

KANEMITSU YAMAOKA	}	IPV 10-2003-00007
Complainant,	}	For: Infringement of Patent with
	}	Prayer for the Issuance of a
versus -	}	Temporary Restraining Order/
	}	Preliminary Injunction
PHILLIPS SEAFOOD PHILIPPINES	}	
CORPORATION	}	
Respondent.	}	Decision No. 2006-06
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DECISION

The instant case is an administrative complaint for violation of intellectual property laws filed by complainant Kanemitsu Yamaoka, a Japanese national, of legal age, with address at 51 Telstar Street, Doña Vicenta Village, Davao City, Philippines, and one of the registered co-owners of the Philippine Letter Patent Certificate No. I-31138 entitled "Method for curing Fish and Meat by Extra Low Temperature Smoking", against the respondent Phillips Seafood Philippines Corporation, with business address at the Fish Port Complex, General Santos City, Philippines for infringement of Philippine Patent No-I-31138.

On May 5, 2003, the complainant filed a verified Complaint for infringement of Patent and Preliminary injunction with Prayer for the Issuance of a Temporary Restraining Order (TRO) against the respondent.

In its Answer dated May 27, 2003, the respondent denied infringing on Philippine Letters Patent No. I-31138, and alleged, as compulsory counterclaim, that the same patent is invalid.

On the application for a temporary restraining order (TRO), the complainant's first witness, Mr. Vener C. Lacap, testified on June 5 and 10, 2003 and was cross-examined on June 10, 2003. The complainant himself testified and was cross-examined on June 16, 2003. The complainant then filed his Formal Offer of Evidence dated on June 17, 2003 as well as a Supplement to Formal Offer of Evidence August 26, 2003. The respondent filed its Comment/Objections (to Complainant's Formal Offer) dated June 23, 2003. The respondent's initial witness was its President, Mr. Jack Robert Bourdon, Jr., who testified and was cross-examined on July 7, 2003.

On July 11, 2003, the respondent filed its motion for the Conduct of Ocular Inspection. The Complainant then filed its Opposition thereto. Upon consideration of the respondent's Rejoinder and the complainant's Sur-Rejoinder, this Bureau issued Order No. 2003-80 dated August 12, 2003 granting the respondent's Motion for the Conduct of Ocular Inspection. The complainant then filed an Omnibus Motion for Reconsideration of the August 12, 2003 Order and the Issuance of a Writ of preliminary Injunction. On September 11, 2003, the respondent filed its Comment/Opposition (To Complainant's Motion for Reconsideration). In Resolution No. 2003-09 dated September 30, 2003, this Bureau denied the complainant's Omnibus Motion and set the ocular inspection of the respondent's smoke process on October 6, 2003. This Bureau's Hearing Officers and staff, together with the parties, conducted an ocular inspection of respondent's plant in General Santos City on October 6, 2003.

The respondent the filed its Formal Offer of Evidence dated October 23, 2003. Thereafter, the complainant filed his Comment/Objection. In Order No.2003-17, this Bureau admitted the evidence offered by the respondent. The complainant filed his Memorandum in support of his application for a TRO dated October 27, 2003. The respondent then filed its Memorandum (in Opposition to Complainant's Motion for TRO/Injunction) dated November 17, 2003.

In Order No. 2003-129 dated November 24, 2003, this bureau granted complainant's application for the Issuance of a TRO. On December 8, 2003, the respondent filed a Motion for Reconsideration of Order No. 2003-129. On the same date, complainant filed Manifestation with Urgent Omnibus Motion (a) For the Issuance of a Writ of Preliminary Injunction and (b) To Reduce the Required Cash Bond or to allow surety bond. On December 15, 2003, respondent filed a Vehement Opposition (To Complainant's Manifestation with Urgent Omnibus Motion). On January 5, 2004, complainant filed his Opposition to respondent's Motion for Consideration. On February 3, 2004, the complainant filed his Reply to respondent's Vehement Opposition. This Bureau, in resolution No. 2004-03 dated January 29, 2004, denied Motion for Reconsideration of complainant and affirmed Order No. 2003-129. Likewise, in Resolution dated January 29, 2004, this bureau denied the respondent's Motion for Reconsideration. On February 23, 2004, complainant filed a Compliance with this Office and attached Receipt No. 1966876 representing the Two Million Pesos (PhP2, 000,000.00) cash bond which was served with the complainant's Compliance, thus making the TRO effective twenty (20) days, or until March 17, 2004.

The initial hearing for complainant's application for writ of preliminary injunction was held on March 2, 2004 wherein the complainant adopted the testimonies of his witnesses in the TRO hearings. During the March 9, 2004 hearing, the respondent presented its expert witness, Mr. Rogelio B. Prospero, the Senior Science Research Specialist of the Food Processing Division of the Industrial Technology Development Institute, Department of Science and Technology. He was cross-examined by the complainant on March 11, 2004.

The respondent then served and filed its Memorandum dated March 19, 2004. On March 25, 2004, complainant filed its Reply Memorandum dated March 24, 2004. On April 5, 2004, the respondent filed its Rejoinder-Memorandum dated April 5, 2004.

This Bureau granted complainant's application for the issuance of writ of preliminary injunction under Order No. 2004-62 dated April 20, 2004. The respondent filed its Opposition (To Complainant's Urgent Motion for Reduction of Cash Bond) with Motion to Increase Cash Bond dated April 29, 2004. The complainant thereafter filed his Opposition (To Respondent's "Motion to Increase Cash Bond") and Reply (to Respondent's Opposition) dated May 3, 2004. On May 14, 2004, the respondent served and filed its Reply (to Complainant's Opposition) and Rejoinder (to Complainant's Reply) dated May 11, 2004. On May 14, 2004, the respondent filed its Motion for Reconsideration (of the Order dated April 20, 2004) dated May 11, 2004. The complainant filed his Opposition thereto dated 26 May 2004. On July 9, 2009, the respondent served and filed its Reply (To Complainant's Opposition) dated June 30, 2004. In resolution No. 2004-14 dated July 30, 2004, this Bureau denied the Motion for Reconsideration of the respondent and affirmed Order No. 2004-62 dated April 20, 2004. In Resolution No. 2004-15 dated July 30, 2004, this Bureau likewise denied the Complainant's Motion to reduce Cash Bond and respondent's Motion to Increase Cash bond and affirmed Order No. 2004-62.

The complainant then filed Pre-Trial brief dated February 18, 2004. On April 23, 2004, the respondent served and filed its Pre-Trial Brief dated April 22, 2004. Thereafter, Pre-Trial Order No. 2004-128 dated August 23, 2004 was issued by this Bureau.

The complainant posted the required additional cash bond amounting to Two Million Five Hundred Thousand Pesos (PhP2, 500,000.00) and filed his Compliance dated August 9, 2004, with a copy furnished to the respondent on the same date. Thus, the Writ of Preliminary Injunction issued by this Office became effective for ninety (90) days, specifically from August 9, 2004 until November 6, 2004.

On September 17, 2004, the compliant presented his expert witness, Mr. Jorge Cesar Sandiego, who was cross-examined on September 27, 2004. On November 16, 2004, the Complainant testified and was cross-examined. On November 18, 2004, the respondent received complainant's Offer of Documentary Evidence. On November 26, 2004, the respondent filed its comments on and/or Objections thereto. This Office, in Order 2005-03, admitted the evidence offered by the Complainant.

On February 17, 2005, the respondent filed its Notice to Take deposition of Messrs. Donald Banner and Edward J. Kondracki. On February 18, 2005, the respondent presented its expert witness Engr. Rosella L. Fernandez. On even date, the respondent filed its Urgent Motion praying for the Issuance of an Order requesting the Department of Foreign Affairs (“DFA”) for assistance in the taking of the depositions of Messrs. Banner and Kondracki. Thereafter, the complainant filed its Comment thereto. Engr. Fernandez was cross-examined by the complainant on February 23, 2005.

This Bureau, in Order No. 2005-12, requested the DFA to assist in the taking of the depositions of Messrs. Banner and Kondracki. Subsequently, this Office issued Order No. 2005-17 setting the parameters of the deposition taking. On March 15, 2005, the depositions of the respondent’s expert witnesses, Messrs. Banner and Kondracki were taken at the Embassy of the Republic of the Philippines in Washington, D.C. They were cross-examined by the complainant on the same day.

In Order No. 2005-100 dated September 30, 2005, this Bureau made a ruling as to the objections raised by both parties’ counsels during the deposition taking. On October 6, 2005, the respondent filed its Formal Offer of Evidence. On October 26, 2005, the respondent received the complainant’s “Comment on Respondent’s ‘Formal Offer of evidence with Manifestation’ dated October 6, 2005”. In Order No. 2005-128 dated October 28, 2005, this Bureau admitted the evidence offered by the respondent and directed the parties to file their respective Memoranda within ten (10) days from the receipt of the said Order.

Culled from evidence on record, complainant invented a method of curing fish through the employment of an extra-low temperature smoking process (Exhibit “J”). On March 30, 1994, he applied for a patent in the Philippines for his invention, which is entitled the “Method for Curing Fish and Meat by Extra-Low Temperature Smoking”. On 3 March 1998, the then Bureau of Patents, Trademarks and Technology Transfer (now known as the Intellectual Property Office) issued Letters Patent No. I-31138 in the name of complainant, and two other co-patentees namely Tetsuo Adachi and Shizuyuki Ohta (Exhibit “G”)

Letters Patent No. I-31138 claims the following:

1. A method for curing raw tuna meat by extra-low temperature smoking comprising the steps of: burning and smoking material at 250° to 400° C and passing the produced smoke through a filter to remove mainly tar therefrom; cooling the smoke passed through the filter in a cooling unit to between 0° and 5° C while retaining ingredients exerting highly preservative and sterilizing effects; and smoking the tuna meat at extra-low temperatures by exposure to the smoke cooled to between 0° to 5° C.
2. A method for curing raw tuna by extra-low temperature smoking according to claim 1, in which raw tuna is pre-immersed in a salt water, desalted in cold, and dewatered before being smoke at said extra-low temperature.”(Exhibit “G”).

From the testimony of the complainant on 16 June 2003, the first claim involves several steps which basically includes the following: (a) burning of smoke materials at a temperature of 250° to 400° C (b) filtering the produced smoke; (c) cooling the filtered smoke in a cooling unit between 0° to 5° C: and (d) smoking the tuna meat at extra-low temperature by exposure to the smoke cooled to between 0° to 5° C.

As testified complainant on 16 June 2003, sometime in 1994, he began using the process through his Yamaoka Nippon Corporation located in General Santos City. (TSN 16, June 2003, Kanemitsu Yamaoka). Later on, PescaRich Manufacturing Corporation, where complainant had previously owned shares in, succeeded Yamaoka Nippon Corporation. It was established through the testimony of Vener C. Lacap and Jack Bourdon that in 2001, respondent hired the services of a certain Bong Alvarado, a former employee of PescaRich Manufacturing Corporation

in the construction of two (2) smoke machines, one of the respondent's plant in Gen. Santos City and one for its Indonesia plant (TSN, 10 June 2003, Vener C. Lacap; Exhibit "F"; and TSN 7 July 2003, Jack Robert Bourdon).

Upon learning that respondent is using the process entailed in Letters Patent No. I-31138, a "cease and desist" letter was sent to respondent. (Exhibit "H")

From the testimonies of Vener C. Lacap (Exhibit "F"; 5 June 2003) respondent used the following process in curing its tuna products:

- (a) sawdust is burned at a temperature ranging from 250° to 400°C,
- (b) the smoke produced by the burning of sawdust is filtered,
- (c) the tuna meat is cured with the resulting smoke at a temperature range of 0° to 5° C.

Further to Vener C. Lacap's testimony, the filtered smoke is cooled in another chamber through plastic tubes immersed in water with ice before the tuna meat is cured (Exhibit "F"; 5 June 2003). We noted that during the ocular inspection of Phillips' smoke generated unit and processing plant conducted on 6 October 2003, Vener Lacap pointed the exact location of the ice-box used to chill smoke produced from Phillips' smoke machine.

During the ocular inspection on October 6, 2003, this Bureau observed that respondent produces smoke by burning sawdust at 250° to 400°C. It was observed that respondent filters its smoke using a multiple filtration process. We noticed that the filtered smoke is gathered in a canvass and transported from the smoke machine to the production area. Respondent's filtered smoke at ambient temperature is directly injected into tuna meat. At this stage, this bureau observed that the temperature reading on the tuna meat was 5° C. The meat injected with filtered smoke was then stored in a refrigeration unit with a temperature setting of -3° C.

On the record, respondent's factual evidence on its process consists mainly of observations made during an independent ocular inspection conducted by its witness, Ms. Rosella L. Fernandez at respondent's production plant in General Santos City (Exhibit "5"), as follows:

- (a) Grilled and gutted tuna fish is washed and immersed in ice before it is processed to keep the meat cold and fresh. The temperature of the tuna meat is maintained between 0°C to -4.4° C to keep its freshness by immersion in ice. Oftentimes though, the actual temperature of the tuna is higher than 4.4° C especially when it is exposed to long out of ice.
- (b) The grilled and tuna fish is then beheaded, skinned, deboned, cut and trimmed to produce sliced raw tuna meat ready for treatment;
- (c) Sawdust is burned at 400° C to produce CO- containing smoke;
- (d) The smoke/gas is filtered through a series of multiple filters to remove tar, smoke and other impurities resulting in an odourless, tasteless CO- containing gas which contains about 35%-45% CO;
- (e) The odourless, tasteless CO-containing gas is stored in canvass bags exposed to ambient temperature (between 22°C to 32°C in General Santos City);
- (f) Using an air compressor, the odorless, tasteless CO-containing gas from the canvass bag (which is still at ambient temperature) is siphoned and injected to the loin of the raw tuna meat;

- (g) The said injected tuna meat is placed inside a small plastic bag which is filled up with odorless, tasteless CO-containing gas at ambient before it is sealed. The temperature of the odorless, tasteless CO-containing gas inside the plastic bag instantaneously drops to about 18°C to 20°C adjusting to the temperature of the air-conditioned room which is between 18°C to 20°C;
- (h) The said injected tuna meat sealed in plastic bag with odorless, tasteless CO-containing gas and, thereafter, placed inside a chiller van set at -3°C (negative 3 degrees Celsius);
- (i) Treatment of tuna with CO-containing gas is allowed to continue inside the chiller van set at -3°C (negative 3 degrees Celsius) for forty-eight (48) hours, wherein the said gas inside the plastic consequently cools down to attain the temperature setting of -3°C (negative 3 degrees Celsius);
- (j) Plastic bag containing treated raw tuna meat is taken out of the chiller van and transferred to packing section;
- (k) The treated raw tuna meat is taken out from the plastic bag and placed in a tray lined with an absorbent sheet of material to absorb liquid/water;
- (l) The treated raw tuna meat is cut to desired size and weight;
- (m) The cut treated raw tuna meat is packed in a clean plastic bag and vacuum sealed;
- (n) The vacuum sealed plastic containing treated raw tuna is then stored in a freezer at -20°C or lower; and
- (o) The frozen treated raw tuna in vacuum sealed plastics are packed in labelled cartons prior to shipment.

Notably, the bulk of respondent's evidence is expert testimony from the following to wit:

(a) Mr. Rogelio Prospero, who made the comparison between respondents and that described in Patent No. I-31138; and concluded that the same are different from each other (TSN, Rogelio B. Prospero, March 9, 2004 and March 11, 2004).

(b) Ms. Rosella L. Fernandez, who testified that all claimed process, steps of Patent No. I-31138, except the first process step, are not readable on respondent's seafood process. She opined that (a) the second process step is not readable in respondent's process in that respondent uses a multiple filtration system that removes completely not only tar but all other impurities, most especially those that cause retention of odor and/or taste, from the smoke; (b) the third process step is not readable in respondent's process in that respondent cools the CO-containing gas to ambient temperature prior to exposure to tuna meat; and (c) the fourth process step is not readable in respondent's process in that respondent allows curing of raw tuna to continue in a chiller van set at -3°C. She concluded that the respondent did not infringe Patent No. I-31138, literally or by Equivalence (Exhibit "5").

(c) Mr. Edward J. Kondracki and Mr. Donald W. Banner, who merely corroborated Ms. Fernandez's finding that respondent's process does not infringe Claim 1 or Claim 2 of Patent No. I-31138 because respondent's process does not perform all steps recited in the claims, literally or in an equivalent manner (Exhibit "11" TSN, Edward Kondracki, March 15, 2005; TSN, Donald Banner, March 15, 2005).

Mr. Edward Kondracki likewise explained in his affidavit dated 1 March 2005 that:

“34. In the first instance, the Phillips process does not literally infringe claim 1 of the Yamaoka patent. Claim 1 requires (1) the smoke to be cooled in cooling unit before smoke is exposed to the tuna meat and (2) the cooling unit must cool the smoke to within a temperature range of between 0°C to 5 degrees C.

“35. In Phillips process, this smoke is not cooled in a cooling unit before treatment of tuna. In the Phillips process, the smoke is treated in two stages. During the first stage, the smoke is allowed to cool to ambient (room) temperature, at 20 degrees C when it is placed into a bladder. During the second stage, the smoke at ambient temperature is injected into the tuna containing in plastic bags. The plastic bags are then placed in a refrigerator set at -3 degrees C for 48 hours where the smoke and tuna are simultaneously cooled to a temperature of -3 degrees C.

“36. The smoke-cooling step of the Phillips process is different from the cooling step in claim 1. The Phillips process does not place smoke in a cooling unit prior to exposing it to the tuna meat. Within the context of claim 1, the term “cooling unit” is properly interpreted to mean a device which is capable of cooling smoke to the extra-low temperature of 0 degrees and 5 degrees C. The Phillips process does not use such a device in its cooling step. Rather, in the Phillips process smoke is allowed to cool only to ambient temperature in a bladder. In Phillips, ambient temperature is at least 20 degrees C and not within the 0 degrees and 5 degrees C temperature range recited in claim 1. Because the Phillips process does not perform all the steps recited in claim 1 exactly, it is my opinion that the (sic) Phillips does not literally infringe claim 1.

“Claim 2 depends from claim 1. In order to literally infringe claim 2, the Phillips process must, as a necessary pre-requisite, perform all the steps of claim 1 exactly, The Phillips process does not perform the cooling step recited in Claim 1 exactly. Therefore, I conclude the Phillips patent (sic) does not literally infringe Claim 2.”

67. Clearly, since the Phillips Seafood process does not include every element exactly as recited in Claim 1 and Claim 2 of the Yamaoka Patent, there can be no finding of literal infringement.”

Ms. Fernandez and Messrs. Kondracki and Banner all delved on claim interpretation, which is a question of law that this Bureau can competently resolve.

Respondent, in its Answer dated 27 May 2003, alleged, as compulsory counterclaim, that Philippine Patent No. I-31138 is invalid and lack of inventive step and for being obvious. This being a patent infringement case, this Bureau will pass upon the issue of validity or invalidity of Patent No. I-31138.

Philippine Patent No. I-31138 remains a valid patent. Patents are presumed to be valid unless otherwise proven by clear and convincing evidence (*Crescer Precision Systems v. Court of Appeals, et al.*, G.R. No. 118708, February 2, 1998; *Angelita Manzano v. Court of Appeals, et al.*, G.R. No. 113388, September 5, 1997). The burden of proving invalidity rests on the party asserting it (*Carella v. Advanced Micro-devices, Inc.*, 848 F.2d 1560, 7 USPQ2d 1548, fed. Cir. 1986). In this case, the Respondent disputes the validity of Patent No. I-31138 by arguing that it does not involve an inventive step and all the elements of Claim 1 thereof formed part of prior art. Respondent submitted a search report prepared by a certain Intellectual Property Protection Corporation pertaining to what respondent alleges as prior art references to individual elements of U.S. Patent No. 4,584,619.

After perusing the contents of the report, this Bureau finds that respondent's does not suffice to support a conclusion of invalidity. We fully agree with complainant's contention that the prior art references pertaining to the patent in dispute fall short of the parameters in determining obviousness. All elements of an assailed patent as a whole must be found in a single prior art reference. Jurisprudence states, to wit:

“An infringer cannot pick and choose among individual parts of assorted prior art references as a mosaic to recreate a facsimile of the claimed invention (Akzo N.V. v. United States, ITC, 808 F.2d 1471, 1 USPQ2d, Fed. Cir. 1986).”

“That all elements of an invention may have been older, or some old and some new, or all new, is simply irrelevant to the obviousness inquiry. Casting an invention as a combination of old elements leads improperly to an analysis of the claimed invention by the parts, not by the whole (Custom Accessories, Inc. v. Jeffrey-Allan Indus., 807 F2d 955, 1 USPQ2d 1196, Fed, Cir. 1986).”

On the issue of lack of inventive step, respondent’s recitation of references separately covering the elements taught in Claim 1 of Patent No. I-31138 cannot be a basis for a conclusion of invalidity. An invention, which is a combination old elements, could still be patentable. In fact, it is established that an invention being a combination of old elements is not relevant in determining patentability (Mac Corp. v. Williams Patent Crusher Co., 767 F.2d 882, USPQ 515, Fed Cir. 1985). Virtually all inventions are combination of old known elements and most inventions employ known principles (Linderman Maschinenfabrik v. American Hoist & Derrick Co., 730 F.2d 1452, 221 USPQ 481, Fed. Cir. 1984).

Further, respondent failed to adduce even a single reference that covers all the elements of Claim 1 of Patent No.I-31138. Anticipation requires that each and every element of the claimed invention be disclosed in a single prior art reference (In re Spada, 911 F2d 705, 15 USPQ2d 1655, Fed. Cir. 1990), or embodied in a single prior art device or practice (Minnesota min. &Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1226, 9 USPQ2d 1913, Fed. Cir.1989). Those elements inherent or disclosed expressly and must be arranged as in the claim (Constant v. Micro- Device, Inc., 848 F2d 1560, 7 USPQ2d 1057, Fed. Cir.1986).

After a judicious evaluation of the parties’ respective evidence, we find no substantial evidence on record which supports the conclusion that respondent has infringed complainant’s patent.

This Bureau takes note of the plain language used in claim 1 of Patent No.I-31138. We find that the steps involved in the subject claim are as follows:

1. Burning a smoke material at 250°C to 400°C to produce smoke:
2. The produced smoke is passed through a filter to remove mainly tar;
3. Cooling the filtered smoke cooled in a cooling unit at temperature between 0°C and 5°C
4. Exposing the tuna meat to the smoke cooled between 0°C to 5°C coming from the cooling unit.

The first step clearly suggests a process of burning a smoking material at the specified temperature range of 250°C to 400°C. The second step refers to the process of filtering smoke produced from burning a smoking material to remove mainly tar. The third step requires cooling of filtered smoke in a cooling unit within the temperature range of 0°C to 5°C. This step requires a specific cooling unit to achieve the purpose and teach a specific manner by which cooling of filtered smoke can be achieved (specifications of Patent No.I-31138). The fourth step mentions of “smoking of the tuna meat at extra-low temperature by exposure to smoke cooled to between 0°C to 5°C. We construe the phrase “smoking by exposure to smoke” as the curing step by which tuna is made to have contacted with filtered smoke.

During ocular inspection conducted upon respondent’s premises on 6 October 2003, this Bureau observed the following process;

1. Sawdust is burned mechanically or electronically through clamp heaters where is produced;
2. The produced smoke goes through a series of filters to remove tar and odor;
3. Filtered smoke then goes to a plastic bladder (canvass)
4. Plastic bladder is then transported to the production area filtered smoke is transferred through a compressor and is applied to raw tuna meat through an injector. (Temperature of smoke is allegedly around 22°C, while temperature of meat is around 0°C to 5°C);
5. Tuna injected with filtered smoke at ambient temperature is stored in a refrigeration unit with a temperature setting -3°C. (TSN October 6, 2003)

From the point of view of infringement, literal or by equivalents, this Bureau finds and so holds that Respondent's process does not fall within the scope of the Claims of Patent No.I-31138.

Respondent did not literally infringe on the Claims of Patent No.I-31138.

In literal infringement the accused product or process includes every element exactly as recited in at least one of its claims. In using literal infringement as a test, resort must be had, in the first instance, to the words of the claim. If accused matter clearly falls within the claim, infringement is made out and that is the end of it. To determine whether the particular item falls within the literal meaning of the patent claims, the Court must juxtapose the claims of the patent and the accused product within the overall context of the claims and specifications, to determine whether there is exact identity of all material elements. (Godines vs. Court Appeals, 226 SCRA 338 citing Studiengesellschaft Kohle mbh vs. Eastman Kodak Company, 616 F 2d 1324 (1980).

A through evaluation of the Claims of Patent No.I-31138 and of Respondent's process reveals that Respondent's process does not include every element as recited in Claims 1 and 2 of Patent No.I-31138.

The third step in Claim 1 which reads as "cooling the filtered smoke in a cooling unit at temperature between 0°C to 5°C" is not read in Respondent's process. The cooling absence of a cooling device or step was observed during ocular inspection conducted at respondent's plant on 6 October 2003. (VCD submitted with the Respondent's Formal Offer of Evidence dated October 23, 2003). It would appear that in Respondent's process, it does not require the smoke to be cooled. Rather, smoke is allowed to cool only to ambient temperature in a plastic bladder (canvass). Additionally, Respondent's filtration step likewise not read exactly in Complainant patent claim. This Bureau notes that Respondent employ a multiple filtration process or system designed not just to remove mainly of tar which is the case of Complainant's patent but also other impurities as well to obtain an odorless and tasteless smoke. Documentary evidence show that Respondent's filtration process consists of a smoke filtering chamber, water spray chamber, activated carbon, tar collector, water aerator, caustic washer, multiple water stage purifier. (Exhibit "5, 5-A, 5-B, 5-C, 5-D, 5-E, 5-F and 5-H"). Moreover, the fourth step in the patent claim is in contrast with that of the Respondent's. Complainant's process which expose the tuna meat to the smoke cooled between 0°C to 5°C coming from the cooling unit. In Respondent's process, the compressed smoke was cooled down to ambient temperature and is injected directly to the loin of the tuna meat.

Claim 2 of Complainant's patent which refers to the pre-treatment method of tuna meat, is clearly not utilized by the Respondent. Respondent's process involves a different method. As a necessary pre-requisite of Claim 2, all the step of Claim 1 must be performed exactly. As shown, the respondent's process does not perform the cooling step recited in Claim 1 and other steps exactly as recited therein.

Thus, as was previously held by this Bureau in Resolution No. 2004-14 dated July 30, 2004 and which is now reiterated in this Decision, there is no literal infringement of Patent No.I-31138 by the Respondent's use of its own process.

Respondent likewise, did not infringe by equivalents the Claims of Patent No.I-31138.

The Doctrine of equivalents provides that an infringement also takes place when a device appropriates a prior invention by incorporating its innovative concept and, although with some modification and change, performs substantially the same function in substantially the same way to achieve substantially the same result. (Godines v. Court of Appeals, 226 SCRA 338 (1993)). A scrutiny of the Claims of Patent No.I-31138 failed to convince us of the substantial sameness of subject patented process and of Respondent's process. The Supreme Court distinctly pronounced that identity of result does not amount to infringement of patent unless the accused process operates in substantially the same way or by substantially the same means as the patented process, even though it performs the same function and achieves the same result. In other words, the principle or mode of operation must be the same or substantially the same. The doctrine of equivalents thus requires satisfaction of the function-means-and-result test, the patentee having the burden to show that all three components of such equivalency test are met. (Smith Kline Beckman Corp. vs. Court of Appeals, 409 SCRA 33).

As lengthily discussed, the second, third, and fourth elements or steps of Claim 1 of Patent No.I-31138 cannot be read in the Respondent's process even by application of the doctrine of equivalents. A comparative analysis of the two processes shows substantial difference in three elements or aspects.

First, in the second step of Claim 1 or the filtering step, the objectives or obtaining results of the two processes are quite different. The filtering step in Claim 1 is limited to remove mainly tar. On the other, Respondent apparently, would like to obtain a better result rather than removal of tar. It wants the smoke produced to be odorless and tasteless, and this result can be achieved by removing other impurities in the smoke by further passing the smoke through a series of filters. This Bureau likewise observes Respondent's filtration process employing a multiple filtration system to produce an odorless and tasteless smoke, during the ocular inspection conducted at Respondent's plant in General Santos City on 6 October 2003. It can thus be clearly concluded that the filtering step of the Respondent's process operates in a very different way producing a substantially different result or product of an odorless and tasteless smoke.

This Bureau notes that the Complainant failed to convert these facts as shown by the evidence on record.

Moreover, Sec. 78 of the IP Codes provides:

"Sec. 78. Process Patents; Burden of Proof. - If the subject matter of a patent is a process for obtaining a product, any identical product shall be presumed to have been obtained through the use of the patented process if the product is new or there is substantial likelihood that the identical product was made by the process and the owner of the patent has been unable despite reasonable efforts, to determine the process actually used. xxx

After a careful scrutiny and deliberation of the facts and the evidence on records finds the process used by Respondent in the instant case is neither identical nor substantially similar to that of the Complainant (Patentee), and therefore, Respondent's process does not contravene nor violate Sec. 78 of R.A. 8293.

Secondly, the third step of Claim 1 or the cooling of filtered smoke step in Letters Patent No.I-31138 which is claimed as an independent and indispensable step to deliberately cool down smoke to between 0°C and 5°C has no equivalent step in Respondent's process. There are substantially different temperatures employed by the two processes in the cooling of the filtered

smoke. The Respondent's process does not require the smoke to be cooled at a specific low temperature in a cooling unit before its application to the tuna meat. As observed, in Respondent's process, the filtered odorless and tasteless smoke is allowed to cool down to ambient temperature in a plastic bladder (canvass) before it is applied to the tuna by injector. On the other hand, the claimed step, cools down the smoke in a cooling unit strictly to a temperature between 0°C to 5°C. These steps appear to be an essential step or element of the claimed process.

The specifications of Patent No.I-31138 require a specific cooling unit to achieve the purpose and teach a specific manner by which cooling of filtered smoke can be achieved, it thus provides:

"An apparatus to achieve the objects of this invention...comprises...a smoke-cooling unit having a cooling pipe to cool the smoke from the smoke filtering unit... and a smoking chamber where pieces of fish or other meat are placed one next to another and exposed to the smoke – cooling unit."

"Thus subsequent smoke-cooling unit cools the filtered smoke containing ingredients exerting highly preservative, sterilizing and color-keeping actives. Then, the smoke exposed to the fish or meat to be cured becomes as cold as between 0 degrees C and 5 degrees C preferably between 1 degrees and 3 degrees C. The smoke introduced from the smoke-cooling unit is brought into contact with pieces of fish or meat arranged in the smoke chamber. xxx

"xxx a smoke-cooling unit 3 to cool the smoke the filtering unit 2 to between 0 degrees and 5 degrees C. xxx"

"The smoke-cooling unit 3 has a meandering cooling pipe 32 that is placed in a cooling tank 30 filled with a cooling liquid 31 and connected to the exit end of the smoke cooled to between 0 degrees and 5 degrees C through the pipes 32 to the smoking chamber 4."

Clearly, Respondent's process of storing the smoke in plastic bladder (canvass) exposed to ambient temperature has no equivalent step in Patent No.I-31138.

To be considered as infringement, an infringing product or process should include each and every essential element of a claim. Corollary, the omission of an essential element of a patent claims avoid infringement.

Lastly the smoking/curing step in both processes are different. In the claimed process, the smoke cooled at temperature between 0°C to 5°C is exposed to the tuna. The specification describes that the smoke introduced from the smoke-cooling unit is brought into contact with pieces of fish or meat arranged in the smoking chamber. It would appear that only the outer surface of the tuna meat is in contact and exposed with the smoke. In contrast, in Respondent's process, the compressed smoke cooled down at ambient temperature is injected directly to the loin of the tuna meat. Moreover, Claim 2 of the subject patent does not mention of the tuna meat being frozen prior to its smoking or curing. Instead, salt is applied to the raw tuna as a pre-treatment method to improve the smell and taste of the tuna meat (Claim2 of the patent), whereas, the Respondent's process substantially freezes beforehand the tuna meat through washing and immersion in ice at about 0°C to 4.4°C. This pre-treatment method is done to keep the tuna fresh.

Generally, the extent of the protection conferred by the patent shall be determined by the claims, which are to be interpreted in the light of the description and drawings. However, the protection may extend the scope of the patent outside its express language under the doctrine of equivalents. (Section 75.1 and 75.2 IP Code.). Nonetheless, the doctrine of equivalents requires satisfaction of the three-way test or the function-means-and-result test, to ensure that the doctrine of equivalents does not go beyond the teaching of the invention as embodied in the specification and claims.

An accused process infringes under the doctrine of equivalents where it contains equivalent elements that perform substantially the same function in substantially the same way to achieve substantially the same result as the claimed elements of a patented invention which is not true in the instant case. Scrutinized under this function-means-and-result test for equivalency, the Respondent's process does not perform substantially the same function, nor operate the process in substantially the same way. Moreover, it did not achieve substantially the same result as elements of Claim1 of Patent I-31138.

Premises considered, this Bureau finds and so hold that the Respondent did not infringe Philippine Patent No.I-31138.

WHEREFORE, the instant Complaint for Infringement of Patent is, as it is hereby, DISMISSED. NO COSTS.

SO ORDERED.

Makati City, 30 October 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office