



Republic of the Philippines

Supreme Court

Manila

EN BANC

**INTELLECTUAL PROPERTY
ASSOCIATION OF THE
PHILIPPINES,**

Petitioner,

- versus -

**HON. PAQUITO OCHOA, IN HIS
CAPACITY AS EXECUTIVE
SECRETARY, HON. ALBERT DEL
ROSARIO, IN HIS CAPACITY AS
SECRETARY OF THE
DEPARTMENT OF FOREIGN
AFFAIRS, AND HON. RICARDO
BLANCAFLOR, IN HIS
CAPACITY AS THE DIRECTOR
GENERAL OF THE
INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES,**

Respondents.

G.R. No. 204605

Present:

SERENO, C.J.,
CARPIO,
VELASCO, JR.,
LEONARDO-DE CASTRO,
BRION,
PERALTA,
BERSAMIN,
DEL CASTILLO,
PEREZ,
*MENDOZA,
REYES,
PERLAS-BERNABE,
LEONEN,
**JARDELEZA, and
CAGUIOA, JJ.:

Promulgated:

July 19, 2016

x-----x

DECISION

BERSAMIN, J.:

In this special civil action for *certiorari* and prohibition, the Intellectual Property Association of the Philippines (IPAP) seeks to declare the accession of the Philippines to the *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol)* unconstitutional on the ground of the lack of concurrence by the Senate, and in the alternative, to declare the implementation thereof as

* On official leave.

** No part.

unconstitutional because it conflicts with Republic Act No. 8293, otherwise known as the *Intellectual Property Code of the Philippines* (IP Code).¹

We find and declare that the President's ratification is valid and constitutional because the *Madrid Protocol*, being an executive agreement as determined by the Department of Foreign Affairs, does not require the concurrence of the Senate.

Antecedents

The *Madrid System for the International Registration of Marks* (*Madrid System*), which is the centralized system providing a one-stop solution for registering and managing marks worldwide, allows the trademark owner to file one application in one language, and to pay one set of fees to protect his mark in the territories of up to 97 member-states.² The *Madrid System* is governed by the *Madrid Agreement*, concluded in 1891, and the *Madrid Protocol*, concluded in 1989.³

The *Madrid Protocol*, which was adopted in order to remove the challenges deterring some countries from acceding to the *Madrid Agreement*, has two objectives, namely: (1) to facilitate securing protection for marks; and (2) to make the management of the registered marks easier in different countries.⁴

In 2004, the Intellectual Property Office of the Philippines (IPOP HL), the government agency mandated to administer the intellectual property system of the country and to implement the state policies on intellectual property, began considering the country's accession to the *Madrid Protocol*. However, based on its assessment in 2005, the IPOP HL needed to first improve its own operations before making the recommendation in favor of accession. The IPOP HL thus implemented reforms to eliminate trademark backlogs and to reduce the turnaround time for the registration of marks.⁵

In the meanwhile, the IPOP HL mounted a campaign for information dissemination to raise awareness of the *Madrid Protocol*. It launched a series of consultations with stakeholders and various business groups regarding the Philippines' accession to the *Madrid Protocol*. It ultimately arrived at the conclusion that accession would benefit the country and help raise the level of competitiveness for Filipino brands. Hence, it recommended in September

¹ *Rollo*, p. 4.

² Madrid – The International Trademark System, <http://www.wipo.int/madrid/en/> (last visited March 31, 2016).

³ Madrid Agreement Concerning the International Registration of Marks, <http://www.wipo.int/treaties/en/registration/madrid/> (last visited March 31, 2016).

⁴ Benefits of the Madrid System, http://www.wipo.int/madrid/en/madrid_benefits.html (last visited March 31, 2016).

⁵ *Rollo*, pp. 170-171.

2011 to the Department of Foreign Affairs (DFA) that the Philippines should accede to the *Madrid Protocol*.⁶

After its own review, the DFA endorsed to the President the country's accession to the *Madrid Protocol*. Conformably with its express authority under Section 9 of Executive Order No. 459 (*Providing for the Guidelines in the Negotiation of International Agreements and its Ratification*) dated November 25, 1997, the DFA determined that the *Madrid Protocol* was an executive agreement. The IPOPHL, the Department of Science and Technology, and the Department of Trade and Industry concurred in the recommendation of the DFA.⁷

On March 27, 2012, President Benigno C. Aquino III ratified the *Madrid Protocol* through an instrument of accession. The instrument of accession was deposited with the Director General of the World Intellectual Property Organization (WIPO) on April 25, 2012.⁸ The *Madrid Protocol* entered into force in the Philippines on July 25, 2012.⁹

Petitioner IPAP, an association of more than 100 law firms and individual practitioners in Intellectual Property Law whose main objective is to promote and protect intellectual property rights in the Philippines through constant assistance and involvement in the legislation of intellectual property law,¹⁰ has commenced this special civil action for *certiorari* and prohibition¹¹ to challenge the validity of the President's accession to the *Madrid Protocol* without the concurrence of the Senate. Citing *Pimentel, Jr. v. Office of the Executive Secretary*, the IPAP has averred:

Nonetheless, while the President has the sole authority to negotiate and enter into treaties, the Constitution provides a limitation to his power by requiring the concurrence of 2/3 of all the members of the Senate for the validity of the treaty entered into by him. Section 21, Article VII of the 1987 Constitution provides that "no treaty or international agreement shall be valid and effective unless concurred in by at least two-thirds of all the Members of the Senate." The 1935 and the 1973 Constitution also required the concurrence by the legislature to the treaties entered into by the executive.¹²

According to the IPAP, the *Madrid Protocol* is a treaty, not an executive agreement; hence, respondent DFA Secretary Albert Del Rosario acted with grave abuse of discretion in determining the *Madrid Protocol* as an executive agreement.¹³

⁶ Id. at 172-175.

⁷ Id. at 175-176.

⁸ http://www.wipo.int/treaties/en/notifications/madridp-gp/treaty_madridp_gp_194.html

⁹ *Rollo*, pp. 57-58.

¹⁰ Id. at 5.

¹¹ Id. at 1-30.

¹² G.R. No. 158088, July 6, 2005, 462 SCRA 622, 632-633.

¹³ *Rollo*, pp. 16-21.

The IPAP has argued that the implementation of the *Madrid Protocol* in the Philippines, specifically the processing of foreign trademark applications, conflicts with the IP Code,¹⁴ whose Section 125 states:

Sec. 125. *Representation; Address for Service.* – If the applicant is not domiciled or has no real and effective commercial establishment in the Philippines, he shall designate by a written document filed in the office, the name and address of a Philippine resident who may be served notices or process in proceedings affecting the mark. Such notices or services may be served upon the person so designated by leaving a copy thereof at the address specified in the last designation filed. If the person so designated cannot be found at the address given in the last designation, such notice or process may be served upon the Director. (Sec. 3, R.A. No. 166 a)

It has posited that Article 2 of the *Madrid Protocol* provides in contrast:

Article 2

Securing Protection through International Registration

(1) Where an application for the registration of a mark has been filed with the Office of a Contracting Party, or where a mark has been registered in the register of the Office of a Contracting Party, the person in whose name that application (hereinafter referred to as “the basic application”) or that registration (hereinafter referred to as “the basic registration”) stands may, subject to the provisions of this Protocol secure protection for his mark in the territory of the Contracting Parties, by obtaining the registration of that mark in the register of the International Bureau of the World Intellectual Property Organization (hereinafter referred to as “the international registration,” “the International Register,” “the International Bureau” and “the Organization”, respectively), provided that,

(i) where the basic application has been filed with the Office of a Contracting State or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of that Contracting State, or is domiciled, or has a real and effective industrial or commercial establishment, in the said Contracting State,

(ii) where the basic application has been filed with the Office of a Contracting Organization or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of a State member of that Contracting Organization, or is domiciled, or has a real and effective industrial or commercial establishment, in the territory of the said Contracting Organization.

(2) The application for international registration (hereinafter referred to as “the international application”) shall be filed with the

¹⁴ Id. at 21.

International Bureau through the intermediary of the Office with which the basic application was filed or by which the basic registration was made (hereinafter referred to as “the Office of origin”), as the case may be.

(3) Any reference in this Protocol to an “Office” or an “Office of a Contracting Party” shall be construed as a reference to the office that is in charge, on behalf of a Contracting Party, of the registration of marks, and any reference in this Protocol to “marks” shall be construed as a reference to trademarks and service marks.

(4) For the purposes of this Protocol, “territory of a Contracting Party” means, where the Contracting Party is a State, the territory of that State and, where the Contracting Party is an intergovernmental organization, the territory in which the constituting treaty of that intergovernmental organization applied.

The IPAP has insisted that Article 2 of the *Madrid Protocol* means that foreign trademark applicants may file their applications through the International Bureau or the WIPO, and their applications will be automatically granted trademark protection without the need for designating their resident agents in the country.¹⁵

Moreover, the IPAP has submitted that the procedure outlined in the *Guide to the International Registration of Marks* relating to representation before the International Bureau is the following, to wit:

Rule 3(1)(a) 09.02 References in the Regulations, Administrative Instructions or in this Guide to representation relate only to representation before the International Bureau. The questions of the need for a representative before the Office of origin or the Office of a designated Contracting Party (for example, in the event of a refusal of protection issued by such an Office), who may act as a representative in such cases and the method of appointment, are outside the scope of the Agreement, Protocol and Regulations and are governed by the law and practice of the Contracting Party concerned.

which procedure is in conflict with that under Section 125 of the IP Code, and constitutes in effect an amendment of the local law by the Executive Department.¹⁶

The IPAP has prayed that the implementation of the *Madrid Protocol* in the Philippines be restrained in order to prevent future wrongs considering that the IPAP and its constituency have a clear and unmistakable right not to be deprived of the rights granted them by the IP Code and existing local laws.¹⁷

¹⁵ Id. at 21-22.

¹⁶ Id. at 22-24.

¹⁷ Id. at 24-28.

In its comment in behalf of the respondents, the Office of the Solicitor General (OSG) has stated that the IPAP does not have the *locus standi* to challenge the accession to the *Madrid Protocol*; that the IPAP cannot invoke the Court's original jurisdiction absent a showing of any grave abuse of discretion on the part of the respondents; that the President's ratification of the *Madrid Protocol* as an executive agreement is valid because the *Madrid Protocol* is only procedural, does not create substantive rights, and does not require the amendment of the IP Code; that the IPAP is not entitled to the restraining order or injunction because it suffers no damage from the ratification by the President, and there is also no urgency for such relief; and the IPAP has no clear unmistakable right to the relief sought.¹⁸

Issues

The following issues are to be resolved, namely:

- I. Whether or not the IPAP has *locus standi* to challenge the President's ratification of the *Madrid Protocol*;
- II. Whether or not the President's ratification of the *Madrid Protocol* is valid and constitutional; and
- III. Whether or not the *Madrid Protocol* is in conflict with the IP Code.

Ruling of the Court

The petition for *certiorari* and prohibition is without merit.

A.

The issue of legal standing to sue, or *locus standi*

The IPAP argues in its reply¹⁹ that it has the *locus standi* to file the present case by virtue of its being an association whose members stand to be injured as a result of the enforcement of the *Madrid Protocol* in the Philippines; that the injury pertains to the acceptance and approval of applications submitted through the *Madrid Protocol* without local representation as required by Section 125 of the IP Code;²⁰ and that such will diminish the rights granted by the IP Code to Intellectual Property Law practitioners like the members of the IPAP.²¹

¹⁸ Id. at 177-178.

¹⁹ Id. at 283-307.

²⁰ Id. at 284-286.

²¹ Id. at 23.

The argument of the IPAP is untenable.

Legal standing refers to “a right of appearance in a court of justice on a given question.”²² According to *Agan, Jr. v. Philippine International Air Terminals Co., Inc.*,²³ standing is “a peculiar concept in constitutional law because in some cases, suits are not brought by parties who have been personally injured by the operation of a law or any other government act but by concerned citizens, taxpayers or voters who actually sue in the public interest.”

The Court has frequently felt the need to dwell on the issue of standing in public or constitutional litigations to sift the worthy from the unworthy public law litigants seeking redress or relief. The following elucidation in *De Castro v. Judicial and Bar Council*²⁴ offers the general understanding of the context of legal standing, or *locus standi* for that purpose, viz.:

In public or constitutional litigations, the Court is often burdened with the determination of the *locus standi* of the petitioners due to the ever-present need to regulate the invocation of the intervention of the Court to correct any official action or policy in order to avoid obstructing the efficient functioning of public officials and offices involved in public service. It is required, therefore, that the petitioner must have a personal stake in the outcome of the controversy, for, as indicated in *Agan, Jr. v. Philippine International Air Terminals Co., Inc.*:

The question on legal standing is whether such parties have “alleged such a personal stake in the outcome of the controversy as to assure that concrete adverseness which sharpens the presentation of issues upon which the court so largely depends for illumination of difficult constitutional questions.” Accordingly, it has been held that the interest of a person assailing the constitutionality of a statute must be direct and personal. He must be able to show, not only that the law or any government act is invalid, but also that he sustained or is in imminent danger of sustaining some direct injury as a result of its enforcement, and not merely that he suffers thereby in some indefinite way. It must appear that the person complaining has been or is about to be denied some right or privilege to which he is lawfully entitled or that he is about to be subjected to some burdens or penalties by reason of the statute or act complained of.

It is true that as early as in 1937, in *People v. Vera*, the Court adopted the *direct injury test* for determining whether a petitioner in a public action had *locus standi*. There, the Court held that the person who

²² Black’s Law Dictionary, 941 (6th Ed. 1991).

²³ G.R. Nos. 155001, 155547, and 155661, May 5, 2003, 402 SCRA 612, 645.

²⁴ G.R. Nos. 191002, 191032, 191057, 191149, and A.M. No. 10-2-5-SC, March 17, 2010, 615 SCRA 666.

would assail the validity of a statute must have “a personal and substantial interest in the case such that he has sustained, or will sustain direct injury as a result.” *Vera* was followed in *Custodio v. President of the Senate, Manila Race Horse Trainers’ Association v. De la Fuente, Anti-Chinese League of the Philippines v. Felix*, and *Pascual v. Secretary of Public Works*.

Yet, the Court has also held that the requirement of *locus standi*, being a mere procedural technicality, can be waived by the Court in the exercise of its discretion. For instance, in 1949, in *Araneta v. Dinglasan*, the Court liberalized the approach when the cases had “transcendental importance.” Some notable controversies whose petitioners did not pass the *direct injury test* were allowed to be treated in the same way as in *Araneta v. Dinglasan*.

In the 1975 decision in *Aquino v. Commission on Elections*, this Court decided to resolve the issues raised by the petition due to their “far-reaching implications,” even if the petitioner had no personality to file the suit. The liberal approach of *Aquino v. Commission on Elections* has been adopted in several notable cases, permitting ordinary citizens, legislators, and civic organizations to bring their suits involving the constitutionality or validity of laws, regulations, and rulings.

However, the assertion of a public right as a predicate for challenging a supposedly illegal or unconstitutional executive or legislative action rests on the theory that the petitioner represents the public in general. Although such petitioner may not be as adversely affected by the action complained against as are others, it is enough that he sufficiently demonstrates in his petition that he is entitled to protection or relief from the Court *in the vindication of a public right*.²⁵

The injury that the IPAP will allegedly suffer from the implementation of the *Madrid Protocol* is imaginary, incidental and speculative as opposed to a direct and material injury required by the foregoing tenets on *locus standi*. Additionally, as the OSG points out in the comment,²⁶ the IPAP has misinterpreted Section 125 of the IP Code on the issue of representation. The provision only states that a foreign trademark applicant “shall designate by a written document filed in the office, the name and address of a Philippine resident who may be served notices or process in proceedings affecting the mark;” it does not grant anyone in particular the right to represent the foreign trademark applicant. Hence, the IPAP cannot justly claim that it will suffer irreparable injury or diminution of rights granted to it by Section 125 of the IP Code from the implementation of the *Madrid Protocol*.

Nonetheless, the IPAP also emphasizes that the paramount public interest involved has transcendental importance because its petition asserts that the Executive Department has overstepped the bounds of its authority by

²⁵ Id. at 722-726 (bold emphasis is part of the original text).

²⁶ *Rollo*, p. 183.

thereby cutting into another branch's functions and responsibilities.²⁷ The assertion of the IPAP may be valid on this score. There is little question that the issues raised herein against the implementation of the *Madrid Protocol* are of transcendental importance. Accordingly, we recognize IPAP's *locus standi* to bring the present challenge. Indeed, the Court has adopted a liberal attitude towards *locus standi* whenever the issue presented for consideration has transcendental significance to the people, or whenever the issues raised are of paramount importance to the public.²⁸

B.
Accession to the
***Madrid Protocol* was constitutional**

The IPAP submits that respondents Executive Secretary and DFA Secretary Del Rosario gravely abused their discretion in determining that there was no need for the Philippine Senate's concurrence with the *Madrid Protocol*; that the *Madrid Protocol* involves changes of national policy, and its being of a permanent character requires the Senate's concurrence,²⁹ pursuant to Section 21, Article VII of the Constitution, which states that "no treaty or international agreement shall be valid and effective unless concurred in by at least two-thirds of all the Members of the Senate."

Before going further, we have to distinguish between treaties and international agreements, which require the Senate's concurrence, on one hand, and executive agreements, which may be validly entered into without the Senate's concurrence. Executive Order No. 459, Series of 1997,³⁰ notes the following definitions, to wit:

Sec. 2. Definition of Terms.

- a. **International agreement** – shall refer to a contract or understanding, regardless of nomenclature, entered into between the Philippines and another government in written form and governed by international law, whether embodied in a single instrument or in two or more related instruments.
- b. **Treaties** – international agreements entered into by the Philippines which require legislative concurrence after executive ratification. This term may include compacts like conventions, declarations, covenants and acts.

²⁷ *Id.* at 286-289.

²⁸ *Francisco, Jr. v. Nagmamalakit na mga Manananggol ng mga Manggagawang Pilipino, Inc.*, G.R. Nos. 160261, 160262, 160263, 160277, 160292, 160295, 160310, 160318, 160342, 160343, 160360, 160365, 160370, 160376, 160392, 160397, 160403, and 160405, November 10, 2003, 415 SCRA 44, 139.

²⁹ *Rollo*, pp. 16-21.

³⁰ *Providing for the Guidelines in the Negotiation of International Agreements and its Ratification* (issued November 25, 1997 by President Ramos).

- c. *Executive Agreements* – similar to treaties except that they do not require legislative concurrence.

The Court has highlighted the difference between treaties and executive agreements in *Commissioner of Customs v. Eastern Sea Trading*,³¹ thusly:

International agreements involving political issues or changes of national policy and those involving international arrangements of a permanent character usually take the form of treaties. But international agreements embodying *adjustments of detail* carrying out well-established national policies and traditions and those involving arrangements of a more or less *temporary* nature usually take the form of executive agreements.

In the Philippines, the DFA, by virtue of Section 9, Executive Order No. 459,³² is initially given the power to determine whether an agreement is to be treated as a treaty or as an executive agreement. To determine the issue of whether DFA Secretary Del Rosario gravely abused his discretion in making his determination relative to the *Madrid Protocol*, we review the jurisprudence on the nature of executive agreements, as well as the subject matters to be covered by executive agreements.

The pronouncement in *Commissioner of Customs v. Eastern Sea Trading*³³ is instructive, to wit:

x x x The concurrence of said House of Congress is required by our fundamental law in the making of “treaties” (Constitution of the Philippines, Article VII, Section 10[7]), which are, however, distinct and different from “executive agreements,” which may be validly entered into without such concurrence.

“Treaties are formal documents which require ratification with the approval of two thirds of the Senate. Executive agreements become binding through executive action *without* the need of a vote by the Senate or by Congress.

x x x x

“x x x the right of the Executive to enter into binding agreements *without* the necessity of subsequent Congressional approval has been *confirmed by long usage*. From the earliest days of our history we have entered into executive agreements covering such subjects as commercial and consular relations, most-favored-nation rights, patent rights, **trademark and copyright protection**, postal and navigation arrangements and

³¹ No. L-14279, October 31, 1961, 3 SCRA 351, 356.

³² **SEC. 9. Determination of the Nature of the Agreement.** – The Department of Foreign Affairs shall determine whether an agreement is an executive agreement or a treaty.

³³ Supra note 31, at 355-357.

the settlement of claims. *The validity of these has never been seriously questioned by our courts.*

X X X X

Agreements with respect to the registration of trademarks have been concluded by the Executive with various countries under the Act of Congress of March 3, 1881 (21 Stat. 502), X X X

X X X X

In this connection, Francis B. Sayre, former U.S. High Commissioner to the Philippines, said in his work on "The Constitutionality of Trade Agreement Acts":

Agreements concluded by the President which fall short of treaties are commonly referred to as executive agreements and are no less common in our scheme of government than are the more formal instruments – treaties and conventions. They sometimes take the form of exchanges of notes and at other times that or more formal documents denominated 'agreements' or 'protocols'. The point where ordinary correspondence between this and other governments ends and agreements – whether denominated executive agreements or exchanges of notes or otherwise – begin, may sometimes be difficult of ready ascertainment. It would be useless to undertake to discuss here the large variety of executive agreements as such, concluded from time to time. Hundreds of executive agreements, other than those entered into under the trade-agreements act, have been negotiated with foreign governments. X X X It would seem to be sufficient, in order to show that the trade agreements under the act of 1934 are not anomalous in character, that they are not treaties, and that they have abundant precedent in our history, to refer to certain classes of agreements heretofore entered into by the Executive without the approval of the Senate. **They cover such subjects as the inspection of vessels, navigation dues, income tax on shipping profits, the admission of civil aircraft, customs matters, and commercial relations generally, international claims, postal matters, the registration of trademarks and copyrights, etcetera. Some of them were concluded not by specific congressional authorization but in conformity with policies declared in acts of Congress with respect to the general subject matter, such as tariff acts;** while still others, particularly those with respect of the settlement of claims against foreign governments, were concluded independently of any legislation. (Emphasis ours)

As the foregoing pronouncement indicates, the registration of trademarks and copyrights have been the subject of executive agreements entered into without the concurrence of the Senate. Some executive agreements have been concluded in conformity with the policies declared in the acts of Congress with respect to the general subject matter.

It then becomes relevant to examine our state policy on intellectual property in general, as reflected in Section 2 of our IP Code, to wit:

Section 2. *Declaration of State Policy.* – The State recognizes that an effective intellectual and industrial property system is vital to the development of domestic and creative activity, facilitates transfer of technology, attracts foreign investments, and ensures market access for our products. It shall protect and secure the exclusive rights of scientists, inventors, artists and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people, for such periods as provided in this Act.

The use of intellectual property bears a social function. To this end, the State shall promote the diffusion of knowledge and information for the promotion of national development and progress and the common good.

It is also the policy of the State to streamline administrative procedures of registering patents, trademarks and copyright, to liberalize the registration on the transfer of technology, and to enhance the enforcement of intellectual property rights in the Philippines.

In view of the expression of state policy having been made by the Congress itself, the IPAP is plainly mistaken in asserting that “there was no Congressional act that authorized the accession of the Philippines to the *Madrid Protocol*.”³⁴

Accordingly, DFA Secretary Del Rosario’s determination and treatment of the *Madrid Protocol* as an executive agreement, being in apparent contemplation of the express state policies on intellectual property as well as within his power under Executive Order No. 459, are upheld. We observe at this point that there are no hard and fast rules on the propriety of entering into a treaty or an executive agreement on a given subject as an instrument of international relations. The primary consideration in the choice of the form of agreement is the parties’ intent and desire to craft their international agreement in the form they so wish to further their respective interests. The matter of form takes a back seat when it comes to effectiveness and binding effect of the enforcement of a treaty or an executive agreement, inasmuch as all the parties, regardless of the form, become obliged to comply conformably with the time-honored principle of *pacta sunt servanda*.³⁵ The principle binds the parties to perform in good faith their parts in the agreements.³⁶

³⁴ *Rollo*, p. 19.

³⁵ *Bayan Muna v. Romulo*, G.R. No. 159618, February 1, 2011, 641 SCRA 244, 261.

³⁶ Vienna Convention on the Law on Treaties (1969), Art. 26.

C.**There is no conflict between the
Madrid Protocol and the IP Code.**

The IPAP also rests its challenge on the supposed conflict between the *Madrid Protocol* and the IP Code, contending that the *Madrid Protocol* does away with the requirement of a resident agent under Section 125 of the IP Code; and that the *Madrid Protocol* is unconstitutional for being in conflict with the local law, which it cannot modify.

The IPAP's contentions stand on a faulty premise. The method of registration through the IPOPHL, as laid down by the IP Code, is distinct and separate from the method of registration through the WIPO, as set in the *Madrid Protocol*. Comparing the two methods of registration despite their being governed by two separate systems of registration is thus misplaced.

In arguing that the *Madrid Protocol* conflicts with Section 125 of the IP Code, the IPAP highlights the importance of the requirement for the designation of a resident agent. It underscores that the requirement is intended to ensure that non-resident entities seeking protection or privileges under Philippine Intellectual Property Laws will be subjected to the country's jurisdiction. It submits that without such resident agent, there will be a need to resort to costly, time consuming and cumbersome extra-territorial service of writs and processes.³⁷

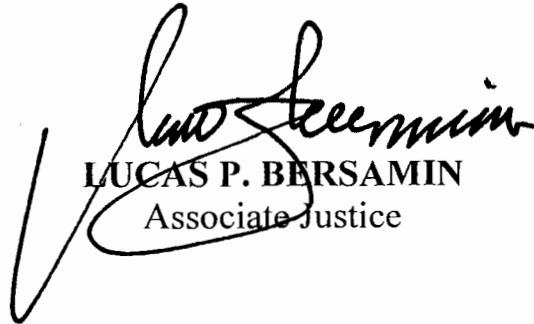
The IPAP misapprehends the procedure for examination under the *Madrid Protocol*. The difficulty, which the IPAP illustrates, is minimal, if not altogether inexistent. The IPOPHL actually requires the designation of the resident agent when it refuses the registration of a mark. Local representation is further required in the submission of the Declaration of Actual Use, as well as in the submission of the license contract.³⁸ The *Madrid Protocol* accords with the intent and spirit of the IP Code, particularly on the subject of the registration of trademarks. The *Madrid Protocol* does not amend or modify the IP Code on the acquisition of trademark rights considering that the applications under the *Madrid Protocol* are still examined *according to the relevant national law*. In that regard, the IPOPHL will only grant protection to a mark that meets the local registration requirements.

³⁷ *Rollo*, p. 23.


³⁸ <http://www.wipo.int/madrid/en/members/profiles/ph.html?part=misc> (last visited March 31, 2016)

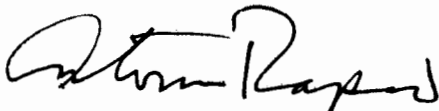
WHEREFORE, this Court **DISMISSES** the petition for *certiorari* and prohibition for lack of merit; and **ORDERS** the petitioner to pay the costs of suit.

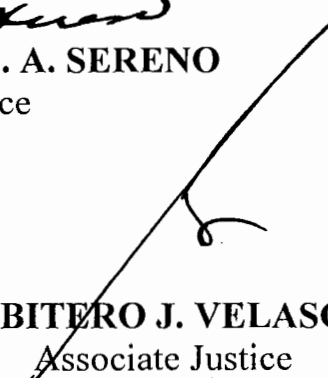
SO ORDERED.



LUCAS P. BERSAMIN
Associate Justice


WE CONCUR:

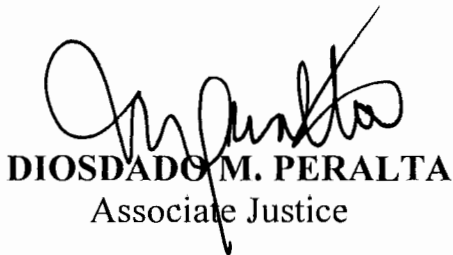

MARIA LOURDES P. A. SERENO
Chief Justice



ANTONIO T. CARPIO
Associate Justice



PRESBITERO J. VELASCO, JR.
Associate Justice


TERESITA J. LEONARDO-DE CASTRO
Associate Justice


See: Concurring Opn.

ARTURO D. BRION
Associate Justice


DIOSDADO M. PERALTA
Associate Justice



MARIANO C. DEL CASTILLO
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice

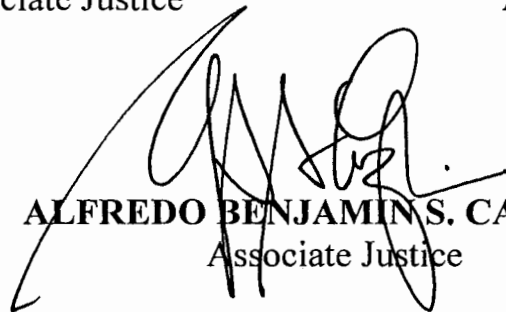
(On Official Leave)
JOSE CATRAL MENDOZA
Associate Justice


BIENVENIDO L. REYES
 Associate Justice

Please see my concurring opinion
Mr. Herb
ESTELA M. PERLAS-BERNABE
 Associate Justice


See separate concurring opinion

MARVIC M.V.F. LEONEN
 Associate Justice

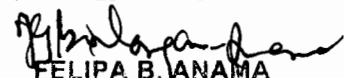
(No Part)
FRANCIS H. JARDELEZA
 Associate Justice


ALFREDO BENJAMINS S. CAGUIOA
 Associate Justice

CERTIFICATION

I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the court.


MARIA LOURDES P. A. SERENO
 Chief Justice

CERTIFIED XEROX COPY:

FELIPA B. ANAMA
 CLERK OF COURT, EN BANC
 SUPREME COURT