

## EN BANC

[ G.R. No. 204605, July 19, 2016 ]

**INTELLECTUAL PROPERTY ASSOCIATION OF THE PHILIPPINES, PETITIONER, VS. 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.**

### D E C I S I O N

#### **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 unconstitutional because it conflicts with Republic Act No. 8293, otherwise known as the *Intellectual Property Code of the Philippines* (IP Code).<sup>[1]</sup>

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.<sup>[2]</sup> The *Madrid System* is governed by the *Madrid Agreement*, concluded in 1891, and the *Madrid Protocol*, concluded in 1989.<sup>[3]</sup>

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.<sup>[4]</sup>

In 2004, the Intellectual Property Office of the Philippines (IPOPHL), 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 IPOPHL needed to first improve its own operations before making the

recommendation in favor of accession. The IPOPHL thus implemented reforms to eliminate trademark backlogs and to reduce the turnaround time for the registration of marks.<sup>[5]</sup>

In the meanwhile, the IPOPHL 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 2011 to the Department of Foreign Affairs (DFA) that the Philippines should accede to the *Madrid Protocol*.<sup>[6]</sup>

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.<sup>[7]</sup>

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,<sup>[8]</sup> The *Madrid Protocol* entered into force in the Philippines on July 25, 2012.<sup>[9]</sup>

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,<sup>[10]</sup> has commenced this special civil action for *certiorari* and prohibition<sup>[11]</sup> 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.<sup>[12]</sup>

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.<sup>[13]</sup>

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,<sup>[14]</sup> 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 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.<sup>[15]</sup>

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.<sup>[16]</sup>

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.<sup>[17]</sup>

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.<sup>[18]</sup>

### **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 reply<sup>[19]</sup> 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;<sup>[20]</sup> and that such will diminish the rights granted by the IP Code to Intellectual Property Law practitioners like the members of the IPAP.<sup>[21]</sup>

The argument of the IPAP is untenable.

Legal standing refers to "a right of appearance in a court of justice on a given question."<sup>[22]</sup> According to *Agan, Jr. v. Philippine International Air Terminals Co., Inc.*,<sup>[23]</sup> 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*<sup>[24]</sup> offers the general understanding of the context of legal standing, or