Republic of the Philippines
SUPREME COURT
Manila

EN BANC

G.R. No. L-36650 January 27, 1933

ANGEL VARGAS, plaintiff-appellee,

vs.

PETRONILA CHUA, ET AL., defendants-appellants.

Jose F. Orozco for appellants.
Jose Yulo for appellee.

IMPERIAL, *J.:*

The defendants Petronila Chua, Coo Pao and Coo Teng Hee, appeal from the judgment of the Court of First Instance of Manila, the dispositive part of which reads as follows:

> Wherefore judgment is rendered in favor of the plaintiff and against the defendants, ordering each and every one of them, their agents, mandatories and attorneys, to henceforth abstain from making, manufacturing, selling or offering for a sale plows of the type of those manufactured by the plaintiff, and particularly plows of the model of Exhibits B, B-1 and B-2, and to render to the plaintiff a detailed accounting of the profits obtained by them from the manufacture and sale of said type of plows within thirty (30) days from the date of the receipt by them of notice of this decision, with costs against all of the defendants.

Angel Vargas, the plaintiff herein, brought this action to restrain the appellants and the other defendant entity, Cham Samco & Sons, their agents and mandatories, from continuing the manufacture and sale of plows similar to his plow described in his patent No. 1,507,530 issued by the United States Patent Office on September 2, 1924; and to compel all of said defendants, after rendering an accounting of the profits obtained by them from the sale of said plows from September 2, 1924, to pay him damages equivalent to double the amount of such profits.

It appears from the bill of exceptions that Cham Samco & Sons did not appeal.

In addition to the evidence presented, the parties submitted the following stipulation of facts:

> The parties agree on the following facts:
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> 1. That the plaintiff, Angel Vargas, is of age and a resident of the municipality of Iloilo, Iloilo, Philippine Islands.
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> 2. That the defendant, Petronila Chua, is also of age, and is married to Coo Pao alias Coo Paoco, and resides in Iloilo.
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> 3. That the defendant, Coo Teng Hee, is also of age and a resident of Iloilo, and is the sole owner of the business known as Coo Kun & Sons Hardware Co. established in Iloilo.
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> 4. That the defendant, Cham Samco & Sons, is a commercial partnership duly organized under the laws of the Philippine Islands, with their principal office in the City of Manila, and that the defendants Cham Samco, Cham Siong E, Cham Ai Chia and Lee Cham

Say, all of age and residents of the City of Manila, are the partners of the firm Cham Samco & Sons.

5. The parties take for granted that the complaint in this case is amended in the sense that it includes Coo Paoco as party defendant in his capacity as husband of the defendant, Petronila Chua, with Attorney Jose F. Orozco also representing him, and that he renounces his rights to receive summons in this case by reproducing the answer of his codefendant, Petronila Chua.

6. That the plaintiff is the registered owner and possessor of United States Patent No. 1,507,530 on certain plow improvements, issued by the United States Patent Office on September 2, 1924, a certified copy of which was registered in the Bureau of Commerce and industry of the Government of the Philippine Islands on October 17, 1924. A certified copy of said patent is attached to this stipulation of facts as Exhibit A.

7. That the plaintiff is now and has been engaged, since the issuance of his patent, in the manufacture and sale of plows of the kind, type and design covered by the aforementioned patent, said plows being of different sizes and numbered in accordance therewith from 1 to 5.

8. That, since the filing of the complaint to date, the defendant, Petronila Chua, has been manufacturing and selling plows of the kind, type and design represented by Exhibits B, B-1 and B-2, of different sizes, designated by Nos. 2, 4 and 5.

9. That, since the filing of the complaint to date, the defendant, Coo Teng Hee, doing business in Iloilo under the name of Coo Kun & Sons Hardware Co., has been obtaining his plows, of the form and size of Exhibits B, B-1 and B-2, from the defendant Petronila Chua.

10. Without prejudice to the plaintiff's right to ask the defendants to render an accounting in case the court deem it proper, the parties agree that the defendant Coo Teng Hee, doing business under the name of Coo Kun & Sons Hardware Co., has been selling to his customers in his store on J. Ma. Basa Street in Iloilo, plows of the kind, type and design represented by Exhibits B, B-1 and B-2, having bought said plows from his codefendant, Petronila Chua, who manufactures them in her factory on Iznart Street, Iloilo.

11. That, according to the invoices marked Exhibits C and C-2 dated March 13, 1928, and June 19, 1928, respectively, the defendant Cham Samco & Sons, on the dates mentioned, had, in the ordinary course of business, bought of its codefendant Coo Kun & Sons Hardware Co., 90 plows of the form, type and design of Exhibits B, B-1 and B-2 which it has been selling in its store on Sto. Cristo Street, Manila.

12. That the same defendant Cham Samco & Sons, in the ordinary course of business, bought on March 17, 1928, of the store "El Progreso" owned by Yao Ki & Co., of Iloilo, a lot of 50 plows, of the form, type and design of Exhibit B-1, as shown by Invoice C-1, and that it has been selling them in its store on Sto. Cristo St., Manila.

13. That, on September 19, 1928, the defendant Cham Samco & Sons, sold in its store on Sto. Cristo St., Manila, the plow Exhibit B-1, for the sale of which invoice Exhibit D was issued.

14. That, on December 20, 1927, the plaintiff herein, through his attorneys Paredes, Buencamino & Yulo, sent by registered mail to the herein defendant, Coo Kun & Sons Hardware Co., at Iloilo, the original of the letter Exhibit E, which was received by it on September 28, 1927, according to the receipt marked Exhibit E-1 attached hereto.

15. That the plows manufactured by the plaintiff in accordance with his patent, Exhibit A, are commonly known to the trade in Iloilo, as well as in other parts of the Philippines, as "Arados Vargas", and that the plaintiff is the sole manufacturer of said plows. A sample of these plows is presented as Exhibit F.

16. That the document, Exhibit 1-Chua, is a certified copy of the amended complaint, the decision of the Court of First Instance of Iloilo and that of the Supreme Court (R. G. No. 14101) in civil case No. 3044 of Iloilo, entitled "Angel Vargas", plaintiff, *vs.* F. M. Yaptico & Co., Ltd., defendant", and that Exhibit 2-Chua et al. is a certified copy of Patent No. 1,020,232, to which the aforementioned complaint and decision refer, issued in favor of Angel Vargas by the United States Patent Office on March 12, 1912, and that Exhibit 3-Chua et al., represents the plow manufactured by Angel Vargas in accordance with his Patent marked Exhibit 2-Chua et al.

The appellants assign the following errors:

FIRST ERROR

The trial court erred in declaring that the Vargas plow, Exhibit F (covered by Patent No. 1,507,530) is distinct from the old model Vargas plow, Exhibit 2-Chua, covered by the former Patent No. 1,020,232, which had been declared null and void by this court.

SECOND ERROR

The trial court erred in mistaking the improvement on the plow for the plow itself.

THIRD ERROR

The trial court erred in rendering judgment in favor of the plaintiff and against the defendants.

FOURTH ERROR

The trial court erred in not dismissing the complaint with costs against the plaintiff.

The evidence shows that Exhibit F is the kind of plows the plaintiff, Angel Vargas, manufactures, for which Patent No. 1,507,530, Exhibit A, was issued in his favor. Exhibits B, B-1 and B-2 are samples of the plows which the herein appellants, Coo Pao and Petronila Chua, have been manufacturing since 1918, and Exhibit 3-Chua represents the plow for which, on March 12, 1912, the appellee obtained a patent from the United States Patent Office, which was declared null and void by the Supreme Court in the case of *Vargas vs. F. M. Yap Tico & Co.* (40 Phil., 195).

With these facts in view, the principal and perhaps the only question we are called upon to decide is whether the plow, Exhibit F, constitutes a real invention or an improvement for which a patent may be obtained, or if, on the contrary, it is substantially the same plow represented by Exhibit 3-Chua the patent for which was declared null and void in the aforementioned case of *Vargas vs. F. M. Yaptico & Co., supra.*

We have carefully examined all the plows presented as exhibits as well as the designs of those covered by the patent, and we are convinced that no substantial difference exists between the plow, Exhibit F, and the plow, Exhibit 3-Chua which was originally patented by the appellee, Vargas. The only difference noted by us is the suppression of the bolt and the three holes on the metal strap attached to the handle bar. These holes and bolt with its nut were suppressed in Exhibit F in which the beam is movable as in the original plow. The members of this court, with the plows in view, arrived at the conclusion that not only is there no fundamental difference between the two plows but no improvement whatever has been made on the latest model, for the same working and movement of the beam existed in the original model with the advantage,

perhaps, that its graduation could be carried through with more certainty by the use of the bolt which as has already been stated, was adjustable and movable.

As to the fact, upon which much emphasis was laid, that deeper furrows can be made with the new model, we have seen that the same results can be had with the old implement.

In view of the foregoing, we are firmly convinced that the appellee is not entitled to the protection he seeks for the simple reason that his plow, Exhibit F, does not constitute an invention in the legal sense, and because, according to the evidence, the same type of plows had been manufactured in this country and had been in use in many parts of the Philippine Archipelago, especially in the Province of Iloilo, long before he obtained his last patent.

In the above mentioned case of *Vargas vs. F. M. Yaptico & Co.,* we said:

> When a patent is sought to be enforced, "the questions of invention, novelty, or prior use, and each of them, are open to judicial examination." The burden of proof to substantiate a charge of infringement is with the plaintiff. Where, however, the plaintiff introduces the patent in evidence, if it is the due form, it affords a prima facie presumption of its correctness and validity. The decision of the Commissioner of Patents in granting the patent is always presumed to be correct. The burden then shifts to the defendant to overcome by competent evidence this legal presumption. With all due respects, therefore, for the critical and expert examination of the invention by the United States Patent Office, the question of the validity of the patent is one for judicial determination, and since a patent has been submitted, the exact question is whether the defendant has assumed the burden of proof as to anyone of his defenses. (See Agawan Co. *vs.* Jordan [1869], 7 Wall., 583; Blanchard *vs.* Putnam [1869], 8 Wall., 420; Seymour *vs.* Osborne [1871], 11 Wall., 516; Reckendorfer *vs.* Faber [1876], 92 U. S., 347; 20 R. C. L., 1112, 1168, 1169.)
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> Although we spent some time in arriving at this point, yet, having reached it, the question in the case is single and can be brought to a narrow compass. Under the English Statute of Monopolies (21 Jac. Ch., 3), and under the United States Patent Act of February 21, 1793, later amended to be as herein quoted, it was always the rule, as stated by Lord Coke, Justice Story and other authorities, that to entitle a man to a patent, the invention must be new to the world. (Pennock and Sellers *vs.* Dialogue [1829], 2 Pet., 1.) As said by the United States Supreme Court, "it has been repeatedly held by this court that *a single instance of public use of the invention* by a patentee of more than two years before the date of his application for his patent *will be fatal to the validity of the patent* when issued." (Worley *vs.* Lower Tobacco Co. [1882], 104 U. S., 340; McClurg *vs.* Kingsland [1843], 1 How., 202; Consolidated Fruit Jar Co. *vs.* Wright [1877], 94 U. S., 92; Egbert *vs.* Lippmann [1881], 104 U. S., 333; Coffin *vs.* Ogden [1874], 18 Wall., 120; Manning *vs.* Cape Ann Isinglass and Glue Co. [1883], 108 U. S., 462; Andrews *vs.* Hovey [1887], 123 U. S., 267; Campbell *vs.* City of New York [1888], 1 L. R. A., 48.)

We repeat that in view of the evidence presented, and particularly of the examination we have made of the plows, we cannot escape the conclusion that the plow upon which the appellee's contention is based, does not constitute an invention and, consequently, the privilege invoked by him is untenable and the patent acquired by him should be declared ineffective.

The judgment appealed from is hereby reversed and the appellants are absolved from the complaint, with costs of this instance against the appellee. So ordered.

Avanceña, C.J., Street, Villamor, Ostrand, Villa-Real, Abad Santos, Hull, Vickers and Butte, JJ., concur.