

PHILMETAL PRODUCTS, INC.,
Petitioner,

- versus -

NATY DY
Respondent-Patentee.
x-----x

Inter Partes Case No. 13-1999-00027
Petition for Cancellation of:

Letters Patent No.: D-7344
Date Issued: 30 January 1997
Title: ROOFING SHEET

Decision No. 2003-11

DECISION

This pertains to the Petition for Cancellation in the matter of Philippine Letters Patent No. D-7344 for ROOFING SHEET granted on January 30, 1997 to NATY DY of Sta. Cruz, Manila, Philippines, the herein Respondent-Registrant which Petition for Cancellation was filed on January 8, 1999.

The Petitioner in the instant Inter Partes Case is PHILMETAL PRODUCTS, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Philsteel Tower, 140 Amorsolo St., Legaspi Village, Makati City.

The grounds for cancellation are as follows:

- "1. The subject matter of the industrial design is not registrable within the terms of Section 112 and 113;
- "2. The subject matter is not new or original."

The Petitioner relied on the following facts to support its petition:

- "1. Petitioner is, and has been for many years engaged in the manufacture and marketing of world-class building materials that are both durable and economical. A copy of this Article of Incorporation is hereto attached as Annex "A" and made integral part of this petition.
- "2. When Petitioner began its rollforming operations in 1990, it was ranked Td among three existing companies in the country. From this humble start, PMPI climbed to the top and is now the number one rollformer among the more than twenty rollforming companies in the Philippines with more than forty percent (40%) of the total market share .
- "3. To date, PMPI operates six manufacturing plants and eleven sales offices strategically located in key growth areas nationwide ----- affirming its commitment in bringing its quality products closer to the Filipino consumers.
- "4. Consistent with the company's policy of manufacturing products that assured the end-users of value for his purchase, all PMPI products undergo the exacting technological tests of quality recognized by the most advanced countries of the world like the American Standard for Testing Material, Japan Industrial Standard and the Philippine National Standard.
- "5. PMPI has continued to upgrade technological capabilities to put in place superior quality control facility, the acquisition and application of new technologies into area where the requirements for its products are increasing.

- "6. PMPI operates on state-of-the-art equipment sourced from some of the world's finest tooling companies like Knudson Manufacturing, Inc., of the United States.
- "7. In June 1996, PMPI purchased from Knudson Mfg., Inc., a Model KR-24 panel machine which PMPI has been using in its operation since that time.
- 7.1 A Brochure of Knudson Mfg., Inc., depicting the Model KR-24 roof machine and the profiles coming from the KR-24 panel machine attached hereto as Annex "B" and made an integral part of this petition.
- 7.2 Likewise attached hereto as Annexes "C" and "D" are notarized copies of the Commercial Invoice and Bill of Lading evidencing the purchased of a Model KR-24 roof panel machine from Knudson Mfg., Inc.
- "8. Companies in other countries including the Philippines, purchased from Knudson Manufacturing, Inc., of the United States a Model KR-24 roof panel machine which was the same roof panel machine bought by PMPI.
- "9. The design of a "Roofing Sheet" patented by Respondent-Patentee Naty Dy is substantially similar, if not identical, to the profiles coming from the KR-24 roof panel machine, a proprietary Knudson product which was in use long prior to the filing of the patent application by Naty Dy on January 20, 1995.
- "10. The design of the roofing sheet patented by Respondent-Patentee Naty Dy appears to have been merely copied from the profiles coming from the KR-24 roof panel machine of Knudson Manufacturing, Inc., and therefore, said design is not new or original and not patentable under the relevant provision of Republic Act No. 8293.
- "11. Furthermore, Respondent-Patentee Naty Dy falsely claimed under oath in her application that she is the original, first and sole inventor of a roofing sheet design; that she does not know that the same was ever known or used by others in the Philippines before her invention thereof, or patented or described in any printed publication in any country more than six months prior to the date of her application, or in public use or on sale in the Philippines when in truth and in fact she is not the true, actual and original designer thereof nor did she derived her right thereto from the true and original designer.

On October 1, 1999, Respondent-Patentee Naty Dy, through counsel filed her Answer to the petition denying all the material allegations therein and further alleged that:

- "4. Respondent-Patentee was regularly granted Letters patent No. D-7344 after a finding that the same was registrable under Republic Act No. 165 and that it was new or original.
- "5. Even Petitioner admits that they purchased the Model KR-24 roof panel machine only in June 1996 while Respondent's application for a design patent was filed on January 20, 1995.
- "6. A visual comparison of the drawing in the knudson machine brochure and the drawing in Patent No. D-7344, particularly figure 2, shows a marked difference. While the knudson machine brochure shows a loop on the right end of the design, there is none in Patent No. D-7344.

The Parties were not able to come out with an amicable settlement for which trial on the merit was conducted.

The issues to be resolved in this particular case are as follows:

1. WHETHER OR NOT THE SUBJECT MATTER IS NEW OR ORIGINAL.
2. WHETHER OR NOT RESPONDENT-PATENTEE NATY DY IS THE TRUE AND ACTUAL AND ORIGINAL DESIGNER OF THE PATENTED ROOFING SHEET.

Subject Letters Patent No. D-7344 sought to be cancelled was issued on January 30, 1997, and the law then in force is Republic Act No. 165,

SECTION 9 of Republic Act No. 165 provides:

“Invention not considered new or patentable. An invention shall not be considered new or patentable or capable of being patented if it was known or used by others in the Philippines before the invention by the inventor named in an application for patent for the invention or if it was patented or described in any printed publication in the Philippines or any foreign country more than one (1) year before the application for a patent thereof, or if it had been in public use or on sale in the Philippines for more than one (1) year before the application for a patent thereof, or if it is the subject matter of a validly issued patent in the Philippines granted on an application filed before the filing of the application for patent therefore.

SECTION 56. Six months publication - The period of one year specified in section nine (9), Chapter II, and section fifteen (15), Chapter III, hereof, for inventions shall be six months in the case of designs.”

Petitioner marked and formally offered its exhibits consisting of Exhibits "A" to "L" inclusive of sub-markings. (ORDER No. 2001-75) dated February 5, 2001.

On the other hand, Respondent-Patentee, Naty Dy marked and formally offered the exhibits consisting of exhibits "1" to "5" and their corresponding sub-markings (ORDER No. 2001-194) dated 20 April 2001.

As shown by the evidence presented, the KR-24 Machine was purchased from Knudson Manufacturing, Inc., of Colorado, United States of America the proprietary product of said company which is covered by a valid patent in the United States bearing Patent No. 4,811,587 issued on March 14, 1989 (Answer to cross-interrogatories question nos. 1 & 2 (Exhibit "L-1-A") by Denver Builder's Supply, Inc., evidenced by Commercial Invoices Nos. 15065 and 15066 and the Bill of Lading (Exhibits "E", "E-1", "E-2", "F" and "F-1") and the date appearing in the commercial invoices is April 6, 1995 and April 16, 1995 as indicated in the Bill of Lading.

Another entity who have purchased the KR-24 machine from Knudson Manufacturing, Inc., is Philmetal Products, Inc., (Exhibit "i" and "i-1") the herein Petitioner.

Knudson Manufacturing, Inc., brochure for the KR-24 Machine states among others that the KR-24 Portable Standing Seam Panel Manufacturing System offers the profiles as follows:

1 1/2 " and 2" in widths from 12" up to 24". Both profiles heights after flat 2 or 3 stiffening bead, or fluted panel bottoms. (Exhibit "L-6-13")

It can also produce a "U" PAN.

The above-mentioned profiles are not patentable because of prior use, 2" since 1987, 1 1/2" for 100 years (Answer to cross-interrogatories (Question No. 5)) (Exhibit "K-1").

It must be noted and as shown by the brochure marked as (Exhibit "C"), Rainbow Roof Colorcote Manufacturing Company, Inc., the company of Respondent-Patentee Naty Dy and Denver Builder's Supply, Inc., which purchased a KR-24 machine from Knudson Manufacturing, Inc., of Colorado, United States of America and DENCIO DY the husband of Respondent-Patentee who is an incorporator are holding office at the same address at Rm. 306 Metropolitan Terrace, Metropolitan Avenue, Makati, Metro Manila, hence the probability that NATY DY was aware of the designs of the profiles produced by KR-24 machines because of her relationship with DENCIO DY.

There is no doubt that figure 1 and 2 of the drawing forming part of Letter Patent No. D-7344 clearly show that the design of the roofing sheets is identical with the panel configuration or profile shown in the printed publication marked as exhibits "B", "B-1", "B-2", "L-2", "L-3", "L-4", "L-5", "L-6" and "L-6-A" and said design of the profiles are produced by only one machine the KR-24 machine of Knudson Manufacturing, Inc., of Colorado, United States of America.

The characteristic features of the profile as shown in the printed publication and the design for roofing sheets shown in Figure 1 and Figure 2 of the drawing in Letters Patent No. D-7344 are practically the same in that both features reside on a plurality of secured trapezoidal ridges defining the central portion of said roofing sheet, both ends of the roofing sheet terminate to an inverted L-shaped side wall with one side wall having a downward lip.

On the basis of the testimony of petitioner's witness James W. D. Frasche and the documentary evidence submitted in answer to respondent's cross-interrogatories, it was established beyond reasonable doubt that the design of the roofing sheet in question is no longer new or patentable because it was patented or described in printed publication in the Philippines and in the United States more than six months before the filing of the application for patent on January 20, 1995. These references although published in a foreign country, viz, United States, are printed publications and patents whose publication dates are more than six months prior to the filing date of respondent-patentee's application for patent in the Philippines. They are, therefore, prior art contemplated under Section 9 of Republic Act No. 165.

Moreover, the test of identity or substantial identity between designs had been set forth in the leading case of Gorham v. White, 2 O.G. 592; 81 US 511 which was decided by the U.S. Supreme Court. This test which has been universally accepted is as follows:

"If in the eye of an ordinary observer giving such attention as a purchaser usually gives, the two designs are substantially the same, if the resemblance is such as to deceive such observer inducing him to purchase one, supposing it to be the other, the first one patented is infringed by the others . "

Said rule, which has been rephrased in Sagandorth v. Huger 95 Fed. 478 is quoted hereunder:

"If the two designs are so alike that one may readily be taken the other by an ordinary observer, the earlier constitutes an anticipation of the later, notwithstanding differences in detail and in non-essential matters" (Underscoring supplied)

Considering therefore, that the design of the roofing sheet in question has already been patented and described in a printed publication and used since 1987 (Answer to question No. 5 cross-written interrogatories) Exhibit "K-1", hence, the same is not considered NEW or ORIGINAL and as such not capable of being patented pursuant to SECTION 9 of Republic Act No. 165, as amended.

Premises considered, the Petition for Cancellation is hereby GRANTED. Consequently Letters Patent No. D-7344 issued on 30 January 1997 in the name of NATY DY is hereby CANCELLED.

Let the filewrapper of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, February 24, 2003.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs