

PHILIPPINE GLOBE INDUSTRIES, INC.,
Petitioner,

INTER PARTES CASE NO. 1986

PETITION FOR CANCELLATION

- versus -

Letters Patent No. UM-5893
Issued: October 1, 1985
Patentee: Boo Yong Yoon
For: ELECTRONIC BALLASTS

BOO YONG YOON, duly represented by
Sisinio Q. Montenegro as Philippine
Representative, and KWON YOUNG UNG,
Respondent-Patentees.

Decision No. 88-101 (PAT.)
October 11, 1988

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DECISION

This is a petition for cancellation filed on May 15, 1986 by Philippine Globe Industries, Inc. (PGII) seeking for the cancellation of Letters Patent No. UM-5893 issued October 1, 1985 in favor of the herein Respondent-Patentee, Boo Yong Yoon for "ELECTRONIC BALLASTS".

Petitioner is a domestic corporation with business address at 1087 Pasong Tamo Ext., Makati, Metro Manila, while Respondent Boo Yoon and Kwung Young Ung are Korean citizens with addresses in the Philippines, respectively at 3-A Polaris Condominium, 40 Polaris St., and 54 Estrella St., Bel-Air Village, Makati, Metro Manila.

The petition is based on the grounds that:

"1. That the utility model covered by Letters Patent No. UM-5893 is not new and original and therefore not patentable under Section 55 of Republic Act 165 as amended;

2. That the person to whom the patent was issued was not the first, original, true and actual author thereof nor did he derive his rights from the true and actual author thereof;

3. That at the time of the application of a patent for the electronic ballast utility model, the Satellite Electronic Ballast was already being sold in small quantities in the market in the Philippines to end-users; and it was further used and continuously tested by petitioner in its small laboratory;

4. There have been descriptions of the electronic ballast in foreign publications, especially in Korea, where ALFREDO T. MARTINEZ secured samples in 1982, and had them modified to suit the local conditions in the Philippines."

Records show that answers were filed for the petition. One answer was filed at the instance of Respondent Boo Yong Yoon thru his counsel, Atty. Narciso Manantan, and the other was made by Atty. Juanito M. Romano, in behalf of the two Respondents, Boo Yong Yoon and Kwon Young Ung. Both answers denied specifically all the material allegations in the petition and set therein their affirmative defenses.

In the pre-trial conference, only Respondent Boo Yong Yoon and his counsel appeared and upon motion made in open court, Respondent Kwong Young Ung was declared in default. For failure to reach amicable settlement, the parties proceeded to trial on the merits. The hearing was terminated with witness Boo Yong Yoon, despite several resetting, failed to appear to testify for the cross-examination on the ground that his counsel lost contact with him and he had no knowledge of his (Respondent's) whereabouts (Motion dated November 24, 1987). The case was submitted for decision thereafter.

Admitted as Petitioner's evidence are documentary exhibits consisting of Exhibits "A" to "U", inclusive of their submarkings, and the testimonials of Alfredo T. Martinez, the President of the herein Petitioner. Respondent's evidence consisted of Exhibits "1" to "19" which were actually Petitioner's exhibits which were adopted by Respondent as his exhibits.

The issue is whether or not on the basis of the evidence presented by parties, grounds exist to cancel Letters Patent No. UM-5893.

Section 55 of Republic Act 165, as amended, reads:

"SEC. 55 Design patents and patents for utility models. – (a) Any new, original and ornamental design for an article of manufacturer and (b) any new model of implements or tools or of any industrial product, or of part of the same, which does not possess the quality of invention, but which is of practical utility by reason of its form, configuration, construction or composition, may be protected by the author thereof, the former by a patent for a design and the latter by a patent for a utility model, in the same manner and subject to the same provisions and requirements as relate to patents for inventions insofar as they are applicable, except as otherwise herein provided.

The standard of novelty established by section nine hereof for inventions shall apply to ornamental designs.

A utility model shall not be considered 'new' if, before the application for a patent, it has been publicly known or publicly used in this country, or has been described in a printed publication circulated within the country, or if it is substantially similar to any other utility model so known, used or described within the country." (Underscoring supplied)

The standard of novelty (newness) required for utility model for purpose of applying a patent is higher compared to invention or design patent. In utility model patent, the appropriate rule is "apply first before producing" for once the subject model becomes publicly known or used in the Philippines even in the shortest possible time before the filing of an application, the said utility model, pursuant to Section 55, supra, is no longer new, hence, un-patentable.

In the instant case, the application for the electronic ballast was filed on July 21, 1983.

The model relates to a ballast circuit for starting and operating gaseous discharge lamps and more particularly to an electronic ballast construction for rapid start fluorescent lamps. Details of the model are described in the specification of the letters patent marked as Exhibits "1-b" and "1-c".

Evidence show that long prior to the filing of the corresponding application, the electronic ballasts patented by Respondent was already publicly known and used in the Philippines thru the initiative of Alfredo Martinez, the President of the Petitioner. In 1982, Martinez made business trips in Korea (Exhs. "N", "N-1" and "N-2") and brought home samples of electronic ballasts to be tested and manufactured in the Philippines. Since the electronic ballasts failed to meet the local electrical standard, tests and modifications were conducted as early as December, 1982 (Exh. "R"). On July 19, 1983, the U.P. Industrial Research Center issued the result of the test (Exhs. "D", "D-1" and "D-2") showing the viability of the electronic ballasts in the Philippines.

Records, however, show that pending the result of the test of the modified electronic ballasts, the same were already produced and being sold in small quantities as evidenced by "Exhibit "M". Moreover, the idea of electronic ballasts has been publicly known as early as July 16, 1982 when Mr. Martinez, under the then Vigor Philippines Trading Corp., invited managers/sales supervisors of some electrical companies (Exhs. "Q" to "Q-1") for the introduction and promotion of electronic ballasts. Considering that prior use may be defined as the use of invention in public, generally for profit, and that the use may be by only one or a limited number

of persons (Egbert v. Lippman, 104 US 333), and that an offer to sell the product or machine has been held to be a sale within the meaning of the statute (Biesterfeld, Patent Law, p. 28), the above circumstances renders the electronic ballasts publicly known or used prior to the filing of the application.

Deduced from the evidence is the fact that the utility model under Letters Patent No. UM-5893 is a joint effort of the Petitioner's President and its technicians and the U.P. Industrial Research Center. Proof of Petitioner's authorship of the said model is the fact that the Petitioner, whose President is Mr. Martinez, is the holder of the Certificate of the Product Standard (PS) mark (Exh. "G") required pursuant to the Letter of Instruction 1208 dated March, 1982.

It is clear therefore that the patent in question was secured by Boo Yung Yoon by means of fraud and misrepresentation. Respondent Boo Yung Yoon, after the incorporation of the Petitioner Philippine Globe Industries, Inc. (PGII) thru Kwong Young Ung, one of the herein Respondents and an incorporator of the PGII. Because Kwong Young Ung vouched for Boo Yung Yoon, the latter was able to enter the premises and laboratory of PGII and became a technician thereof under the care of Kwong Young Ung, for there was no formal employment of him by the PGII. In breach of trust and confidence, Boo Yung Yoon acquired a patent to the product which PGII was manufacturing.

PREMISES CONSIDERED, this Bureau GRANTS the herein petition for cancellation and CANCELS Letters Patent No. UM-5893.

Let the records of this case be remanded to the Patent/ Trademark Registry and EDP Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO
Director