

**VISITA INTERNATIONAL PHILS., INC. as  
represented by its President,  
MR. LAL K. TULSIANI,**  
Petitioner,  
  
-versus-  
  
**EDDIE T. DIONISIO (doing business under  
the name and style ULTIMATE EXIM TRADING  
and DEVELOPMENT COMPANY,**  
Respondent-Registrant  
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**IPC No. 12-2015-00310**  
Petition for Cancellation:  
U.M. Reg. No. 2-2011-00646  
Date Issued: 06 August 2012  
**Title: "A MULTI-PURPOSE  
ARTICULATED LADDER"**

**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2016 - 37 dated February 09, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 09, 2016.

For the Director:

*Edwin A. Dating*  
**Atty. EDWIN DANILO A. DATING**  
Director III  
Bureau of Legal Affairs

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Decision No. 2016 – 37

### DECISION

VISITA INTERNATIONAL PHILS., INC. as represented by its President, MR. LAL K. TULSIANI, ("Petitioner")<sup>1</sup>, filed Verified Petition for Cancellation of Utility Model Registration No. 2-2011-000646. The registration issued to EDDIE T. DIONISIO (doing business under the name and style ULTIMATE EXIM TRADING and DEVELOPMENT COMPANY, ("Respondent-Registrant")<sup>2</sup>, is entitled "A Multi-Purpose Articulated Ladder."

The Petitioner alleges that it started importing foldable, articulated ladders in 2002 and has been distributing said ladders to various home improvement and hardware shops in the Philippines. It is of general knowledge that nobody in the industry owns exclusivity over the said ladders and they, the Petitioner itself was not the sole importer of such. According to the Petitioner, on March 2009, they found out that Respondent-Registrant have maliciously and surreptitiously secured a registration over the said ladder under Utility Model (UM) Registration No. 2-2008-000427 dated 06 October 2008. This prompted them to file a Verified Petition for Cancellation of the said patent with this Bureau in May 2009, docketed as IPC No. 12-2009-00133 entitled Visita International Phils. Inc. vs. Eddie T. Dionisio and Ultimate Exim Trading & Development Co. On 28 May 2013, a Decision was rendered in IPC No. 12-2009-00133, which cancelled UM Reg. No. 2-2008-000427 for lack of novelty.

The Petitioner also cites UM Reg. No. 2-2009-000166 for a "Multi-Purpose Foldable Ladder", issued in its favor on 28 December 2010. On 18 July 2011, Respondent-Registrant filed a Petition for Cancellation of UM Reg. No. 2-2009-00166, which was docketed as IPC No. 12-2011-00282 and is entitled Eddie T. Dionisio vs. Lal Tulsiani.

The Petitioner claims that without its knowledge, the Respondent-Registrant was granted registration for a Multi-Purpose Articulated Ladder on 08 June 2012 under **UM Reg. No. 2-2011-00646** covering international class E 06C 1/38. After which, on 20 December 2013, Respondent-Registrant filed a Patent Infringement case against herein Petitioner, docketed as IPV Case No. 10-2013-00034 entitled Eddie T. Dionisio vs. Visita International Phils. Inc. and Lal K. Tulsiani.

<sup>1</sup> A domestic duly organized and existing under the laws of the Republic of the Philippines with principal office address at 146 Visita Building, Yakal Street, Makati City.

<sup>2</sup> With address at Messanine Floor, DHC Building, EDSA, Diliman.

The Petitioner argues that the subject UM explicitly contravenes and violates Chapter XII, Sec. 109.4 of the IP Code because it does not meet the requirements of registrability and is not new. Foremost, the name or terminology used by the subject UM and by all other applicants are the same: (a) Foldable Ladder (UM Registration No. 2-2008-000427); (2) Multi- Purpose Foldable Ladder (UM Registration NO. 2-2009-000166); and (3) Multi-Purpose Articulated Ladder (**UM Registration No. 2-2011-00646**). According to the Petitioner, these are prior in use, existence, and availability to the public under UM Registration No. 2-2008-000427. The existence of UM Registration No. 2-2008-000427 and UM Registration No. 2-2009-000166 which has the same construction, purpose and essential elements as that of UM Registration No. 2-2011-00646 negates the registrability of Respondent-Registrant's Utility Model. Secondly, the Petitioner claims, subject ladder is substantially similar to a patent issued under the name of Haison Yuen (Taiwan) for Adjustable Folding Ladder under US Patent No. 4,842,098 issued on 27 June 1989, which are widely advertised in television home shopping channels. The Petitioner and the Respondent-Registrant import these ladders from China based companies like CPS China Production Service Ltd. and Chiao Teng Hsin Enterprises Co. Ltd., to name a few. Thirdly, the ladders are widely and commercially available in the Philippines and worldwide in the website Alibaba.com even years prior to the grant/allowance of the subject patent.

Lastly, the Petitioner alleges that the Respondent-Registrant cannot shower himself with the claim that he was first to file. He was neither the inventor nor the maker of such ladder. He is but just one of the many importers of said ladders from China. He is also belated in importing the same ladders since Petitioner has been importing said ladders since the year 2002.

The Petitioner's evidence consists of the following:

1. Special Power of Attorney;
2. Copy of the Packing List dated 12 September 2005 issued by CPS China Production Service Ltd., to Visita International Phils. Inc.;
3. Copy of letter dated 06 March 2009 issued by Abrenica Ardiente Abrenica and Partners;
4. Copy of UM Reg. No. 2/2011/00646 for Multi-Purpose Articulated Ladder covering international class E06C 1/38.

On 30 July 2015, Respondent-Registrant filed its Answer, alleging that his family has been in the business of developing, manufacturing, and distributing aluminum ladders since 1969. According to the Respondent-Registrant, his parents pioneered the aluminum ladders since 1969 under the company Asiatic Aluminum, and he continued the family legacy and invested time and resources in developing new products to provide quality and novel items. The Respondent-Registrant contends that the protected claims under the subject **UM Reg. No. 2-2011-000646** for the Multi-Purpose Articulated Ladders are the following: (a) outside elbow lever switch with key-catching notches for the lock and unlock switch at the circumferential region; and (b) hydraulically pressed and expanded transverse bars that are fitted to holes as footing steps and not screwed. Clearly, Respondent-Registrant claims, UM Reg. No. 2-2008-000427 and Petitioner's UM Reg. No. 2-2009-000166 do not constitute as prior art that negate the novelty of the subject UM. US Patent No. 4,842,098 issued on June 27, 1989 in favor of Taiwanese Haison Yuen also do not refer to the same claims under the subject patent. US Patent No. 4,842,098, according to the Respondent-Registrant, is a fiberglass ladder. Its steps are screwed as shown in the technical drawing. On the other hand, the subject patent refers to an aluminum ladder. It has screwless swedged steps, and are totally novel. Further, the US patent shows internal armpit witching hinges, which snag fingers and hurt the user. It also shows a straight ladder from top to bottom. This type of ladder, the Respondent-Registrant posits causes the user to fall and get hurt. On the contrary, the subject patent uses external elbow switching hinges, which prevent hurting users. It also carries the detachable stabilizer footings, which provide wide base and prevent the ladder from collapsing.

The Respondent-Registrant also argues that he was the one who personally developed these features to solve an existing industrial problem. He developed the product as described in **UM Reg. No. 2-2011-000646** after a long time of research and development. The internal lever armpit switch of the US Patent is difficult to use as it is sandwiched in between the body and the ladders are very difficult to reach and use. It is also dangerous as it usually snags fingers when closing. According to the Respondent-Registrant, he developed the external elbow type lever switch. It could now switch open the ladder from the outside elbow, instead of trying to reach the switch sandwiched in between the armpits of the ladder body. Also, the screwed-on steps in the US Patent get loose over time. Respondent pioneered the swedging technique to solve the problem. There are no more screws, instead, extended steps through the vertical body rail and hydraulically pressed the protruding steps to permanently fasten the steps to the body. Moreover, the US Patent made the bottom of the ladder wider through flaring. This meant bending the body outwards so as to widen the base footing and prevent toppling from the sides. The industrial problem was that the detachable stabilizer bar footings made the ladder occupy more space because the flared footing was bent outward, and made the ladder stouter on the sides. Thus, Respondent-Registrant claims fewer ladders could be loaded per truckload or container load. Delivery costs were very expensive, especially for container shipping.

The Respondent-Registrant adds that the featured claim under Respondent's UM Reg. No. 2-2008-000427 and Petitioner's UM Reg. No. 2-2009-000166 refers to the anti-slip pads of the footings of the ladder. This is not the protected feature in the claims of the subject **UM Reg. No. 2-2011-000646**. The claims are totally different, new, and industrially applicable.

The Respondent-Registrant's evidence consists of the following:

1. Certified true copy of Decision No. 2015-61 dated 24 April 2015.
2. Copy of the Complaint in IPV Case No. 10-2013-00034; and,
3. Judicial Affidavit of Respondent Dionisio.

Preliminary conference was conducted and terminated on 09 November 2015. Thereafter, the parties submitted their respective Position Papers. Hence, this case is deemed submitted for decision.

Should Utility Model Reg. No. 4-2011-000646 be cancelled?

The Petitioner alleges that the subject Utility Model is not new because it has already been made available to the public or already forms part of a prior art at the time the Respondent-Registrant filed his application for Utility Model registration dated 06 August 2012. On the part of the Respondent-Registrant, he rebut the allegations and detailed the novelty of its patent as against US Patent No. 4,842,098, which this Bureau takes judicial notice of.

In this regard, Sec. 120 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 120. Cancellation of Design Registration. – 120.1. At any time during the term of the industrial registration, any person upon payment of the required fee, may petition the Director of Legal Affairs to cancel the industrial design on any of the following grounds:

- (a) If the subject matter of the industrial design is not registrable within the terms of Sections 112 and 113;
- (b) If the subject matter is not new; or

- (c) If the subject matter of the industrial design extends beyond the content of the application as originally filed.

Corolarilly, Rule 213 of the Rules and Regulations on Utility Models and Industrial Design (“Rules”) provides:

Rule 213. Cancellation of the Utility Model Registration. – The Utility Model registration shall be cancelled on the following grounds:

- (a) That Utility Model does not qualify for registration as a Utility Model and does not meet the requirements of novelty and industrial applicability or it is among non-registrable utility models;
- (b) That the description and the claims do not comply with the prescribed requirements;
- (c) That any drawing which is necessary for the understanding of the Utility model has not been furnished; and
- (d) That the owner of the Utility Model registration is not the maker or his successor in title.

While novelty is an indispensable requirement for registrability of a Utility Model, Section 109.2 of the IP Code expressly states that the provision on substantive examination for invention patents found in Section 48 of the IP Code is not applicable to Utility Model applications. Thus, Rule 205 of the Rule provides:

Rule 205. Registration of Utility Model. – A utility model application shall be registered without substantive examination provided all fees such as filing, excess claims and publication fees are paid on time and all formal requirements set forth in these Regulations are filed without prejudice to a determination as regards its novelty, industrial applicability and whether or not it is one of the non-registrable models.

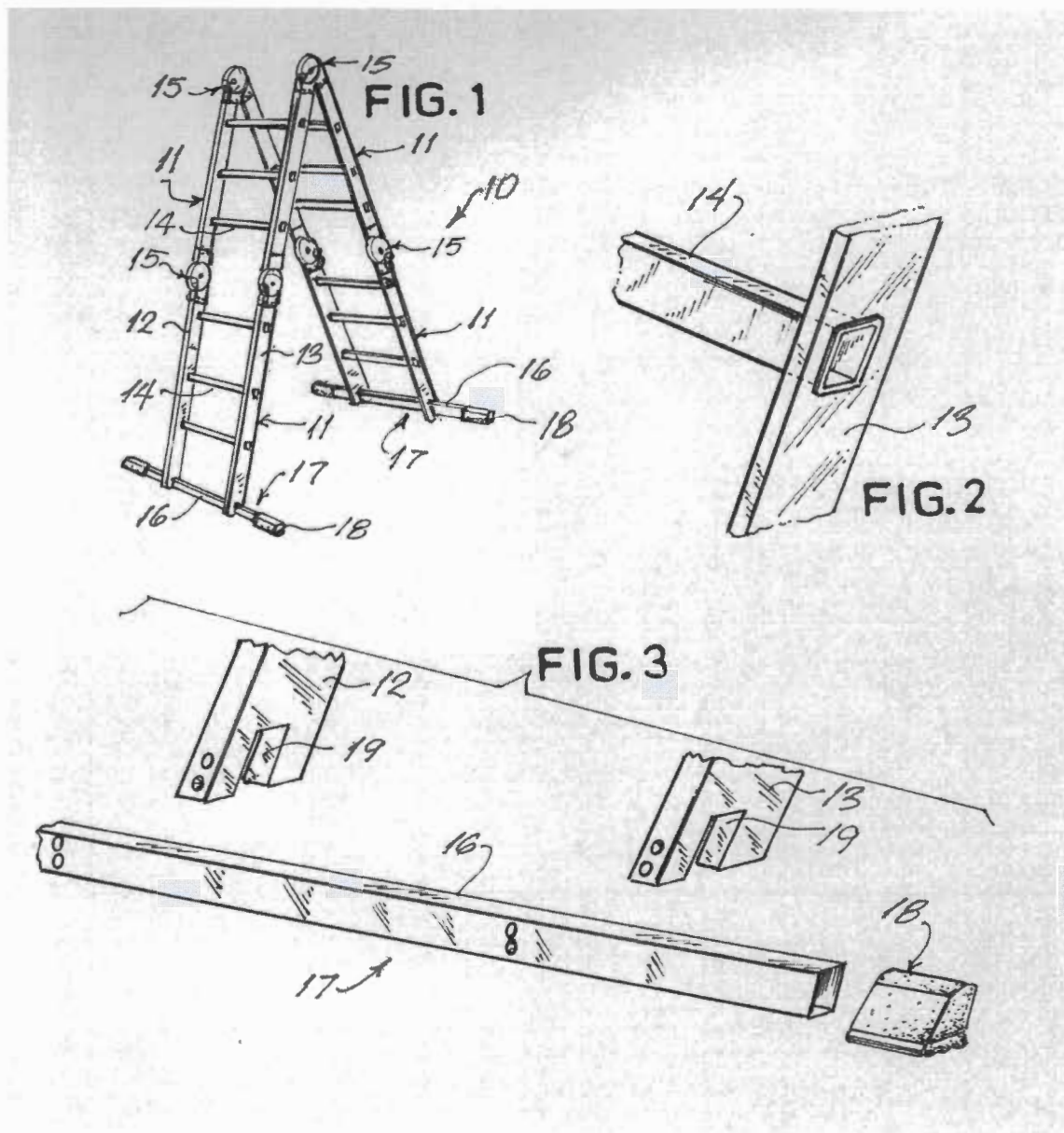
After a judicious evaluation of the arguments and the evidence on records of both parties, this Bureau finds the Petition meritorious.

The contested utility model is for a "MULTI-PURPOSE ARTICULATED LADDER" which relates to a multi-purpose ladder wherein wider base footing is provided for stability, its traverse bars hydraulic pressed and expanded for durability and its locking release lever provided at the outer region to prevent finger catching accident. The multi-purpose articulate ladder comprises a plurality of sections being connected, end to end, by a pivoting means to thereby define an articulated form, each of said section being defined by a pair of parallel space side poles bridged by a plurality of transverse bars, likewise, parallel-space and defining the steps for the ladder.<sup>3</sup>

The drawings of the subject utility model is depicted below:

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<sup>3</sup> Abstract of UM Reg. No. 2-2011-000646.



This Bureau finds that Respondent-Registrant's **UM Reg. No. 2-2011-000646** forms a prior art of US Patent Nos. 4,842,089, which this Bureau takes judicial notice, and which Respondent-Registrant confirms its patent existence and validity. The aforesaid US Patent and the subject utility model both consists of foldable sections, a prior of space apart uprights longitudinal poles and plurality of rungs traverse bars, consisting of the following figures:

*AZ*

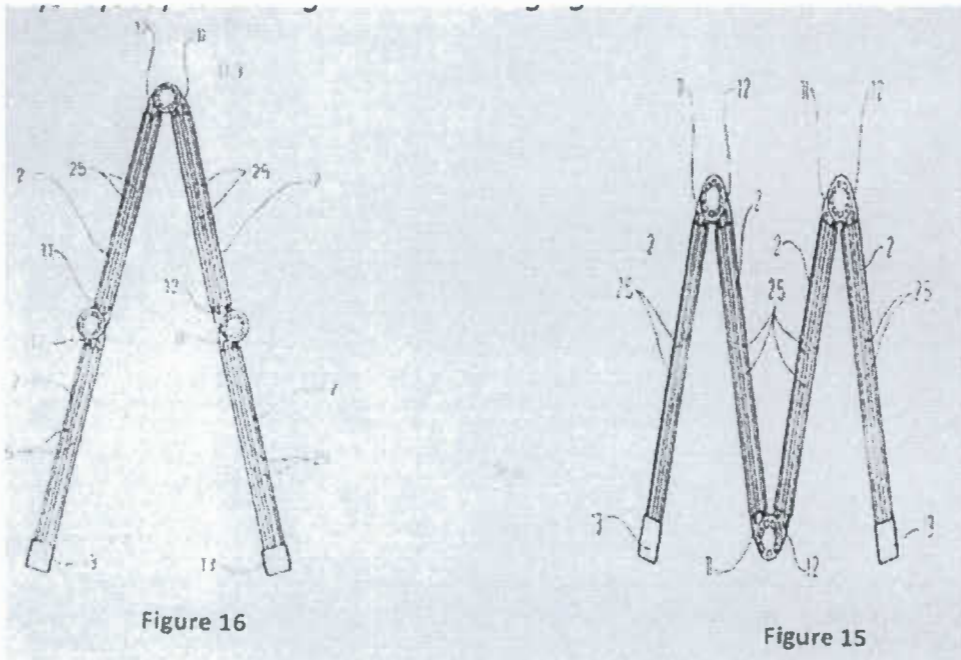


Figure 16

Figure 15

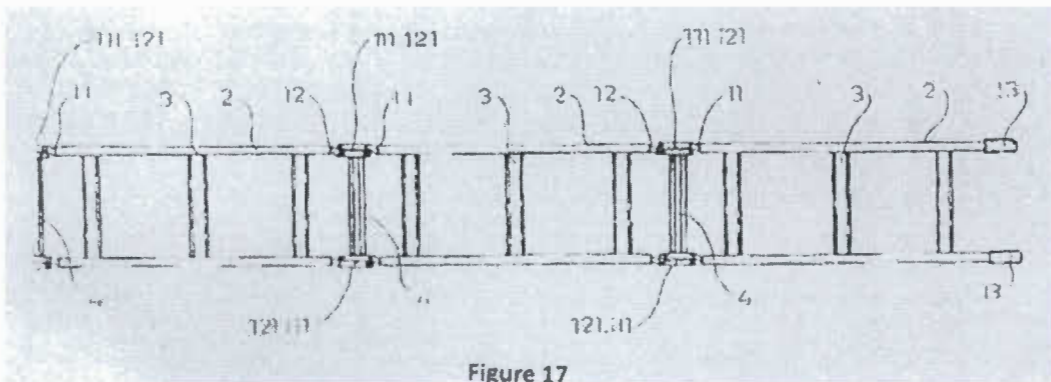


Figure 17

A comparison of the claim, disclosure and drawing of the subject utility model application vis-à-vis the prior cited US Patent contain substantial similarities. Sections 23 & 24 of the IP Code provides:

Sec. 23. Novelty. – An invention shall not be considered new if it forms part of a prior art.

Sec. 24. Prior Art. – Prior art shall consist of:

24.1. Everything which has been made available to the public anywhere in the world, before the filing date or the priority date of the application claiming the invention; and

- 24.2. The whole contents of an application for a patent, utility model, or industrial design registration, published in accordance with this Act, filed or effective in the Philippines, with a filing or priority date that is earlier than the filing or the priority date of the application: *Provided*, That the application which has validity claimed the filing date of an earlier application under Section 31 of this Act, shall be prior art with effect as of the filing date of such earlier application: *Provided* further, That the applicant or the inventor identified in both applications are not one and the same.

While Respondent-Registrant enumerates differences to the US Patent, stating that its ladder is an aluminum ladder which has screwless swedged steps; uses external elbow switching hinges, which prevent hurting users; carries the detachable stabilizer footings, which provide wide base and prevent the ladder from collapsing, and for more ladder be loaded per truckload or container load for less delivery costs and container shipping, these are basically differences in character, form or shape. The ladders do the same work in substantially the same way and accomplish the same result.<sup>4</sup> While an improvement of prior Utility Model may be patented accordingly, the same has not been substantially shown in this instant case. The subject Utility Model appears substantially similar in its appearance and function.

In a judicial precedent primarily in American law, it is stated that, "The essence of the *doctrine of equivalents* is that one may not practice a fraud on the patent by appropriating an invention through minor and insignificant changes in a device to avoid the patent. Its theory is that if two devices do the same work in substantially the same way, and accomplish the same result, they are substantially the same even though they differ in name, form or shape."<sup>5</sup>

Finally, this Bureau takes judicial notice of a Decision<sup>6</sup> it rendered, cancelling UM Reg. No. 2-2009-000166 for lack of novelty on the basis of US Patent Nos. 4,842,098. This is the same basis used in this instant case, finding said US patent as prior art, and negating the novelty element of the subject patent. Pertinent portions of the said Decision reads, as follows:

"Clearly, as depicted in the drawings, the Respondent-Registrant's registration contains all the characteristics of that of the Petitioner's. Both comprise of a plurality of sections or ladders, each being defined by longitudinal posts (12 and 13) and transverse bars (14). Each section is interconnected by means of a lockable hinge (15) to allow the sections to be foldable and adjustable with respect to each other. Furthermore, the substantially similar arrangement and interconnection of all the essential elements of the ladders, the Petitioner's and the Respondent-Registrant's ladders to be adjusted and folded in the same manner resulting to the shapes shown in the drawings of the two utility models.

x x x Succinctly, in the case of *Angelita Manzano vs. Court of Appeals*, the Supreme Court held that:<sup>7</sup>

The element of novelty is an essential requisite of the patentability of an invention of discovery. If a device or process has been known or used by others prior to its invention or discovery by the applicant, an application for a patent therefor should be denied; and if the application has been granted, the court, in a judicial proceeding in which the validity of the patent is drawn in question, will hold it void and ineffective. It has been reportedly that an invention must possess the essential elements of novelty, originality and precedence, and for the patentee to be entitled to the protection the invention must be new to the world."

<sup>4</sup> Wastro Inc. v. Illinois Care Co., 98 USPQ 354.

<sup>5</sup> 60 AM Jur 2d, Patents, Sec. 933, as cited in Intellectual Property Law p. 236, Ranhilio Callangan Aquino, 2006 ed.

<sup>6</sup> Eddie T. Dionisio, Petitioner v. La Tulsiani, Respondent-Registrant, IPC No. 12-2011-00282 dated 24 April 2015.

<sup>7</sup> G.R. No. 113338, 05 September 1997.



**WHEREFORE**, premises considered, the instant Verified Petition for Cancellation is hereby **GRANTED**. Let the file wrapper of Utility Model No. 2-2011-000646 be returned, together with a copy of this Decision, to the Bureau of Patents for information and appropriate action.

SO ORDERED.

Taguig City, 09 February 2016.

  
**Atty. NATHANIEL S. AREVALO**  
*Director IV, Bureau of Legal Affairs*