENT FORM

We at the Technology Application and Promotion Institute are committed to provide you with the services involving application and promotion of science and technology pursuant to Executive Order No. 128 and RA 7459 while implementing safeguards to protect your privacy and keep your personal data safe and secure.

Processing of Personal Data

The personal information being collected which may include your name, contact numbers, email address, home and office address, photos, and the like, may be used for (1) evaluation of the request/proposal; (2) monitoring of the approved project; (3) sending notifications/updates; and (4) other similar activities, in connection to the Data Subject's present proposal or request for assistance and the succeeding projects/requests that the Data Subject may have with TAPI. Said information will also be shared within DOST System for the purpose of informing and/or inviting the data subject to any other events, promotions, proposals, and other activities of DOST System. Further, said information will be shared within and used by DOST System for statistics purposes.

Data Protection

We shall implement reasonable and appropriate organizational, physical, and technical security measures for the protection of personal information which we collected.

Only authorized personnel are permitted and have access to the collected

information who will treat any confidential information under strict confidentiality. In case of breach, TAPI shall notify you and inform the National Privacy Commission (NPC) in accordance to the NPC Circular 16-03 or Personal Data Breach Management.

Personal information collected are stored and later on disposed of via shredding and permanently deleted in our electronic files in accordance to R.A. No. 9470 otherwise known as National Archives of the Philippines Act of 2007.

Rights of the Data Subject

As the Data Subject, you have the right to be informed of the personal information being collected, processed, and stored by TAPI as well as to access, object, rectify, and block the same. For questions or concerns, you may contact our Data Protection Officer through the following details:

(02) 837 2071 local 2162
info@tapi.dost.gov.ph

I have read this form, understood its contents, and consent to the processing of my personal data. I understand that my consent does not preclude the existence of other criteria for lawful processing of personal data, and does not waive any of my rights under the Data Privacy Act of 2012 and other applicable laws.

(Signature over Printed Name)

(Date)

**ANNEX B
PROJECT PROPOSAL**

Invention-Based Enterprise Development (IBED) Assistance Program
Component 1

PROJECT TITLE: _____

PROPONENT: _____

AMOUNT OF FINANCIAL ASSISTANCE REQUESTED: _____

BACKGROUND:

A. Proponent

Current Address	
Permanent Address	
Contact Number	
Present occupation	
Educational Attainment	
Do you own a business? (If YES, proceed to the succeeding questions. If NO, proceed to letter B. Invention/ Utility Model / Industrial Design)	
• Name and address of owned company	
• Line of business and product lines	
• Year established	
• No. of existing employees/workers	

B. Invention / Utility Model / Industrial Design

Title of the Invention / Utility Model / Industrial Design as filed in IPOPHL	
Patent / Registration Number	
Product Name or Trade Name, <i>if applicable</i>	
Problem being solved by the Invention / Utility Model / Industrial Design	
How the Invention/ Utility Model / Industrial Design solves the problem	
Features of the Invention / Utility Model / Industrial Design	
Advantages of the invention over existing products / technologies in the market	

A. Objective/s:

- 1.)
- 2.)
- 3.)

B. Expected Output (Possible impacts of TAPI's Intervention)

- Estimated Income generated:
- Employment generated:
- Environmental impact:
- Others:

C. Other S&T Intervention Availed from the DOST, if there is any

- 1.)
- 2.)
- 3.)

D. Business Model

Target market/potential customers	
Current market outlet (Location of the business), <i>if any</i>	
Identified Competitors	
Competitive advantage (<i>Why the end-user would buy the product?</i>)	
Target Price	
Place (If for market-testing, indicate target location)	
Proposed Promotion / Marketing Strategies	
Supplier/s	

E. Economic Considerations

Detailed Line-Item Budget - Costs associated with fabrication/manufacture of the invention (e.g. raw materials, equipment, labor, etc.)

Unit	Particular/Description	Quantity	Unit Cost	Cost
TOTAL				

- Counterpart of the proponent, if any (*production area, machines, tools, etc.*)

- Production/project timeline – *length of time it will take to implement the proposed project*

Particulars (Proposed Activities)	1 st month	2 nd month	3 rd month	4 th month	5 th month	6 th month

- Production cost vs. (proposed) Selling price

PREPARED BY:

Signature over printed name

Date Prepared: _____

ANNEX C
Assignment of Co-Implementor

Date: _____

ENGR. EDGAR I. GARCIA

Director

Technology Application and Promotion Institute (TAPI)

DOST Compound Gen. Santos Ave.

Bicutan, Taguig City

Dear Engr. Garcia:

I am interested to avail of the Invention-Based Enterprise Development (IBED) Program – Component 1.

I am already _____ years old but still capable of implementing the project. I am assigning my _____, of legal age and of best ability to be my co-implementor.

Thank you.

Yours truly,

NAME OF INVENTOR

ANNEX D SITE VISIT FORM

Program:
Proposed Project:

Proponent:
Date of site visit:

Address of the site visited:

A. Inspection Documentary Requirements. The Technical Evaluation Committee (TEC) inspected the following documents for the purpose validating their existence:

	Required Document	Document Submitted (Original, CTC*, Photocopy, etc.)	Had seen the Original (Y/N)	Remarks
1				
2				
3				
4				
5				
6				
...				

**For purposes of this form, Certified True Copy shall mean a document certified by the agency or company which originally issued the same and is still in custody of the original document.*

B. Other Activities, if any. TEC conducted the following activities in order to evaluate the project proposal and/or validate the statements provided therein.

Activity Conducted	Remarks

The undersigned confirms the veracity of the foregoing.

TEC Members:

Signature above printed name
Date:

Signature above printed name
Date:

Signature above printed name
Date:

Signature above printed name
Date:

**ANNEX E
PROGRAM CRITERIA**

CRITERIA	SCORE	STATUS / REMARKS
1. Technical Viability – 35% a) Efficiency of the product – 10% b) Physical Appearance - 5% c) Potential for development - 10% d) Utilization of local resources - 10%		
2. Market Viability – 40% a) Potential Market -15% b) Competitive advantage – 15% c) Proposed Marketing Strategy - 10%		
3. Financial Viability – 15% a) Price advantage – 10% b) Production cost vs Selling cost – 5%		
4. Compliance to any regulatory bodies i.e DENR, FDA, LTO, etc., environmental and/or any applicable laws and standards – 5%		
5. Socio-economic benefits - 5%		
TOTAL SCORE		

**** To qualify for the assistance the proposal must garner at least 80% of the total score.***

Prepared by:

_____ Member, TEC

Date Evaluated: _____