

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 148



Introduced by Honorable Rodante D. Marcoleta

EXPLANATORY NOTE

This bill seeks to expand the coverage of, and impose stiffer penalties for, the crime of revelation of secrets punished under Articles 291 and 292 of Act No. 3815, as amended, otherwise known as the "*Revised Penal Code*".

At present, there are special laws which provide penalties for unauthorized disclosure of privileged communication or confidential information. Articles 291 and 292 of the Revised Penal Code provide for the penalties for unauthorized disclosure of industrial trade secrets. However, because of the moderate penalty imposed for the crime of revelation of secrets, an offender may not be deterred to divulge trade secrets or compromise confidential information in exchange for monetary considerations much larger than the fine imposed in existing law.

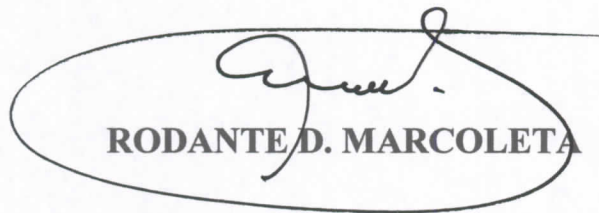
The concept of confidentiality refers to a duty of an individual to refrain from sharing confidential information with others, except with the express consent of the other party or when ordered by a competent court. There are existing laws and policies which provide exceptional circumstances in which a professional, such as a doctor or a lawyer, may disclose information about a patient or client.

However, there are situations wherein laws on trade or operational secrets may be deemed confidential by the use of a contract or agreement commonly known as confidentiality agreement or "*non-disclosure agreement*". Parties to a confidentiality agreement are bound by law to strictly follow the provisions of the contract. If a party breaches the agreement, the party may be subject to monetary penalties. The amount of such monetary penalties would depend on

the damage caused by the breach. In some cases, a breach of the non-disclosure agreement could also result in termination from employment or in other consequences as may have been agreed in the non-disclosure agreement.

This bill therefore expands the coverage for the crime of revelation of secrets or sensitive information by imposing penalties not only upon the erring manager or employee but also upon any director, partner, officer or worker who might have learned the confidential business, financial and technical information or secrets of his partner, principal or employer, and reveal the same to another person either for profit or for personal gain or advantage. Likewise, under the proposed measure, stiffer penalties for committing these crimes are imposed upon the aforementioned parties.

In view of the foregoing, approval of this bill is earnestly sought.



RODANTE D. MARCOLETA

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HOUSE BILL NO. 148

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AN ACT
EXPANDING THE COVERAGE OF, AND IMPOSING STIFFER
PENALTIES FOR, THE CRIME OF REVELATION OF SECRETS,
AMENDING FOR THE PURPOSE ARTICLES 291 AND 292 OF ACT
NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE “REVISED
PENAL CODE”

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

SECTION 1. Article 291 of Act No. 3815, as amended, is hereby further amended to read as follows:

“ART. 291. *Revealing Secrets with Abuse of Office.* – The penalty of [~~arresto-mayor~~] **PRISION CORRECCIONAL** and a fine of not [~~exceeding~~] **LESS THAN** One hundred thousand pesos (P100,000.00) **BUT NOT MORE THAN SIX HUNDRED THOUSAND PESOS (P600,000.00), OR BOTH, AT THE DISCRETION OF THE COURT,** shall be imposed upon any **DIRECTOR,** manager, **PARTNER,** **OFFICER,** **CONTRACTING PARTY,** employee or [~~servant~~] **WORKER**

who, in such capacity, shall learn the **CONFIDENTIAL BUSINESS, FINANCIAL, TECHNICAL AND/OR CLASSIFIED INFORMATION OR** secrets of his **PARTNER,** principal or [~~master~~] **EMPLOYER** and shall reveal such secrets **AND INFORMATION."**

SEC. 2. Article 292 of the same Act is hereby amended to read as follows:

"ART. 292. *Revelation of COMMERCIAL, INSTITUTIONAL, MANUFACTURING, Industrial INFORMATION OR TRADE Secrets.* – The penalty of [~~prision correccional~~] **PRISION MAYOR** in its minimum and medium periods and a fine not [~~exceeding~~] **LESS THAN** One hundred thousand pesos (P100,000.00) **BUT NOT MORE THAN SIX HUNDRED THOUSAND PESOS (P600,000.00), OR BOTH,** shall be imposed upon the person in charge, **FINANCIAL OFFICER, AGENT, OR** employee [~~or—workman~~] of any **COMMERCIAL,** manufacturing, [~~or~~] industrial, **INSTITUTIONAL OR TRADE** establishment who, to the prejudice of the owner, **PRINCIPAL, OR SHAREHOLDERS** thereof, shall reveal the **CONFIDENTIAL FINANCIAL, TECHNICAL, COMMERCIAL, OR TRADE** secrets **AND INFORMATION** of the industry of the latter." **THE SAID**

PENALTY SHALL APPLY TO INCIDENTS OR SITUATIONS WHERE CONTRACTING PARTIES SHALL DIVULGE CONFIDENTIAL AND/OR SENSITIVE OPERATIONAL INFORMATION FURNISHED BY ONE PARTY TO THE OTHER ON ACCOUNT OR PURSUIT OF THEIR CONTRACT, THE NATURE OF WHICH IS BOUND BY NON-DISCLOSURE AGREEMENT.”

SEC. 3. All laws, presidential decrees, executive orders, rules and regulations, or parts thereof which are inconsistent with any of the provisions of this Act are hereby repealed or amended accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,