



OFFICE OF THE DIRECTOR GENERAL

GAZTRANSPORT ET TECHNIGAZ,
Appellant,

-versus-

DIRECTOR OF THE
BUREAU OF PATENTS,
Appellee.

X-----X

APPEAL NO. 01-2013-0001
Application No. 1-2012-500730
Date Filed: 16 April 2012
Title: STOPPER FOR A
SECONDARY DIAPHRAGM OF
AN LNG VAT

NOTICE

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EPIFANIO M. EVASCO
Director, Bureau of Patents
Intellectual Property Office
Taguig City

IPOPHL LIBRARY
Documentation, Information
and Technology Transfer Bureau
Intellectual Property Office
Taguig City

GREETINGS:

Please be informed that on 23 April 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 24 April 2014.

Very truly yours,

ROBERT NEREO B. SAMSON
Attorney V

4/25/2014

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DATE:
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OFFICE OF THE DIRECTOR GENERAL

GAZTRANSPORT ET TECHNIGAZ, Appellant,	Appeal No. 01-2013-0001 Application No. 1-2012-500730 Date Filed: 16 April 2012 Title: STOPPER FOR A SECONDARY DIAPHRAGM OF AN LNG VAT
-versus-	
DIRECTOR OF BUREAU OF PATENTS, Appellee.	
x-----x	

DECISION

GAZTRANSPORT ET TECHNIGAZ (“Appellant”) appeals the decision of the Director of Bureau of Patents (“Director”) denying the entry into national phase of the Appellant’s international application for “STOPPER FOR A SECONDARY DIAPHRAGM OF AN LNG VAT”.


Records show that the Appellant filed on 16 April 2012 a letter to the Director requesting for entry into the national phase of International Application No. PCT/FR2010/050417 for the invention titled “STOPPER FOR A SECONDARY DIAPHRAGM OF AN LNG VAT”. In its letter, the Appellant alleged that while the period for its international application’s entry into the national phase had lapsed, the allowance into the national phase is consistent to the “PCT Rules” which requires the Contracting States like the Philippines to provide for the possibility of the reinstatement of rights of a patent owner-applicant where its failure to meet the requirements or delay in meeting the time limit for entry into the national phase is unintentional.

Subsequently, the Examiner-in-Charge (“Examiner”) issued an official action¹ notifying the Appellant that the international application did not meet the requirements for entry into the national phase. According to the Examiner:

“Entry into the national phase in the Philippines was made beyond thirty (30) months from the priority date or within thirty-one (31) months from the priority date (late entry)”

On 23 October 2012, the Appellant filed a “NOTICE OF APPEAL” to the Director giving notice that it is appealing the finding of the Examiner. On 06 November 2012, the Appellant filed an “APPELLANT’S BRIEF (Re: Official Action Paper No. 4 dated 7 September 2012)” seeking the allowance for national phase examination of its international application. The Appellant maintained that as a signatory to the Patent Cooperation Treaty (“PCT”), the Philippines is obliged to

¹ Paper Number: 4 with mailing date of 07 September 2012.


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provide for the possibility for the applicant to reinstate the applicant's patent rights in the event that the applicant fails to file an application for national phase entry within the allowable period. The Appellant averred that this Office should liberally apply and relax its technical rules when a strict enforcement would lead to grave injustice against a patent owner.

Consequently, the Director issued a decision dated 03 December 2012 denying the appeal. According to the Director, except for the duty of the Philippines to inform the International Bureau of the World Intellectual Property Organization of the incompatibility of the rules of the PCT on reinstatement of patent rights with the country's laws, no other duty was imposed to the Philippines on the reinstatement of patent rights. The Director held that the period fixed in the rules and regulations are essential for the effective and orderly administration and disposition of patent applications. The Director asserted that the Appellant's patent application has not yet been granted registration in this jurisdiction and, hence, there is no property that the Appellant is in danger of being deprived of.

The Appellant filed on 04 January 2013 a motion for reconsideration which the Director denied for lack of merit. Not satisfied, the Appellant filed on 21 May 2013 an "APPEAL MEMORANDUM" reiterating its arguments that the Philippines is bound to provide a patent owner a remedy to reinstate patent rights and that the refusal to liberally apply and relax technical rules would lead to grave injustice against the patent owner.

This Office issued on 24 May 2013 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 this case was deemed submitted for decision.

The issue in this case is whether the Director was correct in upholding the action of the Examiner that the Appellant's application did not meet the requirements for entry into the national phase.

The PCT is an agreement for international cooperation in the filing, searching and examination of patent applications and the dissemination of information contained in the applications. The treaty implements the concept of filing a single international patent application which will have a legal effect of filing in the different countries bound by the treaty.² The PCT entered into force in the Philippines on 17 August 2001.³

Subsequently, the Philippine Rules on PCT Applications took effect on 01 January 2004. Rule 35 of these rules provide the provisions in the entry into national phase of PCT applications.

² About the Patent Cooperation Treaty available at <http://www.ipophil.gov.ph/index.php/patents/about-patent-cooperation-treaty-pct> (last accessed 12 March 2014).

³ PCT Contracting States available at http://www.wipo.int/pct/en/pct_contracting_states.html (last accessed 12 March 2014).



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Rule 35. Entry Into National Phase. – (a) An international application enters the national phase when the applicant furnishes IPO a copy of the international application in English (unless already transmitted by the IB), or, if the application was filed in another language, its English translation not later than thirty (30) months from the priority date based on PCT Article 22 (1) and PCT Article 39 (1) (a).

Subject to the payment of an extension fee for late entry equal to fifty percent (50%) of the filing fee prescribed in the IPO Fee Structure, the entry into the national phase may be extended by one (1) month.

x x x

In this case, the Appellant filed on 16 April 2012 a request for entry into the national phase of its PCT application with a claimed priority date of 14 April 2009. The Appellant stated in its request that:

“While we are aware that the period for the referenced patent’s entry into the national phase has already lapsed, we respectfully request this Honorable Office to allow the entry thereof in accordance with Rule 49.6 of the Patent Cooperation Treaty...”⁴

Rule 49.6 of the PCT provides that:

49.6 Reinstatement of Rights after Failure to Perform the Acts Referred to in Article 22

(a) Where the effect of the international application provided for in Article 11(3) has ceased because the applicant failed to perform the acts referred to in Article 22 within the applicable time limit, the designated Office shall, upon request of the applicant, and subject to paragraphs (b) to (e) of this Rule, reinstate the rights of the applicant with respect to that international application if it finds that any delay in meeting that time limit was unintentional or, at the option of the designated Office, that the failure to meet that time limit occurred in spite of due care required by the circumstances having been taken.

(b) The request under paragraph (a) shall be submitted to the designated Office, and the acts referred to in Article 22 shall be performed, within whichever of the following periods expires first:

(i) two months from the date of removal of the cause of the failure to meet the applicable time limit under Article 22; or

(ii) 12 months from the date of the expiration of the applicable time limit under Article 22; provided that the applicant may submit the request at any later time if so permitted by the national law applicable by the designated Office.

(c) The request under paragraph (a) shall state the reasons for the failure to comply with the applicable time limit under Article 22.

(d) The national law applicable by the designated Office may require:

(i) that a fee be paid in respect of a request under paragraph (a);

(ii) that a declaration or other evidence in support of the reasons referred to in paragraph (c) be filed.

(e) The designated Office shall not refuse a request under paragraph (a) without giving the applicant the opportunity to make observations on the intended refusal within a time limit which shall be reasonable under the circumstances.

⁴ Letter dated 12 April 2012 addressed to Epifanio M. Evasco, page 2.



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(f) If, on October 1, 2002, paragraphs (a) to (e) are not compatible with the national law applied by the designated Office, those paragraphs shall not apply in respect of that designated Office for as long as they continue not to be compatible with that law, provided that the said Office informs the International Bureau accordingly by January 1, 2003. The information received shall be promptly published by the International Bureau in the Gazette.

The Appellant maintains that while the Philippines has expressed the incompatibility of its national laws with Rule 49.6 of the PCT Regulations, the Philippines is not excused from providing for the possibility of reinstatement of patent rights. The Appellant invokes Article 48 (2) of the PCT to support its contention. Article 48 (2) of the PCT states that:

Article 48
Delay in Meeting Certain Time Limits

x x x

(2) (a) Any Contracting State shall, as far as that State is concerned, excuse, for reasons admitted under its national law, any delay in meeting any time limit.

(b) Any Contracting State may, as far as that State is concerned, excuse, for reasons other than those referred to in subparagraph (a), any delay in meeting any time limit.

The appeal is not meritorious.

The time limits fixed in the Philippine Rules on PCT Applications are essential for the effective and orderly administration and disposition of patent applications. The ruling of the Supreme Court in the case of *Lazaro vs. Court of Appeals* is instructive.⁵

Procedural rules are not to be belittled or dismissed simply because their non-observance may have resulted in prejudice to a party's substantive rights. Like all rules, they are required to be followed except only for the most persuasive of reasons when they may be relaxed to relieve a litigant of an injustice not commensurate with the degree of his thoughtlessness in not complying with the procedure prescribed. The Court reiterates that rules of procedure, especially those prescribing the time within which certain acts must be done, have oft been held as absolutely indispensable to the prevention of needless delays and to the orderly and speedy discharge of business.

In this case, the Appellant's explanation that its delay in filing the request for entry into the national phase of its PCT application is unintentional is not a "persuasive" reason to excuse the failure of the Appellant to comply with the provisions of the Philippine Rules on PCT Applications. The Philippine Rules on PCT Applications is explicit on the 30-month period for entry into the national phase and that late entry may only be extended for one (1) month subject to the payment of the required fees. The Appellant, however, only filed its request for entry into the national phase after 36 months from the claimed priority date.

⁵ G.R. No. 137761, 06 April 2000.



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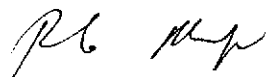
Neither would the Appellant's own interpretation of Article 48(2) of the PCT and Rule 49.6 of the PCT Regulations merits the granting of this appeal. Article 48(2) and Rule 49.6 expressly recognized the primacy of the national laws in whether to excuse the delay in meeting time limits in the processing of patent applications. Article 48 (2) is clear that the excuse in the delay in meeting time limits is "for reasons admitted under" national laws. In this instance there is nothing in the Philippine Rules on PCT Applications which excuse the delay of the Appellant in requesting entry into the national phase. Moreover, Rule 49.6 also expressly states in paragraph (f) that reinstatement of patent rights "shall not apply" if it is incompatible with the national law.

In addition, the "PCT Applicant's Guide" cited by the Appellant⁶ only weakens the Appellant's position. The provisions in the PCT Applicant's Guide reiterate that the conditions laid down by the national law are "paramount in determining whether a delay must be or may be excused".⁷ The Philippine Rules on PCT Applications did not provide provisions for reinstatement of rights in cases of delay of PCT applications in the entry into the national phase. Accordingly, there is no basis to grant the Appellant's request.

WHEREFORE, premises considered, the instant appeal is hereby dismissed. Let a copy of this Decision be furnished to the Director of the Bureau of Patents and the library of the Documentation, Information and Technology Transfer Bureau for their appropriate action, information, guidance, and records purposes.

SO ORDERED.

23 APR 2014 Taguig City.


RICARDO R. BLANCAFLOR
Director General

⁶ APPEAL MEMORANDUM dated 21 May 2013, page 9.

⁷ PCT Applicant's Guide – National Phase, page 17, Annex "C" of the APPELLANT'S BRIEF (Re: Official Action Paper No. 4 dated 7 September 2012) dated 06 November 2012.



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