

VICTOR SY,)	INTER PARTES CASES NOS. 3523
Petitioner,)	
)	PETITION FOR CANCELLATION
)	
)	Letters Patent No. D-4526
)	Issued : November 1, 1989
- versus -)	Patentee : CARLOS CHAO
)	Trademark : VOLVO
)	For : Display Design
)	
)	
CARLOS CHAO,)	<u>DECISION NO. 93-6 (PAT.)</u>
Respondent-Patentee)	October 1, 1993
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DECISION

This refers to the Motion for Summary Judgment in connection with the Petition for Cancellation of Design Patent No. D-4526 for a display design issued in favor of Carlos L. Chao, with residence at Room D-435 Land Wealth Metro Homes, 1995 Juan Luna Street, Tondo, Manila. Petitioner Victor Sy, whose postal address is Apt. 806,777 Ongpin Street, Sta. Cruz, Manila filed this Petition on 8 February 1990 allegedly on the ground that the design patent in question infringes his registered copy right as provided under Section 28 and 29 Art. VI of Presidential Decree No. 49.

The Respondent filed his Answer by denying all the material allegations of the Petition and raised the issues that this office has no jurisdiction over cases involving infringement of copyrights.

On the scheduled hearing, both counsels appeared and in respect of the motion to hear Respondent's affirmative defenses, both counsels appeared and they were given ten (10) days to submit their position papers/briefs.

The Respondent submitted his brief on 17 May 1990 and primarily anchored his arguments on Section 57 of the Copyright Law which provides:

"All actions, suits and proceedings shall, regardless of the amount involved be originally cognizable by the Courts of First Instance."

The Petitioner who may have realized his mistake, moved to amend his Petition instead of filing a memorandum. On 29 August 1990, the Petitioner filed a motion to admit the attached amended Petition for Cancellation and alleged the following grounds:

a. That the display design registered under Certificate No. D-4528 of Respondent is exactly similar or the same as the drawing of the Petitioner which has been in used since September 16, 1986 and registered with the National Library under Certificate of Registration No. G-888 dated September 5, 1988 under P.D. 49 known as the Copyright Law;

b. That the display design is not considered new as it has been publicly use by the Petitioner since September 16, 19986 and therefore not patentable as provided by Section 28, Chapter VII in Relation to Section 55 Chapter XII or Republic Act 165."

Over the objection of the Respondent, this Office issued resolution No. 91-03 on 12 February 1991 admitting the amended Petition as this Office found it prudent to allow said amendment so that the actual merits could be determined without regard to technicalities.

The Respondent filed his Amended Answer on 1 March 1991, denying the material allegations of the Petition and further alleged that he is the original, true and actual maker of the design in question.

On 17 April 1991, the Respondent filed a motion to suspend the proceedings of this case on the ground of prejudicial question where the Respondent filed a petition with the Regional Trial Court of Manila, a case of Cancellation of the Copyright Certificates issued to the herein Petitioner. The subject matter of this case refers to the herein Respondent's claim that he is the original true and actual creator of the display design in question for which he was granted a patent.

The said motion was denied in Resolution No. 91-21 issued by this Office and this case was scheduled for hearing on 18 December 1991.

A motion for reconsideration was filed by the Respondent on 18 December and reiterated his previous prayer for the suspension of this proceeding. This Office, in finding no cogent reason to disturb its findings contained in Resolution No. 91-21 issued Order No. 92-177 denying the said Motion and set this case for hearing on 25 February 1992. In the said hearing, both counsels and their respective Counsels appeared. The Respondent was allowed to file an amended pre-trial brief and this case was scheduled on March 5 and April 1 for pre-trial conference.

On March 5, 1992, the Respondent filed a Motion for Leave to file and admit second amended answer while the Petitioner requested for ten days to file a motion for summary judgment which were both granted by this Office in Order No. 92-216.

On 19 March 1992, this Office received a motion for judgment on the pleadings filed by the Petitioner. On 1 April 1992, the Petitioner filed a supplemental motion for judgment on the pleadings.

In the said motion for judgment on the pleadings, the sole issue is whether or not the design patent in question could be cancelled based on existing legislations.

Relevant to this issue is Section 28 of the Patent Law which provides that one of the grounds for cancellation of a patent is that an invention is not new or patentable in accordance with sections seven, eight and nine thereof.

Section 9 of the said law on the other hand provides that:

“SECTION 9. *Invention not considered new or patentable.* – An invention shall not be considered new or capable of being patented if it was known or used by others in the Philippines before the invention thereof by the inventor named in an application for patent for the invention, or if it was patented or described in any printed publication in the Philippines or any foreign country more than one year before the application for a patent therefore; or if it had been in public use or on sale in the Philippines for more than one year before the application for a patent therefore; or if it is the subject matter of a validly issued patent in the Philippines granted on an application filed before the filing of the application for patent therefor.

while by reference, Section 55 of the Patent Law provides that the standard of novelty established by Section 9 thereof for inventions shall apply for ornamental designs. Section 56 of

the Patent Law provides that the period of one year specified in Section 9 for invention shall be six months in the case of designs.

In short, one of the grounds for rejecting a patent application or canceling an issued one is the requirement of novelty where a design should not be known or used in public nor has it been published six months prior to an application therefor.

This, as the Office sees it, is the ground upon which the Petitioner anchors its motion. Culled from the said pleadings and upon verification of the records, the Respondent has indeed made judicial admissions to show that the design patent in question lacks novelty as alleged by the Petitioner in his Motion for Judgment on the pleading.

In his second amended answer, the Respondent categorically stated that (Paragraph 10, Second Amended Answer):

“10. That herein respondent first introduced the Double Eight Trigram to the Public in his initial seminar on Chinese Esoteric Sciences, particularly the Four Pillars conducted in April 1986 at the East Palace Restaurant in Manila.

In his Opposition/Comment to the Motion for Judgment on the Pleadings, Respondent affirmed his admission that he described and introduced the design to the public in a seminar in April 1986 but insists that this is not a bar under Section 9 of R.A. 165 because this is not public use. His position is that the invention (design in this case) “must be used by the public other than the patentee himself”. (p.3, opposition) This is not correct.

A closer look at Section 9 of RA 165 would show that there are two parts involved in this case, namely:

An invention shall not be considered new or capable of being patented if it was known or used by others in the Philippines before the invention thereof by the inventor named in an application for patent for the invention; xxx or if it had been in public use or on sale in the Philippines for more than one year before the application for a patent therefor; xxx (Underscoring supplied)

Under the first part, an applicant cannot have a patent if the subject matter he claims was “used by others” before his invention of it. Under the second part, he is barred if his invention was “in public use or on sale in this country more than one year prior to his” application. Thus the first bar deals with the activities of a person other than the inventor, while the second bar may result from the activities of either the inventor or a third party. (See Robert L. Harmon, Patents and Federal Circuit, p. 57, 2d Ed. [1991] citing J.A. Laporte, Inc. v. Norfolk Dredging co., 787 F. 2d1577, 229 USPQ 435 [Fed. Cir., 1986]) Public use is use by the inventor, or by a person who is not under any limitation, restriction, or obligation of secrecy to the inventor. (id., at p. 58 citing In re Smith, 714 F. 2d 1127, 218 USPQ 976 [Fed. Cir. 1983])

In the case at bar, the use by Respondent of his design when he first introduced the same to the public without any limitation, restriction, or obligation of secrecy undoubtedly posed a bar under Section 9 in conjunction with Section 55 of RA 165. Moreover, it behooved Respondent of the commercial exploitation of his alleged design in the seminar. Under the “on sale” bar of the second part quoted above, a mere offer to sell is enough to bar patentability. (id., at p. 59)

WHEREFORE, acting on the authority of Rule 184-I of the Rules of Practice in Patent Cases, where the director of Patents may, on motion of the party, render judgment on such pleadings, in the event an answer fails to tender an issue or otherwise admits the material allegations of the adverse party’s pleadings, the motion for judgment on the pleadings is hereby GRANTED. Patent No. D-4526 issued in the name of the Respondent is hereby CANCELLED.

Let a copy of this Decision be furnished the Patents/Trademark Registry and EDP Division for their proper disposition.

SO ORDERED.

IGNACIO S. SAPALO
Director