

[REPUBLIC ACT NO. 7459, April 28, 1992]

**AN ACT PROVIDING INCENTIVES TO FILIPINO INVENTORS AND
EXPANDING THE FUNCTIONS OF THE TECHNOLOGY
APPLICATION AND PROMOTION INSTITUTE, APPROPRIATING
FUNDS THEREFOR, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

ARTICLE I

TITLE, POLICY PROGRAM AND DEFINITION OF TERMS

SECTION 1. *Title.* - This Act shall be known as the "Inventors and Invention Incentives Act of the Philippines."

SEC. 2. *Declaration of National Policy and Program.* - It is hereby declared to be the national policy to give priority to invention and its utilization on the country's productive systems and national life; and to this end provide incentives to inventors and protect their exclusive right to their invention, particularly when the invention is beneficial to the people and contributes to national development and progress.

Pursuant to the national policy, the Government shall provide a program to set up a climate conducive to invention and innovation, give encouragement and support to inventors who are creative and resourceful, as well as imbued with a deep sense of nationalism, and maximize the capability and productivity of inventors through incentives and other forms of assistance and support.

SEC. 3. *Definition of Terms.* -

- a. Invention refers to, for purposes of this Act, any patented machine, product, process including implements or tools and other related gadgets of invention, utility model and industrial design patents.
- b. Inventor refers to the patentee/, heir/s or assignee/s of an Invention letters patent, Utility Model letters or Industrial Design letters patent.
- c. Technology means the application of knowledge or science which shall include all others such as inventions, innovations and results of researches.
- d. Department refers to the Department of Science and Technology.
- e. Institute refers to the Technology Application and Promotion Institute.
- f. Patent Office refers to the Bureau of Patent, Trademark and Technology Transfer.
- g. RDI's refer to the Research and Development Institute of the Department of Science and Technology

ARTICLE II

CASH REWARDS

SEC. 4. *Presidential Awards for Inventions.* - Presidential awards for inventions consisting of Cash Rewards shall be granted to patented inventions in the Philippines to be chosen by a screening committee with members consisting of technical representatives from the Department of Science and Technology, the Filipino Inventors Society, the Department of Agriculture, and the Department of Environment and Natural Resources.

Outstanding inventors shall be divided into four (4) categories with the corresponding cash rewards as follows:

1. Inventions. (i) First prize, One hundred thousand pesos (P100,000.00); (ii) Second prize, Fifty thousand pesos (50,000.00); and (iii) Third prize, Twenty thousand pesos (P20,000.00) ;
2. Utility Models. (i) First prize, Fifty thousand pesos (P50,000 . 00); (ii) Second prize, Twenty thousand pesos (P20,000.00); and (iii) Third prize, Ten thousand pesos (P10,000.00) ;
3. Industrial Design. (i) First prize, Fifty thousand pesos (P50,000 . 00); (ii) Second prize, Twenty thousand pesos (P20,000.00) and (iii) Third prize, Ten thousand pesos (P10,000.00) ;
4. Creative Research, (i) First prize, Twenty thousand pesos (P20, 000.00) ; (ii) Second prize, Ten thousand pesos (P10,000 . 00); and (iii) Third prize, Five thousand pesos (P5,000.00);

A round-trip ticket fare in addition to necessary and reasonable expenses but not more than Three Hundred Pesos (P300.00) a day shall be provided to all provincial awardees. Upon recommendation of the Screening Committee, all winners may be sent by the Philippine Government to other countries where their winning inventions or areas of interest are advanced.

The Screening Committee may adjust the cash awards and the additional expenses aforecited subject to the approval of the Institute.

ARTICLE III

TAX INCENTIVES AND TAX EXEMPTIONS

SEC. 5. *Tax Incentives.* - Inventors, as certified by the Filipino Inventors Society and duly confirmed by the Screening Committee, shall be exempt from payment of license fees, permit fees and other business taxes in the development of their particular inventions. This is an exception to the taxing power of the local government units. The certification shall state that the manufacture of the invention is made on a commercial scale.

Inventors shall exempt from paying any fees involved in their application for registration of their inventions.

SEC. 6. *Tax Exemption.* - To promote, encourage, develop and accelerate