

Republic of the Philippines
SUPREME COURT
Manila

FIRST DIVISION

G.R. L-24919 January 28, 1980

JAMES HOWARD BOOTHE and JOHN MORTON, II, petitioners,

vs.

THE DIRECTOR OF PATENTS, respondent.

Picazo & Agcaoili for petition.

Office of the Solicitor General for respondent.

MELENCIO-HERRERA, J.:

Sought to be reviewed herein is the Decision of the Director of Patents, dated December 9, 1964, denying priority rights under section 15 of our Patent Law (Republic Act No. 165) to petitioners, as foreign applicants for Letters Patent, for their invention of "Chemotherapeutic Materials and Methods of Preparing the same.

Petitioners James Howard Boothe and John Morton II, chemists, citizens and residents of the United States, claim to be the inventors of a new antibiotic designated as "tetracycline", a new derivative of chlortetracycline (popularly known as "aureomycin")

On February 19, 1954, petitioners applied for Letters Patent covering said invention to respondent Director of Patents claiming the right of priority granted to foreign applicants under section 15 of the Patent Law (RA 165). Receipt of petitioners' application was acknowledged by respondent Director on *March 6, 1954*.

On *April 14, 1954*, petitioners filed with respondent Director a legalized copy of their Application for Letters Patent in the United States for the same invention (U.S. Serial No. 342556). Said legalized copy indicated that the application in the United States was filed on March 16, 1963. ¹ This latter date is of crucial importance to petitioners' cause under section 15 of the Patent Law, which provides that:

Section 15. Application previously filed abroad. — An application for patent for an invention filed in this country by any person who has previously regularly filed an application for a patent for the same invention in a foreign country, which by treaty, convention or law affords similar privileges to citizens of the Philippines, shall have the same force and effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country: Provided, That the application in this country is filed within twelve months from the earliest date on which such foreign application was filed and a certified copy of the foreign application together with a translation thereof into English, if not in the English language, is filed within six months from the date of filing in the Philippines, unless the Director for good cause shown shall extend the time for filing such certified copy: And provided, further, that no patent shall be granted on an application for patent for an invention which had been patented or described in a printed publication in this or any foreign country more than one year before the date of the actual filing of the application in this country, or which had been in public use or sale in this country for more than one year prior to such filing.

Under the foregoing provision, petitioners would be entitled to the priority date of March 16, 1953 if their application is considered filed in the Philippines as of March 5, 1954, since the latter date would fall within the one-year period prior to March 5, 1954.

On February 7, 1958, petitioners informed respondent Director that in interference proceedings in the United States, Letters Patent for a similar invention as theirs was awarded to Pfizer and Co., which had filed its application ahead and that they failed to obtain any U.S. patent for their own invention. Petitioners, however, observed and requested:

In the Philippines, however, the situation is at least the reverse. Pfizer and Co. did not file or else filed an application after the above application has already been filed. The said above application therefore is good and valid.

We request, therefore, that the present application be granted on the basis of the claims originally filed.²

On August 5, 1959, in Paper No. 6,³ Patent Examiner, Lydia Nueva España, rejected all of petitioners' claims in view of "Philippine Patent No. 254 — November 29, 1956", apparently referring to a local Patent obtained by Pfizer and Co., presumably covering the same invention. Additionally, petitioners were advised that the "Specification" they had submitted was "incomplete" and that responsive action should be filed them four months from date of mailing, which was also August 5, 1959. Paper No. 6 precipitated a series of communications between the aforementioned Patent Examiner and petitioners, who apparently failed to meet the deadline of four months for filing their responsive action.

On October 9, 1961, petitioners requested for clarification of Paper No. 6, particularly as to why their Specification was considered incomplete.

In response, Supervising Patent Examiner Nelia de Castro informed petitioners as follows:

With respect to applicant's request for clarification as to the meaning of the second to the last sentence contained in Paper 6, attention is called to the fact that the specification which was originally filed is incomplete and not in accordance with Rule 62 of the Revised Rules. Said specification ends on Page 9 with the incomplete sentence "The refractive indices of this crystalline phase were found —

It appears from further from a comparison between the submitted 9 pages of the specification and 2 pages of the claims on one hand and the corresponding pages of the legalized copy of the U.S. application on the other that the present application does not correspond with the said certified copy of the U.S. Application. The present application cannot therefore be granted priority date under section 15 are requested by applicant.⁴

On July 3, 1962, petitioners submitted two complete copies of the Specification, which included nine additional pages, and reiterated their request for priority right in the Philippines.⁵

On October 2, 1962, Chief Patent Examiner Nicanor Mapili issued Paper No. 20 rejecting the additional nine pages of Specification submitted by petitioners, and ruling:

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The filing of the alleged complete copy Of the specification is an attempt to effect a remedy to the previous finding of incompleteness as stated in the 2nd to the last paragraph of Office Action mailed Aug. 5, 1959, marked Paper 6. This cannot be allowed inasmuch as 9 pages of new matter are actually proposed to be added to the specification.

This action is made final for purpose of appeal ⁶

Petitioners moved for reconsideration on the ground that their application falls under the exception provided for in Rule 47 of the Revised Rules of Practice in Patent Cases in that the missing nine pages submitted by them are not really new matter but a mere "minor informality."

On February 5, 1963, Chief Patent Examiner Mapili issued Paper No. 22 denying petitioners' Motion for Reconsideration and the findings of Examiner de Castro as follows:

The basis of the examiner's finding is applicant's verification on file, exclusive of what is in an alleged corresponding application in the US as evidenced by a certified copy of record. The only use of such certified a copy is to give proof to an earlier filing date as provided for such section 15 of the Patent Law and to use the inventors' oath therein to complete the form requirements relative to his application in a dance with the provisions of section 13(3) of the same law.

The provisions of section 15 of the Patent Law, under which the present application was filed, provides for filing. This deadline cannot be extended directly or indirectly by the filing of an imperfect application which can be freely amended or rectified at a later date. If this can be done legally, the restrictive provisions of section 15 will be nullified. ⁷

Adversely affected, petitioners appealed to dent Director of Patents.

In their Brief filed with respondent Directors petitioners prayed for 1) revocation of the Chief Patent Examiner, ⁸ 2) admission of their Specification submitted on July 3, 1962; and 3) allowance of their application on the merits.

On December 9, 1964, respondent Director rendered the questioned Decision, the dispositive portion of which reads:

WHEREFORE, the appeal is hereby sustained. The additional pages to the specification are hereby admitted, but the application shall not be extended priority rights under section 15 of the Patent Law. Let the filing date of this application be changed from March 5, 1954 to April 14, 1954. The application is hereby remanded to the Chief Patent Examiner for proper action and for further examination on the merits. ⁹

In reaching the foregoing conclusion, respondent Director opined that the portions subsequently supplied in the local application are not new matter a comparison between the foreign and local applications showed that the foreign application included the missing portions of the local one. However, respondent Direct qualified that petitioners' application may be considered complete only on April 14, 1954 when the certified copy of the foreign application was submitted. Consequently, the instant application is to be considered an ordinary application, not entitled to the right of priority granted by section 15 of the Patent Law, inasmuch as said application was not complete within the meaning of Rules 47 and 48 of the Revised Rules of Practice in Patent Case when first filed on March 5, 1954.

Petitioners filed a Motion for Partial Reconsideration of the above-mentioned Decision questioning that portion of respondent Director's ruling barring them from entitlement to the right of priority under section 15 of the Patent Law contending that their appeal centered merely on the issue of whether or not the additional nine pages of Specification they had submitted should be treated as new matter.

On June 10, 1965, respondent Director denied reconsideration for lack of merit, and explained:

... It should be emphasized that under Rule 262 (b) of the Revised Rules of Practice in Patent Cases, it is stated that should the Director have any knowledge of any ground not involved in the appeal for rejecting any claim, he may include in his decision a statement to that effect with his reasons for so holding, which statement shall constitute a rejection of the claim. Priority claims are covered by the rule.¹⁰

On June 11, 1965, petitioners filed a Second Motion for reconsideration on the ground that priority rights are governed by convention and treaty, while invention claims are governed exclusively by the Statute and Rules of Practice. Respondent Director denied that Motion for lack of merit on August 24, 1965.

Hence, this recourse.

On January 9, 1967, we deemed the case submitted for decision, after petitioners had filed their Brief on February 12, 1966, and respondent Director, through the Solicitor General, his Brief on June 9, 1966.

On June 9, 1968, Republic Act No. 5434 was enacted providing that final Orders and Decisions of the Director of Patents in *ex parte* and *inter partes* proceedings are appealable to the Court of Appeals. Since no provision for retroactivity exists in said Act this Tribunal has resolved to retain jurisdiction over this case.

Petitioners maintain before this Court that:

RESPONDENT DIRECTOR OF PATENTS ERRED IN HOLDING THAT PETITIONERS' APPLICATION, SERIAL NO. 952, MAY NOT BE TREATED AS FILED UNDER SECTION 15 AS AMENDED, OF REPUBLIC ACT NO. 165 KNOWN AS THE PATENT LAW.

and in support thereof stress that:

- 1) The Director had no jurisdiction to decide the question of whether or not the Philippine Application should be treated as filed under Section 15 of the Act;
- 2) The Director had no jurisdiction to decide the question of whether or not the Philippine Application was incomplete under Rules 47 and 48 of the Revised Rules of Practice in Patent Cases;
- 3) The Director misconstrued and misapplied Rules 47 and 48 of the Rules;
- 4) The Director misconstrued and misapplied Rule 262 (b) of the Rules.

For resolution, therefore, are the following issues: the scope of the powers of the Director of Patents in cases appealed to him and the correctness of his application of Rules 47, 48 and 262(b) of the Revised Rules of Practice in Patent Cases.

The facts unfolded call for an affirmance of respondent Director's rulings.

Explicit in Rule 262 of the Revised Rules of Practice in Patent Cases is the power and authority of respondent Director to decide petitioners' appeal in the manner that he did, and we quote:

262. *Decision by the Director.* — (a) The Director, in his decision, may affirm or reverse the decision of the Principal Examiner in whole or in part on the ground and on the claims specified by the Examiner. The affirmance of the rejection of a claim on any of the grounds specified constitutes a general affirmance of the

decision of the Principal Examiner on that claim, except as to any ground specifically reversed.

(b) Should the Director have knowledge of any grounds not involved in the appeal for rejecting any claim he may include in his decision a statement to that effect with his reasons for so holding which statement shall constitute a rejection of the claims. ...

In other words, respondent Director is empowered to consider grounds which may have come to his knowledge other than those specifically raised in an appeal. He need not confine himself only to issues invoked. Besides, the question of new matter is inextricably linked with the right of priority on which petitioners have anchored their application. As early as Paper No. 18, *supra*, the Supervising Patent Examiner had concluded that inasmuch as the submitted pages did not correspond with the certified copy of the U.S. application, "the present application cannot therefore be granted priority date under section 16 as requested by applicant." Again, in Paper No. 22, *supra*, the Chief Patent Examiner made mention of petitioner's imperfect application and the fact that the deadline for filing required by section 15 of the Patent Law cannot be extended directly or indirectly otherwise "the restrictive provisions of section 15 will be nullified."

It is also far-fetched for petitioners to claim that in ruling on petitioners' right of priority, respondent Director had contravened Rule 254 of the Revised Rules of Practice in Patent cases, which provides that the Director of Patents exercises no direct control, direction and supervision over the Principal Examiner and the Executive Examiner. What respondent Director exercised was his authority to review the decisions of Patent Examiners, as explicitly provided for in the last paragraph of the same Rules 254, as follows:

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The only supervision which the Director of Patent may lawfully exercise over the Principal Examiners and the Executive Examiner is a general supervision, exercised through a review of the recommendations they may make for the grant of a patent, and through a review of their decision by petition and appeal.

Similarly untenable is petitioners' contention that respondent Director had misconstrued and misapplied Rules 47 and 48 of the Revised Rules of Practice in Patent Cases. The said Rules provide:

47. Application accepted and filed for examination only when complete — An application for an invention patent will not be accepted and placed upon the files for examination until all its required parts, complying with the rules relating thereto are received except that 'certain minor informalities may be waived subject to subsequent correction, whenever required.

If the papers and parts are incomplete, or so defective that they cannot be accepted as a complete application for examination, the applicant will be notified; the papers will be held four months for completion and if not by then completed, will be stored as an abandoned incomplete application and eventually destroyed or otherwise disposed of.

48. Serial number and filing date of application — Complete applications are numbered in regular order, and the applicant will be informed of the serial number and filing date of the application by a filing receipt. The filing date of the applicant is the, date on which the complete application, acceptable for placing on the files for examination, is received in the Patent Office; or the date on which the last part completing such application is received, in the case of an incomplete or defective application completed within four months. The Executive Examiner shall be in charge of fixing the filing date and serial number of an application.

Under the aforecited provisions, it is imperative that the application be complete in order that it may be accepted. It is essential to the validity of Letters Patent that the specifications be full, definite, and specific.¹¹ The purpose of requiring a definite and accurate description of the process is to apprise the public of what the patentee claims as his invention, to inform the Courts as to what they are called upon to construe, and to convey to competing manufacturers and dealers information of exactly what they are bound to avoid.¹²

The specification which petitioners submitted on March 5, 1954 was far from complete. That defect was one of substance and not merely one of form. What petitioners claimed as their invention was not completely determinable therefrom. Petitioners' application could be deemed as complete only on July 2, 1963 when they submitted the additional pages on the Specifications and Claims. Respondent Director, therefore, did not err in converting petitioners' application into an ordinary application filed on April 14, 1954, not only for their having failed to complete their application within the four-month period provided for by Rules 47 and 48, Revised Rules of Practice in Patent Cases, and as required of them by Paper No. 6, but also for their having failed to file a complete application within twelve months from March 16, 1953, the date of the foreign application. For, to be entitled to the filing date of the patent application, an invention disclosed in a previously filed application must be described within the instant application in such a manner as to enable one skilled in the art to use the same for a legally adequate utility.¹³

All told, we sustain respondent Director's findings in the absence of error or abuse of power or lack of jurisdiction or grave abuse of discretion.¹⁴ We have held that in the absence of arbitrariness, and provided they are supported by substantial evidence, as in this case, the conclusions reached by the Director of Patents are to be accorded respect and must be upheld.¹⁵

WHEREFORE, we hereby affirm the Decision of respondent Director of Patents dated December 9, 1964.

SO ORDERED.

Teehankee (Chairman), Makasiar, Fernandez, Guerrero and De Castro, JJ., concur.

Footnotes:

1 Pp. 21-49, Folder of Proceedings in Patent Office.

2 p. 53, Ibid.

3 p. 54, Ibid.

4 Paper 18, p. 75, Ibid.

5 p. 76, Ibid.

6 p. 111, Ibid.

7 Papers 22, p. 117, Ibid.

8 Papers 20 and 22.

9 Decision, pp. 189-195, Ibid.

10 Decision 330-A, p. 203, Ibid.

11 Standard Brands vs. National Grains Yeast Corp. 308 US 34, 84 L. ed. 17, 60 S.Ct., 27.

12 Scheiber-Schroth Co. vs. Cleveland Trust Co., 305 US 47, 83, L. ed., 34.

13 Application of Hafner, 410 F2d 1403.

14 Guardiano vs. Encarnacion, 29 SCRA 326 (1969).

15 Sy Ching vs. Gaw Lui, 44 SCRA 143 (1972).