



OFFICE OF THE DIRECTOR GENERAL

E. I. DUPONT DE NEMOURS & CO.,
Appellant,

Appeal No. 01-2014-0002

Application No. 22574
For: AGRICULTURAL
SULFONAMIDES
Date Filed: 29 May 1979

-versus-

DIRECTOR OF BUREAU OF PATENTS,
Appellee.

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DECISION

On 19 February 2014, E. I DUPONT DE NEMOURS & CO. (“Appellant”) filed an “APPEAL MEMORANDUM” seeking the reversal and setting aside of the resolution¹ of the Director of Bureau of Patents (“Director”) denying the Appellant’s petition for revival of Patent Application No. 22574.

In its appeal the Appellant maintains the following:

“7. This patent application is one of those patent applications handled by the late Atty. Nicanor D. Mapili. Atty. Mapili was the local counsel of Appellant and he handled majority of Appellant’s patent applications in the Philippines from 1972 until at least 1996. During this entire period, Appellant placed its reliance and trust in Atty. Mapili.

8. Sometime during the prosecution of Appellant’s patent applications, the exact period or date of which is unknown to Appellant, Atty. Mapili became gravely ill and eventually died.

9. Either as a result of Atty. Mapili’s illness or due to his gross and reckless inattention to the performance of his expected responsibilities, a number of Appellant’s patent applications, including the subject patent application, became abandoned before the Bureau of Patents. None of the official notices of the Bureau, however, reached Appellant and it is unknown to Appellant whether any notice reached Attorney Mapili. The records of said former counsel contained no notices regarding the abandonment of the subject application.

10. Appellant discovered Atty. Mapili’s death only when a senior level U.S. patent attorney was compelled to attempt to contact Atty. Mapili in person in the Philippines in March 1996. The exact date of death was not disclosed by Atty. Mapili’s relatives.

¹ RESOLUTION dated 05 December 2013.

11. To gather the files of all of the patent applications that were handled by Atty. Mapili in the Philippines and to engage the services of the undersigned law firm (formerly Bito, Lozada, Ortega & Castillo) took considerable time on the part of Appellant's U.S. counsel.

12. The files were eventually turned over to the undersigned law firm. To complete the files, records of the Appellant from the United States had to be reconstructed, and this procedure took a long time.

13. Petitions for Reconstitution were immediately filed to reconstruct records at the Bureau.

14. At the time of the filing of the Petition for Reconstitution for the subject application, Appellant had no official "Notice of Abandonment" save for a verbal advice from the Examiner which is duly referred to in the Petition. The ground for the abandonment was also unknown to Appellant. Hence, in its Petition for Reconstitution for this application, Appellant stated that it had no intention to abandon the application and that it received no Notice of Abandonment. Appellant therefore moved for reconstitution and re-examination of the subject application.

15. The Petition for Reconstitution and/or Revival was filed on September 2, 1998;

16. On August 25, 2003, an Order was issued by the Director of the Bureau of Patents granting the petition for reconstitution but without prejudice to the resolution of the separate issue of revival. The dispositive portion of said Order reads:

"Wherefore, premises considered, the petition for reconstitution is hereby granted subject to the submission by the applicant of the certified copies of documents or those documents bearing the stamp mark of the IPO or the Bureau of Patents, Trademark and Technology Transfers, relating to the subject applications. The grant of the petition for reconstitution, however, is without prejudice to the resolution of the separate issue of revival.

SO ORDERED."

17. On September 19, 2003, Appellant filed its compliance with the Order dated August 25, 2003 by submitting the available documents showing or bearing the stamp of the Bureau of Patents, Trademarks, and Technology Transfer."

A perusal of the records forwarded to this Office shows that the Examiner-in-Charge ("Examiner") issued an official action² denying the Appellant's petition to revive Patent Application No. 22574 for *Agricultural Sulfonamides*. The Examiner stated the following as the basis for the denial of the Appellant's petition for revival of Patent Application No. 22574:

1. Based on the record of the Chemical Examining Division, it appears that on June 18, 1986 the present application was declared abandoned by the former examiner Engr. Domingo Zapanta x x x

However, applicant claimed that they never received said notice and that their former counsel has no record of the receipt of the notice. Applicant also claims

² Paper No. 4, mailed on 29 June 2007.

that applicant's counsel, Atty. Nicanor Mapili who became ill and eventually died during the prosecution of the application did not inform the applicant of his condition and allowed the application to become abandoned on their own.

Office record reveals that the last office communication sent to the applicant through legal counsel was on June 08, 1998 x x x. Contained in the Office communication was the information regarding the forfeiture of the subject application since it was not revived by the applicant within the reglementary period.

Comes now, September 03, 1998, applicant through counsel requested for the reconstitution/revival of the present application. Relative to this, the examiner would like to comment as to the considerably long period of time to make further actions/moves on the subject application. It took them twelve (12) long years to file a petition for reconstitution/revival. Applicant should have already known that something was wrong with their application and should have immediately acted upon it. This is not expected of the applicant since it is an acceptable fact that almost all inventors/applicant wish for the early disposition of their applications.

Based on the above record, this application is considered a FORFEITED APPLICATION.

The Appellant appealed to the Director the Examiner's denial of the petition for revival but the Director denied the appeal for lack of merit. Not satisfied, the Appellant appealed to this Office.

The Appellant contends that the Director erred in not considering the death or incapacity of Appellant's former counsel as "accident" and a valid ground for ordering the revival of the Appellant's patent application. The Appellant argues that the cause of the abandonment of the application is not attributable to its fault but because of the culpable negligence and/or incapacity and death of its counsel. The Appellant maintains that accident is one of the recognized grounds for the revival of an application. According to the Appellant, even assuming that a notice was sent to its former agent, the failure of Atty. Mapili to inform it about the matter constituted gross negligence for which the Appellant should not be made to suffer the consequences.

This Office issued on 02 April 2014 an Order giving the Director thirty (30) days from receipt of the Order to submit comment on the appeal. The Director did not file his comment and was considered to have waived his right to file comment on the appeal.

The relevant question in this appeal is whether the Director was correct in sustaining the denial of the Appellant's petition to revive Patent Application No. 22574 for *Agricultural Sulfonamides*.

The primary purpose of the patent system is not the reward of the individual but the advancement of the arts and sciences. The function of a patent is to add to the sum of useful knowledge and one of the purposes of the patent system is to encourage

dissemination of information concerning discoveries and inventions.³ The ultimate goal of the patent system is to bring new designs and technologies into the public domain through disclosure. It was passed for the purpose of encouraging useful invention and promoting new and useful inventions by the protection and stimulation given to inventive genius, and was intended to secure to the public, after the lapse of the exclusive privileges granted, the benefit of such inventions and improvements.⁴

In this regard, streamlining the administrative procedures in registering patents is important to the country's policy of promoting patent protection to inventions and technological innovations. The rules and regulations on patent applications and examinations are intended to streamline the administrative procedures in granting patents and reglementary periods fixed in the rules and regulations are essential for the effective and orderly administration and disposition of patent applications. Thus, official communications issued by the Office in the course of the examination of the patent applications must be answered within the time limits, otherwise, the application is deemed withdrawn or abandoned.

Rule 115 of the Rules of Practice in Patent Cases⁵ which was applicable at the time of examination of the Appellant's patent application provides that:

Rule 115. Revival of abandoned application. An application abandoned for failure to prosecute may be revived as a pending application within a period of four (4) months from the mailing date of the notice of abandonment if it is shown to the satisfaction of the Director that the delay was due to fraud, accident, mistake, and excusable negligence.

A petition to revive an abandoned application must be promptly filed after the applicant is notified of, or otherwise aware of the abandonment, and must be accompanied by (1) a showing of the cause of delay, (2) a complete proposed response and (3) the required fee as set forth in Rule 16.

In this case, the failure of the Appellant or the Appellant's agent to comply with the official communications issued by this Office resulted to the abandonment of

³ Manzano v. Court of Appeals, G. R. No. 113388, 05 September 1997.

⁴ Pearl & Dean (Phil.), Incorporated v. Shoemart, Incorporated, G. R. No. 148222, 15 August 2003.

⁵ This rule is now found in Rule 929 of the Revised Implementing Rules and Regulations for Patents, Utility Models and Industrial Designs which states that:

Rule 929. Revival of Application. – An application deemed withdrawn for failure to prosecute may be revived as a pending application within a period of four (4) months from the mailing date of the notice of withdrawal if it is shown to the satisfaction of the Director that the failure was due to fraud, accident, mistake, or excusable negligence.

A petition to revive an application deemed withdrawn shall be accompanied by:

- (a) A showing of a justifiable reason for the failure to prosecute;
- (b) A complete proposed response; and
- (c) Full payment of the required fee.

No revival shall be granted to an application that has been previously revived with cost. An application not revived in accordance with this Rule shall be deemed forfeited.

the Appellant's patent application. Consequently, the Appellant must suffer the result of this failure.

A patent application is prosecuted *ex parte* by the applicant and the proceedings are like a lawsuit in which there is a plaintiff, but no defendant, the Office itself acting as the adverse party. The Office, represented by the Examiner is not supposed to look after the interest of an applicant. The law imposes that duty upon the applicant itself.

The Appellant has the duty to be vigilant in ensuring the patent protection to its invention. Its contention that it entrusted to its agent or counsel the prosecution of the patent application will not excuse it from such duty. Neither the alleged ground of "accident" nor the death or incapacity of the Appellant's counsel merits the exemption by the Appellant from complying with the rules and regulations on patent proceedings. Just like in lawsuits, reglementary period and time limits must strictly be followed to prevent needless delays and for orderly discharge of patent examinations.

To support its appeal and to justify its non-compliance of the time limits in answering the Examiner's official action, the Appellant posits that an "accident" or the death/incapacity of its counsel is a valid ground to revive its application. It maintains that the failure of its counsel to inform it of the abandonment of its application constitutes gross negligence for which it should not be made to suffer the consequences.

It is a settled rule that notice to counsel is notice to the party being represented by the counsel.⁶ Clients are not excused from and are bound by the mistakes and negligence of their attorneys,⁷ such that the failure of counsel to notify the client of an adverse judgment would not constitute excusable negligence and therefore binds the client.⁸ The fact of the issuance of the notice of abandoned application and consequently, the forfeiture of the Appellant's patent application is not disputed. Under the principle that official duty has been regularly performed and that the ordinary course of business has been followed,⁹ the fact that the notice of abandonment was acknowledged to have been issued, it follows that the furnishing of this notice to the Appellant through its counsel or agent is presumed to have followed the ordinary course of business.

Significantly, the vigilance required of a patent applicant is missing on the part of the Appellant. It should have regularly communicated with its counsel the status of its patent application. The Appellants' failure to promptly inquire from its agent or from this Office the status of the application shows its lack of due diligence in ensuring the patent protection for its invention. The Appellant should have been in contact with its agent from time to time, in order that it may be informed of the

⁶ Ballesteros v. Caoile, G. R. No. L-16056, 31 May, 1961.

⁷ PCI Bank v. Ortiz, G.R. No. L-49223, 29 May 1987.

⁸ Seavan Carrier, Inc. v. GTI Sportswear Corporation, G.R. No. L-62130, 28 September 1984.

⁹ Revised Rules of Court, Rule 131, Sec. 3(m) and (q).

progress of application, thereby exercising that standard of care, which an ordinarily prudent man bestows upon his important business.¹⁰

Moreover, when the Appellant filed its petition for reconstitution and/or revival in 1998, over ten (10) years had lapsed from the time the patent application was considered abandoned or deemed forfeited. Accordingly, the Examiner was correct in denying the petition for revival.

This Office adheres to the policy of securing protection to inventors and promoting patent protection and recognizes the need to have an effective industrial property system. The reglementary periods fixed in the rules and regulations for the prosecution of patent applications are essential for the effective and orderly administration of the patent protection system. Aptly, procedural rules are not to be belittled or disregarded simply because their non-observance may have resulted in prejudice to a party's substantive rights.¹¹

It is in the interest of justice that in patent examinations there should be strict implementation of the time limits and reglementary periods within which applicants must prosecute their applications. The grant of patent protection is an exception to the general rule of prohibiting monopoly and in order to balance this privilege and private interests of the inventors, patent laws provide a stringent application process which inventors should strictly comply to secure patent protection.

In one case, the Supreme Court of the Philippines has ruled that the lapse of an unreasonable period of time prior to the filing of a petition for revival of an abandoned application due to the negligence of the applicant's counsel would result in the forfeiture of the right to revive the patent application.

“However, petitioners lost sight of the fact that the petition could not be granted because of laches. Prior to the filing of the petition for revival of the patent application with the Bureau of Patents, an unreasonable period of time had lapsed due to the negligence of petitioners' counsel. By such inaction, petitioners were deemed to have forfeited their right to revive their applications for patent.”¹²

In addition, to allow the revival of the Appellant's patent application that was deemed abandoned way back in 1986 is certainly not in accordance to the policy of providing protection on intellectual property rights or on innovations that are new and useful to the purchasing public. A possibility of giving patent protection to a product that may already be in the market would go against the rationale of providing a balanced intellectual property right protection system. Accordingly, the denial of the petition to revive the Appellant's patent application is proper.

WHEREFORE, premises considered, the instant appeal is hereby dismissed.

¹⁰ Fernandez vs. Tan Tiong Tick, G. R. No. L-15877, 28 April 1961.

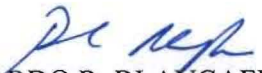
¹¹ Lazaro v. Court of Appeals, 330 SCRA 208 (2000).

¹² Schuartz v. Court of Appeals, G.R. No. 113407, 12 July 2000.

Let a copy of this decision and the records of this case be furnished and returned to the Director of the Bureau of Patents for appropriate action. Let also a copy of this decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for its information and records purposes.

SO ORDERED.

03 NOV 2014 Taguig City.


RICARDO R. BLANCAFLOR
Director General