

L'OREAL,	}	IPC NO. 13-2008-00050
Petitioner,	}	Petition for Cancellation
	}	of Design for Cosmetic Container
-versus-	}	Reg. No. 3-2006-000105
	}	Date Issued: 18 December 2006
	}	
EVER BILENA	}	
COSMETICS, INC.,	}	
Respondent-registrant.	}	Decision No. 2009-51
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DECISION

For decision is the Petition for Cancellation of the design registration for Cosmetic Container under Registration No. 3-2006-000105 registered on 18 December 2006, filed under Application No. 3-2006-000105 on 17 February 2006 designed by Frederick B. Coronel and registered Ever Bilena Cosmetics, Inc., (hereinafter referred to as Respondent-registrant), a Philippine corporation with address at 289 Reparo Rd., Sta. Quiteria, Kalookan City, filed by L'Oreal, (hereinafter referred to as Petitioner), with principal place of business at 14 Rue Royale 75008 Paris, France.

The Petitioner alleges the following:

“1. Petitioner is the first owner and first user of a design for a cosmetic container which it uses in its world-famous products, Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE. Attached as Annexes “A” and “B” are photographs of the containers of Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE products.

2. Petitioner is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, which provides:

“Section 3. International Conventions and Reciprocity. – Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.”

21. The Philippines and France, where Complainant is domiciled, are members of the Paris Convention for the Protection of Industrial Property. The Paris Convention provides:

“Article 2

(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any

infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.”

3.3 The Philippines and France are also signatories to the TRIPS Agreement. The TRIPS Agreement provides:

“Article 3

Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property...xxx

Article 4

With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members...xxx”

3. The Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE products have been launched globally in the year 2004 and 2005, respectively. In the Philippines, Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE were launched on March 2004 and August 2005, respectively.

4. The Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE products are exclusively distributed in the Philippines by the Petitioner's wholly-owned subsidiary, L'Oreal Philippines, Inc. with business address at 23rd Floor, Robinsons Equitable Tower, No. 4 ADB Avenue corner Poveda St., Ortigas Center, Pasig City.

5. On October 2005, the Respondent launched its Advance Dazzling Shine product which has a container similar, if not identical, with the container of Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE products.

6. On 1 February 2006, the Petitioner, through the undersigned Quisumbing Torres (“QT”), the duly appointed legal counsel and attorney-in-fact of the Petitioner, sent a formal demand letter for the Respondent to cease and desist from the importation, sale and distribution of products which use similar, if not identical containers, to products of the Petitioner. A copy of the cease and desist letter is attached hereto as Annex “C”.

7. Instead of complying with the cease and desist letter and in an apparent effort to legitimize its use of the container, the Respondent, on 17 February 2006, applied for design registration with the Intellectual Property Office (“IPO”) the container of its Advance Dazzling Shine product. A copy of the formal drawings of the container of the Advance Dazzling Shine product is attached as Annex “D”.

8. On 18 December 2006, the IPO registered the container of Respondent's Advance Dazzling Shine product. A certified true copy of Design Registration No. 3-2006-000105 is attached as Annex “E”.

10. The IP Code further provides as follows:

SECTION 23. Novelty. – An invention shall not be considered new if it forms part of a prior art. (Sec. 9, R.A. No. 165a)

SECTION 24. Prior Art. – Prior art shall consist of:

24.1 Everything which has been made available to the public anywhere in the world, before the filing date or the priority date of the application claiming the invention; and

24.2 The whole contents of an application for a patent, utility model, or industrial design registration, published in accordance with this Act, filed or effective in the Philippines, with a filing or priority date that is earlier than the filing or priority date of the application: Provided, that the application which has validly claimed the filing date of an earlier application under Section 31 of this Act, shall be prior art with effect as of the filing date of such earlier application: Provided further, that the applicant or the inventor identified in both applications are not one and the same. (emphasis supplied)

(part missing)

A copy of the Transcript of Stenographic Notes of the hearing dated 15 December 2006 for IPV Case No. 10-2006-00016 is attached as Annex “F”.

12.3 By Respondent’s own admission, it is not the designer of the container as it imports the product in the current container. While Respondent adds some branding by printing Advance Dazzling Shine and other words on the container, these additional wordings are not part of the container design. The act of importing the container into the Philippines does not make the importer the designer of the container in the Philippines.

12.4 Moreover, as admitted by the Respondent, the products are already available in China. Being already available in China in tangible form, the design has lost its novelty. Hence, the Respondent’s registration may be properly cancelled.”

In support of its petition, it submitted the following evidence:

ANNEX	DESCRIPTION
Annex “A” & “B”	Pictures attaches to an Affidavit of Robert Edric Josef R. Lizare
“C”	Copy of cease and desist letter
“D”	Copy of formal drawings of the container of Advance Dazzling Shine
“E”	Copy of Industrial Design Registration No. 3-2006-000105 entitled Design for a Cosmetic Container
“F”	Copy of transcript of stenographic notes dated 15 December 2006 in IPV Case No. 10-2006-00016

In its Verified Answer received on 27 June 2008, respondent-registrant raised the following affirmative defenses:

“16. Petitioner has no legal capacity to maintain this action for Petition for Cancellation in the Philippines for it is a foreign corporation doing business in the Philippines without a license and this was clearly established in Respondent’s Answer to Petitioner’s Complaint for Unfair Competition in IPV Case No. 10-2006-00016, to wit:

“13.1 *Complainant claims to have been organized and existing under the laws of the Republic of France, it registered and applied for the registration of Maybelline, L’oreal, Glam Shine, and Glam Trademarks with the Intellectual Property Office of the Philippines (paragraph 1.7, Complaint);*

13.2 *Complainant claims that it has launched L’Oreal Shine, MAYBELLINE FOREVER METALLICS AND MAYBELLINE FOREVER STARLITE in the Philippines on March 2004 and August 2005, respectively (paragraph 1.10, Complaint). At this point, it needs emphasis that as claimed by the Petition, their trademarks are only MAYBELLINE, L’oreal, Glam Shine and Glam, and not L’Oreal Glam Shine, Maybelline Forever, and Maybelline Forever Starlite Lipstick.*

13.3 *Complainant distributed in the Philippines the subject cosmetic products through its wholly owned subsidiary L’Oreal Philippines, Inc. (paragraph 1.9, Complaint);*

13.4 *The subject cosmetic products of complainant are being sold in the Philippine market under the foreign cosmetics brands section of SM Malls, Robinson’s Malls, Landmark and Rustan’s among others;*

13.5 *Based on the foregoing allegations of the Petitioner, it is unquestionably doing business in the Philippines by distributing and selling Maybelline Forever Metallics and Maybelline Forever Starlite in the Philippine market since March 2004 and August 2005, respectively, up to the present;”*

17. Accordingly, Petitioner must have a license to do business in order for it to maintain a suit for Petition for Cancellation pursuant to Section 133 of The Corporation Code, which reads:

“SEC. 133. Doing business without a license. – No foreign corporation transacting business in the Philippines without a license, or its successors or assigns, shall be permitted to maintain or intervene in any action, suit or proceedings in any court or administrative agency of the Philippines; but such corporation may be sued or proceeded against before Philippine courts or administrative tribunals on any valid cause of action recognized under Philippines law.” (emphasis supplied)

18. The reason for the rule should not be disregarded. “The purpose of the rule requiring foreign corporations to secure a license to do business in the Philippines is to enable us to exercise jurisdiction over them for the regulation of their activities in this country. If a foreign corporation operates in the Philippines without submitting to our laws, it is only just that it not be allowed to invoke them in our courts when it should need them later for its own protection. While foreign investors are always welcome in this land to collaborate with us for our mutual benefit, they must be prepared as an indispensable condition to respect and be bound by Philippine law

in proper cases, as in the one at bar.” (*Granger Associates vs. Microwave Systems, Inc.*, 189 SCRA 63, 1990)

19. The Petition was signed by Atty. Andre Philippe G. Betita and Atty. Jocelyn Lyle Sarmiento and verified only by the latter of Quisumbing and Torres who has no such specific authority from the Board of Directors of the Petitioner.

20. The Special Power of Attorney attached in the Petition is apparently defective as it was not executed and signed by the duly authorized representative of the Petitioner.

21. It bears stressing that as provided in part by Section 1, Rule 2 of the Rules and Regulations on Administrative Complaints for Violation of Law involving Intellectual Property Rights:

“Section 1. Complaint. When and to Whom Filed. –

xxx

the complaint shall include a certification that the party commencing the action has not filed any other action or proceeding involving the same issue or issues before any tribunal or agency nor such action or proceeding is pending in other quasi-judicial bodies; Provided, however, that if any such action is pending, the status of the same must be stated, and should knowledge thereof be acquired after the filing of the complaint, the party concerned undertakes to notify the Bureau within five (5) days from such knowledge. Failure to comply with the foregoing requirements shall not be curable by mere amendments of the complaint or other initiatory pleading but shall be cause for dismissal of the case without prejudice. The submission of a false certification or non-compliance with any of the undertakings therein shall constitute indirect contempt, without prejudice to the corresponding administrative and criminal actions. If the acts of the party or his counsel clearly constitute willful and deliberate forum shopping, the same shall be ground for summary dismissal with prejudice and shall constitute direct contempt.” (emphasis supplied)

For lack of proper authority granting Quisumbing and Torres Law Firm to execute and sign the verification and certification, in effect this Petition lacks the certification and verification for which reason the instant Petition deserves an outright dismissal.

22. There is a possibility that two (2) different products of different designers from different countries without knowledge of the existence of each other would have similar basic features by sheer coincidence. However, to make a sweeping conclusion that just because Maybelline FOREVER METALLICS and Maybelline FOREVER STARLITE designs could have existed somewhere in this planet which are NOT KNOWN (not being registered in the Philippines) or made public cannot be a legal or reasonable basis in making a conclusion that such is a prior art and thus should bar registration of respondent’s design. In fact, no citation of MAYBELLINE FOREVER METALLICS and MAYBELLINE FOREVER STARLITE design was made by the Examiner of this Honorable Office in examining the application for registration of the design of the respondent which only proves that such design of the petitioner was not known.

23. Whether or not a product design is well-known internationally a question of fact which should be proved by one claiming such international renown. And in the absence of proof, petitioner's design cannot be considered as a well-known design.

24. Respondent, through its commissioned artist, was the one that crafted the product design, color scheme and over-all look of the product subject of this case with reference only to the inputs provided from all concerned groups at the respondent company.

25. Respondent is the registered owner of Industrial Design Patent No. 3-2006-000105, the patent subject of this case. The Industrial Design Patent was issued by this Honorable Office on December 18, 2006 in favor of respondent.

26. Industrial Design Patent No. 3-2006-000105 is a design for a cosmetic container.

27. The specification or description and application of Design Patent No. 3-2006-000105 was subjected to a prior search and examination before it was granted a patent. If the specification of the said application is non-enabling, the examiner would not have granted a patent thereto.

In the case of *Del Rosario vs. Court of Appeals*, 255 SCRA, 152-166, the Supreme Court held:

"In issuing, reissuing or withholding patents and extensions thereof, the Director of Patents determines whether the patent is new and whether the machine or device is the proper subject of patent. In passing on an application, the Director decides not only questions of law but also questions of fact, i.e. whether there has been a prior public use or sale of the article sought to be patented. Where petitioner introduces the patent in evidence, if it is in due form, it affords a prima facie presumption of its correctness and validity. The decision of the Director of Patents in granting the patent is always presumed to be correct, and the burden then shifts to respondent to overcome this presumption by competent evidence."

28. It should bear emphasis that when Respondent filed an application for an Industrial Design Registration of Advance Dazzling Shine, Petitioner then had not made any claim of ownership of said design. Petitioner could be too presumptuous in expecting that all similar other designs should be barred just because it has an allegedly similar design which is not publicly claimed by it or even know in the Philippines.

The patent laws have not generally recognized as prior art that which is not accessible to the public. It has been a basic principle of basic law, subject to minor exceptions, that prior art is technology already available to the public. It is available, in legal theory at least, when it is described in the world's accessible literature, including patents, or has been publicly known or in public use or on sale "in this country." That is the real meaning of "prior art" in legal theory- it is knowledge that is available, including what would be obvious from it, at a given time, to a person of ordinary skill in the art.

Moreover, as between an earlier invention who has not given the public the benefit of the invention, e.g., because the invention has been abandoned without

public disclosure, suppresses or concealed, and a subsequent inventor who obtains a patent, *the policy of the law is for subsequent inventor to prevail*. Early public disclosure is a linchpin of the patent system. *As between a prior inventor who does not disclose and a later inventor who promptly files a patent application*, the law favors the latter. Likewise, when the possessor secret art (art that has been abandoned, suppressed or concealed) that predates the critical date is faced with a later-filed patent, the later-filed patent should not be invalidated in the face of this “prior” art, which has not been made available to the public. Thus, prior, but non-public, inventors yield to later inventors who utilize the patent system. (*Oddzon Products, Inc. vs. Just Toys, Inc., Lisco, Inc. and Spalding & Evenflo Companies, Inc. United States Court of Appeals for the Federal Circuit, August 8, 1997*).

29. Thus, Respondent as a patentee has all the right to make, use or sell the patented design for the purpose of industry or commerce throughout the Philippines for the term of the patent. Definitely, Petitioner has no right to stop the respondent-patentee of said acts until the end of the term of the respondent’s patent. Unbelievably, Petitioner is seeking for the protection of a right which in the first place does not exist.

When a patent has been examined and duly granted, judicial review must give due weight to the presumption of validity. The presumption of validity is based on the presumption of administrative correctness of actions of the agency charged with examination of patentability. (*Advanced Materials, Inc. vs. Advanced Semiconductor Materials America, Inc. and Epsilon Technology, Inc. D/B/A ASM Epitaxy, and Advanced Semiconductor Int. N.V., United States Court of Appeals for the Federal Circuit, October 24, 1996*.)”

The parties were called to a preliminary conference on 23 July 2008 but no amicable settlement was obtained between the parties. The main issue is whether the industrial design registration can be cancelled for lack of novelty.

At the outset, the Bureau shall clarify the issue raised by respondent-registrant that the petitioner has no legal capacity to sue. Section 160 of R.A. No. 8293 which states that:

“Sec. 160. Right of Foreign Corporation to Sue in Trademark or Service Mark Enforcement Action. – Any Foreign national or juridical person who meets the requirements of Section 3 of this Act and does not engage in business in the Philippines may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation or origin and false description, whether or not it is licensed to do business in the Philippines under existing laws.”

The foregoing provision in conjunction with Section 3 of the same law affords Petitioner the standing to file this action. Section 3 provides:

“Section 3. International Conventions and Reciprocity. Any person who is a national or who is domiciled or has a real or effective business establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to the benefits to the extent

necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.

Turning to the main issue, petitioner claims to be the first owner and first user of the design for a cosmetic container. Petitioner alleges that respondent-registrant's industrial design lacks the requisite novelty. Republic Act 8293 states:

"SECTION 23. Novelty – An invention shall not be considered new if it forms part of a prior art.

"SECTION 24. Prior Art – Prior art shall consist of:

24.1 Everything which has been made available to the public anywhere in the world, before the filing date or the priority date of the application claiming the invention; and

24.2 The whole contents of an application for a patent, utility model, or industrial design registration, published in accordance with this Act, filed or effective in the Philippines, with a filing or priority date that is earlier than the filing or priority date of the application: Provided, that the application which has validly claimed the filing date of an earlier application under Section 31 of this Act, shall be prior art with effect as of the filing date of such earlier application: Provided further, that the applicant or the inventor identified in both applications are not one and the same."

In order for an industrial design to possess the requisite novelty, it must not form part of prior art. Under the new law, the definition of prior art is encompassing. Prior art is more than just being publicly known or publicly used in this country or described in a printed publication circulated in the Philippines. A design can be considered as prior art if it has been made available to the public anywhere in the world.

To prove that the challenged industrial design registration is not new, petitioner showed a photocopy of a picture of its FOREVER METALLICS and FOREVER STARLITE. (Annex "A" and "B") It alleges that it launched this product in 2003 which was not denied by respondent-registrant, although respondent-registrant's posits that the designs are not the same. Apart from this, petitioner submitted a photocopy of the design registration of respondent-registrant. It also submitted a photocopy of the stenographic notes taken at an administrative case then pending with the Bureau. It is noteworthy to mention at this point that said administrative case has been decided by this Bureau in favor of herein respondent. Moreover, it cannot be overlooked that aside from one affidavit by its witness attaching Annexes "A" and "B", consisting of a photocopy of a picture of its FOREVER METALLICS and FOREVER STARLITE which do not prove prior art, petitioner merely submitted photocopies of documents to prove its case.

Office Order No. 79, series of 2005 or the Amendments to the Regulations on Inter Partes Proceedings provides for the requirement in the filing of petition, to wit:

"Sec. 7. *Filing of Petition or Opposition* –

7.1 The petition or opposition, together with the affidavits of witnesses and originals of the documents and other requirements, shall be filed with affidavits of witnesses and originals of the documents and other requirements, shall be filed with the Bureau, provided that in the case of public documents, certified copies shall be allowed in lieu of the originals."

Petitioner attempts to prove that the design was not novel through the affidavit testimony of Robert Edric Lizares where he stated that L'Oreal launched the product in 2004 and 2005. Petitioner also points out to the portions of cross-examination of a witness in IPV Case alluding to a statement referring to orders for the manufacture of the cosmetic containers in China. Firstly, the comparison of a photocopy of the picture juxtaposed with a drawing of the registered industrial design is not enough to make a conclusion that their respective designs are similar. Secondly, a perusal of the filewrapper of the application Industrial Design Registration No. 3-2006-000105 also reveal that the patent examiner did not find any relevant art that anticipates the design. The evidence presented by petitioner is not enough to overthrow the presumption of validity accorded to industrial design registration.

In *Angelita Manzano v. Court of Appeals, and Melecia Madolaria* (G.R. No. 113388, September 5, 1997), the Supreme Court held:

“The issuance of such patent creates a presumption which yields only to clear and cogent evidence that the patentee was the original and first inventor. The burden of proving want of novelty is on him who avers it and the burden is a heavy one which is met only by reasonable doubt. xxx

There is a presumption that the Office has correctly determined the patentability of the model and such action must not be interfered with in the absence of competent evidence to the contrary. xxx

Pursuant to the requirement of clear and convincing evidence to overthrow the presumption of validity of a patent, it has been held that oral testimony to show anticipation is open to suspicion and if uncorroborated by cogent evidence, as what occurred in this case, it may be held insufficient.” (Underscoring provided)

WHEREFORE, premises considered the instant PETITION FOR CANCELLATION is hereby DENIED. Accordingly, Registration No. 3-2006-000105 registered on 18 December 2006 in the name of Ever Bilena Cosmetics, Inc., remains VALID AND SUBSISTING.

Let a copy of this Decision be forwarded to the Bureau of Patents for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, April 22, 2009.

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