



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City
www.dilg.gov.ph



INTELLECTUAL PROPERTY RIGHTS PROTECTION

Memorandum Circular No. 2020-124
21 SEP 2020

1.0. Background

- 1.1. Republic Act No. 8293, or the Intellectual Property Rights Code of the Philippines recognizes the protection of the exclusive rights of scientists, inventors, artists and other gifted citizens to their intellectual property creations.
- 1.2. Piracy counterfeiting of intellectual property rights does not only cause economic prejudice and demoralization among legitimate businessmen and establishments, but also undermine strategies for growth and development, resulting to unrealized revenues and taxes.
- 1.3. The National Government adheres to curb the proliferation and introduction into commerce of pirated, counterfeit or fake goods, articles, or services, and the commission of other acts that violate intellectual property rights as protected by law.
- 1.4. This Memorandum Circular is a reiteration of DILG MC Nos. 2003-229, 2009-104, 2011-89, and 2013-110, in view of the continuous proliferation of the sale and distribution of fake, counterfeit and pirated goods and articles despite previous issuances.

2.0 Legal Basis

- 2.1 Republic Act No. 9239, or the Optical Media Act of 2003;
- 2.2 DILG Memorandum Circular No. 2011-056 dated April 27, 2011 on *Submission of OMB-issued licenses prior to release of business permits for optical media establishments*;

- 2.3 OMB Memorandum Circular No. 2016-001 or the Regulation of Hard Disk Drives and Optical Media Writers/Drives;
- 2.4 OMB Memorandum Circular No. 2016-007 or the Regulation of Accessories, add-ons, supplements of optical and magnetic media; and
- 2.5 OMB Memorandum Circular No. 2018-002 or the Regulation of the manufacturing, importation, exportation, distribution, sale, rental and other commercial activities involving all technical variations of optical and magnetic media.

3.0 Purpose

- 3.1 This Memorandum Circular aims to enjoin local government units (LGUs) to issue an ordinance banning the sale, transfer, distribution, manufacture, and/or production of pirated, counterfeit, or fake goods within the LGU, and to require business establishments that are engaged in business involving optical media to secure OMB license prior to the issuance of business permits.

4.0 Scope/Coverage

- 4.1 This Memorandum Circular covers all Provinces, Cities, Municipalities and Barangays in all Regions, including the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM)

5.0 Policy Content and Guidelines

All Provincial Governors, City Mayors, Municipal Mayors, Punong Barangays and Presiding Officers of the Sanggunians at all levels shall:

- 5.1 Ensure the passage of an ordinance banning the sale, rental, transfer, distribution, manufacture, or production of pirated, counterfeit, or fake good and services, to include the following provisions:

5.1.1 The *Optical Media Board License* shall be a mandatory requirement in the issuance of Business Permit/Mayor's Permit to those engaged in the business or activities of *importation, exportation, acquisition, sale or distribution of optical media, manufacturing equipment, parts and accessories and manufacturing used or intended for use in the mastering, manufacture or replication of optical media*, pursuant to Section 13 of Republic Act No. 9239 (The Optical Media Board Act),

5.1.2 All business licenses and permits that are issued by the City and/or Municipal Business Permit and Licensing Office shall carry the express condition that the licensee shall not engage in the sale, rental, transfer, distribution, manufacture or production of pirated, counterfeit, or fake goods, articles, or services, nor shall permit other persons to commit said acts within the licensee's business establishments or premises.

5.1.3 Any breach or violation thereof shall be a ground for the suspension, or cancellation of the business permit or license; and

5.1.4 The pirated, counterfeit, or fake goods, articles, or services of any person engaged in any business or trade, with or without any license or permit, shall be taken into preventive custody and to be disposed on in accordance with law.

A sample Ordinance is hereto attached as Annex "A", for easy reference.

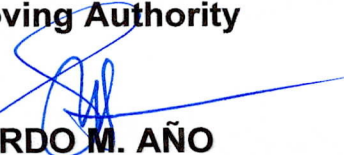
- 5.2 . Ensure the submission of OMB-issued license prior to the release of business permit for optical media establishment.
- 5.3 Ensure the use of licensed software for computer and other ICT devices by the LGU.
- 5.4 Provide security and assistance to the law enforcement agency officials during the conduct of enforcement operations, particularly in the seizure of goods and in the proper disposal thereof.

All DILG Regional Directors and the BARMM Minister for Local Government are hereby directed to cause the widest dissemination of this Memorandum Circular within their areas of responsibility.

6.0 Effectivity

6.1 This Memorandum Circular shall take effect immediately.

7.0 Approving Authority


EDUARDO M. AÑO
Secretary *in*

8.0 Feedback

7.1. For related queries, all concerned may contact the Intellectual Property Office through Telephone No. (02) 7238-6300 loc. 5405 and 5406, or email at mail@ipophil.gov.ph, or visit their website at www.ipophil.gov.ph.



DILG-OSEC 09212020-001