

Republic of the Philippines

**DEPARTMENT OF SCIENCE AND TECHNOLOGY**  
CENTRAL OFFICE



SEP 09 2019

OFFICE OF THE SECRETARY

DOST ADMINISTRATIVE ORDER NO.: 018  
Series of 2019

**SUBJECT: THE INTELLECTUAL PROPERTY MANAGEMENT PROTOCOL OF  
THE DEPARTMENT OF SCIENCE AND TECHNOLOGY –  
GOVERNMENT FUNDING AGENCIES, AS AMENDED**

**I. RATIONALE**

The Intellectual Property Management Protocol (Protocol) shall define the principles, mechanisms, and processes to be adopted by the Government Funding Agencies (GFAs) in the ownership, identification, assessment, protection, management, disclosure, commercialization, utilization, or enjoyment of Intellectual Property (IP) and/or Intellectual Property Rights (IPRs) generated from research and development (R&D) funded by the government, pursuant to Republic Act (R.A.) No. 10055, otherwise known as the Philippine Technology Transfer Act of 2009, and its Implementing Rules and Regulations (IRR), as amended.

This Protocol issued as DOST Administrative Order No. 004 dated February 01, 2016 is hereby amended to be consistent with Joint DOST-IPOPHL A.O. No. 001 s. 2019, Amending the Implementing Rules and Regulations of R.A. No. 10055.

**II. DECLARATION OF POLICIES AND PRINCIPLES**

This is in accordance with the DOST's twin mandate of providing central direction, leadership and coordination of scientific and technological efforts, and ensuring that the results therefrom are geared and utilized in areas of maximum economic and social benefits for the people.

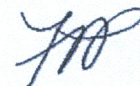
The State fully recognizes that science, technology, and innovation are essential for national development and progress. It shall, therefore, give priority to R&D, invention, innovation, and their utilization. It shall also encourage the widest and most systematic participation of all stakeholders including marginalized groups like elderly, indigenous people, physically challenged, and women in policy-making related to science and technology, and in the generation, transfer, and utilization of IP, especially for the benefit of the public.

The State shall also facilitate the transfer and promote the utilization of IP for the national benefit and shall call upon all Research and Development Institutes (RDIs) that perform government-funded R&D to take on technology transfer as their strategic mission and to effectively translate results of government-funded R&D into useful products, processes, and services that will redound to the benefit of Filipinos, notwithstanding the revenue generated from IPRs and technology transfer activities.

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The State likewise acknowledges that the successful transfer of government-funded R&D results depends on the proper management of IP, development of capacity of RDIs to be competitive, and on enhancing interaction and cooperation with the private sector, particularly small and medium enterprises through collaborative and contract research based on equitable, fair access, and mutual benefit for all involved partners.

The State shall further establish the means to ensure greater public access to technologies and knowledge generated from government-funded R&D while enabling, where appropriate, the management and protection of related IP.

Finally, the State recognizes that an effective intellectual and industrial property system is vital to the development of domestic creative environment, facilitates transfer of technology, attracts foreign investments, and ensures market access for locally-developed technologies and products.

### III. SCOPE

The Protocol shall cover the ownership, identification, assessment, protection, management, disclosure, commercialization, utilization and assumption of rights to the IP and/or IPRs generated from R&D projects/programs funded by DOST or its funding agencies.

### IV. DEFINITION OF TERMS

The definition of the following terms as stated in R.A. No. 10055 and/or the IRR, as amended, shall be adopted:

1. Commercialization
2. Government Funding Agency
3. Intellectual Property
4. Intellectual Property Rights
5. Potential IPRs
6. Research Agreement
7. Research and Development
8. Research and Development Institute
9. Research Funding Agreement
10. Researcher
11. Spin-off Firm or Company
12. Technology
13. Technology Licensing Office (TLO)
14. Technology Transfer

### V. OWNERSHIP AND ASSUMPTION OF RIGHTS OF IP/IPRs RESULTING FROM THE R&D PROJECT

- A. The RDI shall own the IP/IPRs generated from the R&D projects/programs funded by DOST or its funding agencies (called the "Project"), whether wholly or partly funded by the GFA, subject to the exceptions stated in R.A. No. 10055 and its IRR.
- B. The GFA shall assume the rights and ownership of the potential IP/IPRs derived from the Project in cases of national emergency or other circumstances of extreme urgency, or where the public interest requires, and in particular involves national

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security, nutrition, health, or the development of other vital sectors of the national economy. When the GFA assumes the rights and ownership of the potential IP/IPRs in this instance, Section 16, Article VII of R. A. No. 10055 and Rule 20, Chapter VII of the IRR, and other applicable provisions, shall be followed.

- C. Aside from Section B above, the GFA shall assume the rights and ownership of the potential IP/IPRs derived from the Project in any of the following cases:
1. failure of the RDI to disclose potential IPs/IPRs to the GFA within six (6) months from the date of confidential disclosure by the Researcher(s) to the RDI;
  2. failure of the RDI to initiate the protection of potential IPRs within three (3) months from the date of public disclosure; and
  3. the RDI ceases to become a Filipino corporation or entity.
- D. In any of the cases cited in Section C above when the GFA assumes the rights and ownership of the IP/IPRs derived from the Project, the GFA shall:
1. Send a notice to the Head of the RDI that the GFA is assuming the rights and ownership of the IP/IPRs derived from the Project, and the notice shall contain the following:
    - a. the ground for the assumption of rights and ownership of the IP/IPR;
    - b. requiring the RDI to promptly surrender and deliver to the GFA all records, materials, drawings, documents and data, of any nature and in any form, including any reproductions thereof, pertaining to the Project and to any IP/IPRs generated therefrom;
    - c. requiring the RDI or the Researcher(s), as the case may be, to execute a Deed of Assignment assigning to the GFA the ownership, rights and interests in and to the IP/IPRs, including all the related data and information; and
    - d. upon notification to the RDI Head, the GFA shall accordingly amend the IP protection and it shall possess the right to commercialize the IP/IPRs, without prejudice to any existing contractual obligations.
- E. As cited in Section 4, Chapter 3 of the DOST IP Policy, the RDI may recover the ownership of the IP/IPR, specifically in cases 1 and 2 in Section C above, without prejudice to the existing contractual obligations, under any of the following instances:
1. when the RDI identifies a viable commercialization taker for the IP/IPR, in which event the interested commercialization taker shall submit a letter of intent to the DOST and the GFA endorsed by the RDI; or
  2. when the IP/IPR is an integral part of a portfolio of technologies owned and managed by the RDI.
- Should the RDI be allowed to recover ownership of the IP/IPR, it shall revert to its status pertaining to its rights and ownership of the IP/IPR prior to the assumption by the GFA of the same, without prejudice to any existing contractual obligations.
- F. It is understood, however, that under any circumstances, the RDI, particularly that which is not attached to DOST, at its option, may voluntarily agree in writing to share, limit, waive or assign its ownership of the IP/IPRs generated from the Project in favor of the GFA to protect public interest, and in particular involves national security, nutrition, health, or the development of other vital sectors.

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- G. The GFA and RDI shall voluntarily execute any and all documents necessary to record the ownership; or any changes therein, of the IP/IPRs generated from the Project.

**VI. IDENTIFICATION, ASSESSMENT, PROTECTION OR MANAGEMENT OF IP/IPRs RESULTING FROM THE R&D PROJECT**

A. The GFA, by itself or through a Monitoring Agency, shall:

1. Protect the interest of government in the IP/IPRs generated from the Project that it funded by ensuring compliance with the requirements on disclosure, protection and commercialization or utilization of IP/IPRs in accordance with the DOST IP Policy, Technology Transfer Protocol of DOST-RDIs, and other applicable laws, rules and policies;
2. Monitor efforts and effectiveness of the RDI in securing IP protection and pursuing IP/IPR commercialization or utilization in accordance with the DOST IP Policy, Technology Transfer Protocol of DOST-RDIs, and other applicable laws, rules and policies;
3. Provide alternative solutions and assistance whenever necessary in protecting, utilizing and/or commercializing the IP/IPRs, including but not limited to, additional funding support for filing of IP applications, technical assistance in the preparation of the applications and other documents, and provision of experts whether in-house or outsourced; and
4. Provide continually capability building initiatives to the RDIs on IP management tools and protocols, including but not limited to, prior art search, technology disclosure and claim drafting, licensing and negotiation, IP and technical audit, valuation of IP, and others.

B. The GFA shall require the RDI to:

1. Identify, protect, and manage the IP/IPRs generated from the Project and diligently pursue commercial exploitation or utilization thereof as part of the expected output and performance requirement in their Research Funding Agreement (RFA);
2. Enter into a Research Agreement with the Researcher(s) containing provisions, among others, requiring the Researcher(s) to identify and disclose to the RDI the IP derived from the Project funded by the government, and to assign to the former the ownership and rights over the IP or work; sharing of revenues; maintaining the confidentiality of information; and, protecting the IP;
3. Require the Researcher(s) to disclose any potential IPs in their report for the same to be accepted by the RDI, and the report submitted by the Researcher(s) should be endorsed by the Head of the RDI, otherwise, it will not be accepted by the GFA. The Researcher(s) shall specify in the Project work plan a period or date within which to disclose potential IPs to the RDI Head;
4. Submit confidential disclosure of the potential IP, through an invention disclosure form, including a prior art search report, to the Head of the GFA within six (6) months from the date of confidential disclosure by the Researcher(s) to the RDI. Within the same period, the DOST-RDI, as applicable, shall submit to the

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Technology Application and Promotion Institute (TAPI) the complete disclosure documents containing the invention disclosure form and its attachments, such as the prior art search results and technical/terminal report;

5. File application for protection of potential IP with the IPOPHL, as applicable within thirty (30) calendar days from the date of confidential disclosure by the RDI to the GFA and upon submission of the complete disclosure documents. In the event that a public disclosure is made, however, the IP application shall be filed within three (3) months from the date of such public disclosure. All applications for IP protection shall disclose any biodiversity and genetic resource, traditional knowledge, and indigenous knowledge systems and practices as these terms are defined in Republic Act No. 8371 or the Indigenous Peoples Rights Act and Republic Act No. 9147 or The Wildlife Act;
6. Notify the GFA, or through the Monitoring Agency, of any IP application or license within three (3) months from the filing of the appropriate Philippine, foreign or PCT application, and shall report annually to the GFA on the progress of said IP application until such time that the application is approved, denied or withdrawn;
7. Submit to the GFA, or through the Monitoring Agency, semi-annual or annual reports on the progress of IP/IPR commercialization efforts and of all technology transfer agreements entered into, and submit annually IP management reports;
8. Inform the GFA, or through the Monitoring Agency, of any agreement pertaining to the Project entered into by the RDI with any other entity or person, including the Research Agreement. Failure to comply with the duty to inform shall render the agreement invalid as against the GFA, but in no case shall it prejudice any right of the GFA as provided under the IRR of RA No. 10055; and
9. Report to the GFA, or through the Monitoring Agency, any activity about the Project conducted after its completion, in compliance with RA No. 10055 and its Implementing Rules and Regulations, as amended, and the DOST IP-related Policies.

## VII. DISCLOSURE OF IP/IPRs RESULTING FROM THE R&D PROJECT

- A. The paragraphs in Article VI above pertaining to disclosure, such as paragraphs 2, 3, 4 and 5 under B, shall be complied with.
- B. The GFA and RDI shall withhold from public disclosure any information relating to potential IPR resulting from the Project within a reasonable time not to exceed six (6) months from confidential disclosure by the RDI to allow the RDI to pursue full protection of such IPR. In no case, however, shall public disclosure about the IP be made which would constitute a prejudicial disclosure or which would compromise the full protection of the IP, or include the disclosure of confidential information.
- C. Should the GFA find it necessary to make a public disclosure of information pertaining to a potential IPR because of a legal or statutory obligation, it shall issue a written notice informing the RDI of such disclosure, in accordance with R.A. No. 10055 and its IRR, and the DOST IP Policy. The RDI has a period not exceeding thirty (30) days from receipt of such notice to review and suggest revisions to said public disclosure, to contest such disclosure or to take such other appropriate steps in order to protect its rights and/or to comply with its obligations under the provisions of non-disclosure, confidentiality, materials transfer or other similar agreements.

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- D. If the public disclosure by the GFA is to be made (i.e., GFA Annual Report, R&D Highlights, press-releases, technology bulletin, etc.) before the RDI has filed for IP protection, the GFA shall ensure that the public disclosure contains only so much information or elements about the subject matter contained in the potential IPR that a person would not be able to practice by using the information or elements contained in the said disclosure.
- E. The GFA shall require the RDI to submit a written disclosure on any biodiversity, genetic resources or materials, associated traditional knowledge, and indigenous knowledge systems and practices used in the conduct of the Project and in all applications for IP protection consistent with the terms in R.A. No. 9147 or the Wildlife Act, or R.A. No. 8371 or the Indigenous Peoples Rights Act, and R.A. No. 10055 and its IRR, as amended and the DOST IP Policy, as amended.
- F. The GFA shall require the RDI to inform the GFA in writing if the RDI in its judgment believes that any IP should be protected solely as undisclosed information. The GFA, after review, may recognize the same and may not obligate the RDI to file any application for IP protection. The RDI shall, however, continue to submit regular reports on the IP protected as undisclosed information as required by the GFA and to maintain undisclosed the said information.

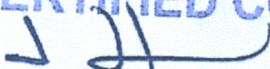
**VIII. COMMERCIALIZATION, UTILIZATION OR ENJOYMENT OF IP/IPRs RESULTING FROM THE PROJECT**

- A. While the GFA and RDI are allowed by law, specifically R.A. No. 10055, to generate income through IP/IPR commercialization, this should not thwart the primary objective of the law which is to promote and facilitate the transfer, dissemination, management and utilization of IP/IPRs resulting from the Project funded by the government for the benefit of the national economy and Filipino people.
- B. In the commercialization, utilization or enjoyment of IP/IPRs, the GFA and RDI shall comply with the provisions under R.A. No. 10055 and its IRR, as amended; Joint DOST-DTI-IPOPHL Administrative Order No. 001, series of 2012, entitled Guidelines on Intellectual Property Valuation, Commercialization and Information Sharing (i.e., licensing preferred over outright sale, non-exclusive licensing preferred over exclusive licensing, and others); DOST IP Policy; and, other applicable laws, rules and policies.

In case of commercialization of the IP/IPRs by the GFA or RDI, the same shall be submitted to DOST for the issuance of the Fairness Opinion Report (FOR) as required under R.A. No. 10055 and its IRR, as amended and the issuances pursuant thereto. All cost and expenses of the Fairness Opinion Board (FOB) and its Secretariat shall be shouldered by the GFA and/or the RDI in the proportion as determined in the RFA or MOA. In the absence of such a provision, the costs and expenses shall be shouldered by the GFA.

- C. In case of establishment of spin-off firms or companies, the rules under R.A. No. 10055 and its IRR shall apply.
- D. The RDI shall be allowed to use the findings or results of the Project for academic, research and other scholarly purposes and for the same to be published within a reasonable period of time upon determination that the same will not constitute a prejudicial disclosure nor include the disclosure of confidential information. This

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provision shall be stated in the commercialization agreements entered into by the GFA or RDI.

- E. The GFA or RDI reserves the right for itself and others to make and use the IP/IPRs solely for non-commercial research purposes. This provision shall be stated in the commercialization agreements entered into by the GFA or RDI.
- F. The GFA shall require the RDI to fully acknowledge the assistance of the GFA in case the findings or results of the Project and the IP/IPRs derived therefrom are published or presented in any medium or form, or through various fora, seminars, and meetings. Such publication or presentation should not prejudice the IP protection and the proprietary or confidential nature of the information.
- G. The GFA and RDI, as required in the Joint DOST-DTI-IPOPHL Administrative Order No. 001, series of 2012, entitled Guidelines on Intellectual Property Valuation, Commercialization and Information Sharing, shall state in their commercialization agreements this notice: "The intellectual property under this transaction was created with support from the Republic of the Philippines under (identify the agreement/s) awarded by (identify the GFA/s). The Republic of the Philippines has certain rights in the intellectual property under Article VII of the Philippine Technology Transfer Act of 2009".

#### IX. CONFIDENTIALITY OF INFORMATION

- A. The parties shall keep confidential all restricted or undisclosed information, knowledge, data or other information relating to the Project and the IP/IPRs generated therefrom, including the technologies, products, processes, know-how, methodologies, systems, analyses, designs, formulas, test data, client lists, business plans, marketing plans and strategies, and pricing strategies, or other subject matter, called "Confidential Information", that are not part of the public domain, which may have been produced, obtained or otherwise acquired in relation to the Project, subject to compliance with the laws, rules and regulations of the government on data sharing. This Confidentiality Clause shall survive the termination of the technology transfer agreement.
- B. Any trade secrets, confidential information, knowledge, data or other information about the Project and the IP/IPRs generated therefrom, or any documentation relating thereto, should not be delivered, reproduced or used by any third party without obtaining the consent of the GFA and RDI, for the IPs that have not yet been protected, or without at least informing the GFA and RDI, for the IPs that have already been protected.
- C. Measures to ensure that the GFA, RDI, and their staff and the persons whom they work with will maintain the confidentiality of the Confidential Information should be devised and implemented. Confidentiality agreements containing provisions on maintaining and protecting the confidentiality of proprietary information relating to the Project and the IP/IPRs generated therefrom shall be executed with the individuals or entities concerned, such as the Researcher/s, consultants and staff of the GFA, RDI and Monitoring Agency, and prospective licensees, at the onset of the Project when confidential information may be disclosed or acquired.

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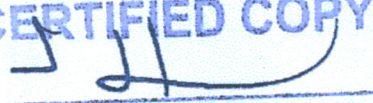
**X. REVENUE SHARING BETWEEN THE GFA AND RDI**

- A. All revenues from the commercialization of IPs/IPRs from R&D funded by GFAs shall accrue to the RDI, unless otherwise agreed upon in the RFA or MOA, provided that in no case will the total share of the GFAs shall be greater than the share of the RDI. As a matter of policy, for the R&D activities of public and non-profit RDIs it funded, the GFA shall waive its share in the revenue from commercialization of IP generated therefrom. For public and profit-oriented RDIs and the private and non-profit oriented RDIs, the GFA may claim a share not exceeding ten percent (10%) of the gross royalty fee. For private profit-oriented RDIs, the GFA may share in the gross revenues from the IP commercialization subject to the RFA and/or technology transfer agreements.
- B. The GFA shall require the RDI to keep account of revenues and payments made to the GFA.

**XI. ESTABLISHMENT OF TECHNOLOGY LICENSING OFFICE (TLO)**

- A. The GFA shall establish its own technology licensing office, in whatever form, to attend to all IP management concerns.
- B. The TLO shall:
1. Assist the concerned technical staff of the RDI in evaluating the results of R&D Projects expected to have IP and commercial potential;
  2. Monitor the implementation of IP management plans of all GFA-funded Projects in coordination with the concerned technical staff;
  3. Assist in determining patentability and commercial potential of technologies developed;
  4. Provide assistance in obtaining appropriate IP protection;
  5. Assist in locating suitable commercial development partners;
  6. Administer and monitor the implementation of the IP Policy;
  7. Administer funds allocated for patenting and activities related to IP protection and commercialization;
    - a. Provide expertise and technical assistance to the GFA staff and RDI partners;
    - b. Maintain a database on IP applications, IPRs obtained and technology transfer transactions on the IPs funded by the GFA;
    - c. Establish and maintain national and international strategic alliances in areas important for successful technology transfer;
    - d. Spearhead capability building initiatives of the GFA on IP management tools and protocols; and
    - e. Advocate for the institutionalization and sustainability of the TLO through human resource and institutional capability building, provision of adequate financial resources, and concerted awareness campaigns.
- C. The TLO to be organized for this purpose shall have at least a focal person, a reporting mechanism, and a working budget. The TLO focal person shall be a senior staff equipped with the necessary technical, economic, and/or legal background to serve on a full-time basis, if warranted.
- D. There shall be a reporting mechanism for proper monitoring and evaluation of all TLO concerns of the GFA. The GFA shall provide adequate funds to support its TLO activities.

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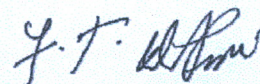
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## XII. GENERAL PROVISIONS

- A. The provisions of the Philippine Technology Transfer Act of 2009 (R. A. No. 10055) and its Implementing Rules and Regulations (Joint DOST-IPO A. O. No. 02-2010), as amended, the Guidelines on Intellectual Property Valuation, Commercialization and Information Sharing (Joint DOST-DTI-IPOPHL A. O. No. 001 s. 2012), the DOST IP-related Policies, the Revised Guidelines for the Grant-in-Aid Funds of DOST and its Agencies, as amended, and other applicable laws, rules and policies, shall be deemed incorporated in the Protocol and must, therefore, be complied with.
- B. Should any of the provisions herein on funding and budget be inconsistent with the Revised Guidelines for the Grant-in-Aid Funds of DOST and its Agencies, as amended, the latter shall prevail.
- C. All disputes, controversies, or claims arising from or relating to the Protocol shall be settled through negotiation and/or mediation, and, if unsuccessful, the same shall be decided by arbitration in accordance with R.A. No. 9285 or the Alternative Dispute Resolution Law of 2004, or the Rules on Alternative Dispute Resolution for Disputes between National Government Agencies issued by the Office of the Solicitor General, as may be applicable. This is, however, without prejudice to the provision of Rule 26 of R.A. No. 10055 on the resolution of disputes, particularly on matters pertaining to ownership
- D. If any provision of the Protocol is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions.
- E. The Protocol shall take effect fifteen (15) calendar days after its complete publication in the Official Gazette and upon filing of required copies thereof at the UP Law Center in accordance with law.



FORTUNATO T. DE LA PEÑA  
Secretary

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