

ADELE MARIE JOSELINA CRUZ.
Petitioner,

-versus-

ALBERTO M. ALVAREZ,
Respondent-Registrant.

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IPC No. 12-2011-00184
Cancellation of :
U.M. Reg. No. 2-2009-000167
Date Issued: 22 June 2009

Title : "MOBILE STAGE AND
ADVERTISING UNIT"

NOTICE OF DECISION

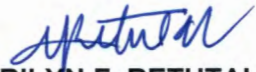
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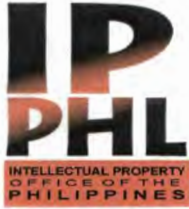
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GREETINGS:

Please be informed that Decision No. 2016 - 344 dated October 04, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 04, 2016.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



ADELE MARIE JOSELINA CRUZ,
Petitioner,

-versus-

ALBERTO M. ALVAREZ,
Respondent-Registrant.

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IPC. No. 12-2011-00184
Petition for Cancellation:

U.M. Reg. No. 2-2009-000167
Date Issued: 22 June 2009
Title: **“Mobile Stage and Advertising Unit”**

Decision No. 2016 - 344

DECISION

Adele Marie Joselina Cruz (“Petitioner”)¹ filed a Verified Petition for Cancellation of Utility Model Registration No. 2-2009-000167, entitled “Mobile Stage and Advertising Unit,” issued to ALBERTO M. ALVAREZ (“Respondent-Registrant”)².

In the Petition, it was alleged that the Petitioner is engaged in the audio-visual industry for more than twenty (20) years and is a major stockholder and Chief Operating Officer of SFX Production, Inc.³ Petitioner created a "vehicle mounted mobile LED billboard", which is composed of a vehicle mounted video screen or light emission diode (LED) screen, connected to electronic video equipment ready for use without need of installation or adjustment which is called the "Mobile Entertainment and Advertising System". This system was registered by the Petitioner with the Intellectual Property Office under Utility Model Registration No. 2-2008-000402 filed on September 5, 2008.

Petitioner alleges that sometime in February 2010, she received information that the Respondent-Registrant is using a vehicle mounted mobile LED billboard, with an addition of a built in stage, without her authority.

On 25 February 2010, Petitioner sent a demand letter for the Respondent-Registrant to cease and desist from using the mobile entertainment and advertising system. Respondent-Registrant however, informed that he was issued Registration No. 2-2009-000167, the subject matter of this case, for the use of his patented Mobile Stage and Advertising Unit.

Petitioner stated that her fleet of Mobile Entertainment and Advertising System are used in various advertising and promotional campaigns in Metro Manila and provinces since June 2008. Petitioner and her partners even offered to Respondent-Registrant the opportunity to become an investor in one of the units. Respondent-Registrant declined but, after he witnessed the usefulness and effectiveness of the system in audio-visual presentations, advertising, promotions, campaign, and other commercial use, he copied it and introduced a modification by putting up a stage on top of the vehicle. Petitioner further affirmed that Respondent-Registrant cannot claim to be the maker of the advertising

¹ With postal address at No. 117 Scout Castor, Kamuning, Quezon City, Metro Manila.
² With postal address at No. 12 St. Anthony Street, Dona Juana Subdivision, Brgy. Holy Spirit, Quezon City, Metro Manila.
³ A Company duly organized and existing under the Philippine Law, with principal office address at 117 Scout Castor, Kamuning, Quezon City.

unit because this has the same principal elements, features and function as that of his registered Mobile Entertainment and Advertising System.

Petitioner argued that the subject utility model should be cancelled on the ground that, except for the stage mounted on top of the vehicle, it is the same Mobile Entertainment and Advertising System registered under Petitioner's Utility Model Registration No. 2-2008-000402. Thus, it is not new and patentable pursuant to Section 109.4 (a) in relation to Section 109.1 and Sections 22, 23, 24, and 27; and, the Respondent-Registrant is not the owner and creator of the advertising unit which forms part of prior art being the same Mobile Entertainment and Advertising System registered in behalf of the Petitioner.

The Petitioner's evidence consists of the following:

1. Certificate of Incorporation of SFX Production, Inc.;
2. Utility Model Registration No. 2-2008-0042 issued by the Intellectual Property office, including drawings;
3. Pictures of the units of the mobile entertainment and advertising system;
4. Photocopies of the LTO certificates of registration of the five (5) units of the mobile entertainment and advertising system;
5. Advertising brochure of Petitioner for the mobile entertainment and advertising units;
6. Photocopy of the demand letter sent to Respondent-Registrant dated February 25, 2010;
7. Photocopy of Respondent-Registrant's Utility Model Registration No. 2-2009-000167, including drawings; and,
8. Affidavit executed by the Petitioner and Mr. Rogelio Bueno.

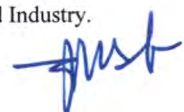
On 30 July 2015, Respondent-Registrant filed its Answer, alleging that he is engaged in the entertainment industry, having dabbled in production work, set design and special effects, among others. He is a businessman engaged in set design and rentals, doing business under the name and style of AMA Stage and Special Effects Rentals⁴. Respondent-Registrant further alleged that he first saw vehicles similar to Petitioner's "advertising unit" in foreign trips and in the internet, and was the first to broach the idea of what Petitioner now claims as her "advertising unit." Accordingly, Respondent-Registrant declined the offer of Petitioner to become an investor because he did not believe in the way the utility model was being used and marketed, as a moving platform. Respondent-Registrant considered the contrivances to be attractive nuisances, which may cause road distractions and accidents.

Sometime in 2008, Respondent-Registrant saw the possible use of the vehicle not as a moving pedestal but as a mobile stage, with possible use sometimes and incidentally as a mobile advertising pedestal when being driven from venue to venue. The Respondent-Registrant applied for Utility Model registration on 30 April 2009, and was issued Utility Model Registration No. 2-2009-000167 on 22 June 2009. The Respondent-Registrant likewise denied that this was copied nor appropriated from Petitioner's utility model. He maintained that the subject patent is a completely different utility model with a different primary use. The Respondent-Registrant argued and defended that his utility model is new, patentable, and registered.

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

1. DTI Registration of AMA Stage and Special Effects Rentals
2. Mayor's Permit to Operate of AMA Sage and Special Effects Rentals

⁴ A sole proprietorship owned by Alberto Mendoza Alvarez, and registered with the Department of Trade and Industry.



3. Preliminary conference was conducted and terminated on 09 November 2015. The Petitioner submitted her Position Paper, and the Respondent-Registrant did not submit his Position Paper. Thus, the Respondent-Registrant is deemed to have waived his right to submit his Position Paper, and the case is deemed submitted for decision.

Should Utility Model Registration No. 2-2009-000167 entitled Mobile Stage and Advertising Unit be cancelled?

The Petitioner alleges that the subject utility model is not new because it forms part of a prior art at the time the Respondent-Registrant filed an application for registration on 30 April 2009. On the part of the Respondent-Registrant, he claims that Utility Model Registration No. 2-2009-000167 has the primary purpose of a mobile stage and is different from Utility Model Registration No. 2-2008-000402. The Respondent-Registrant, further averred as counterclaim that it is Petitioner's Utility Model Registration No. 2-2008-000402 which should be cancelled as it is not new and patentable.

Section 109.4 (a) in relation to Section 61 of R.A. No. 8293, also known as the Intellectual Property ("IP Code") provides:

Sec. 109.4. In proceedings under Sections 61 to 64, the utility model registration shall be canceled on the following grounds:

That the claimed invention does not qualify for registration as a utility model and does not meet the requirements of registrability, in particular having regard to Subsection 109.1 and Sections 22, 23, 24 and 27;

xxx

Sec. 61. Cancellation of Patents.

61.1. Any interested person may, upon payment of the required fee, petition to cancel the patent or any claim thereof, or parts of the claim, on any of the following grounds:

- (a) That what is claimed as the invention is not new or patentable;
- (b) That the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by any person skilled in the art; or
- (c) That the patent is contrary to public order or morality.

61.2. Where the grounds for cancellation relate to some of the claims or parts of the claim, cancellation may be effected to such extent only.

Further, Section 109.1 of the IP Code provides:

Sec. 109. Special Provisions Relating to Utility Models. –

109.1 (a) An invention qualifies for registration as a utility model if it is new and industrially applicable.

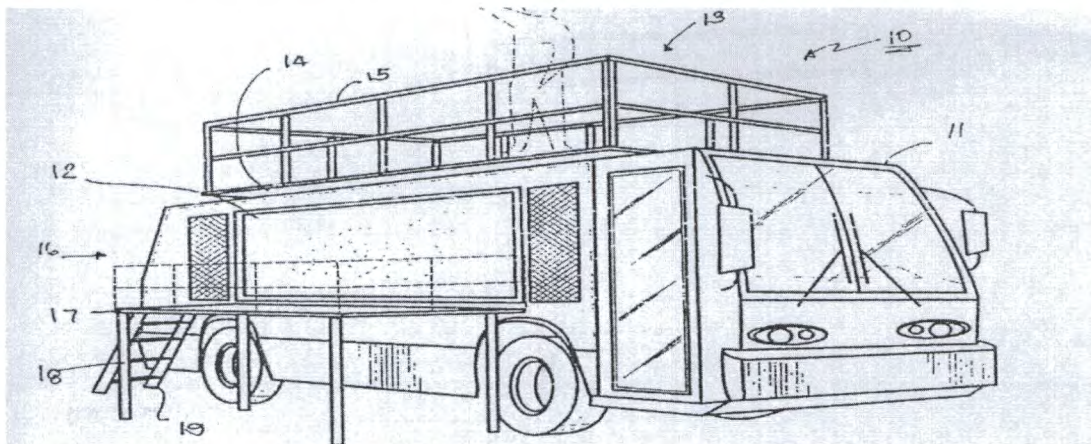
(b) Section 21, "Patentable Inventions", shall apply except the reference to inventive step as a condition of protection.

This Bureau finds the petition meritorious.



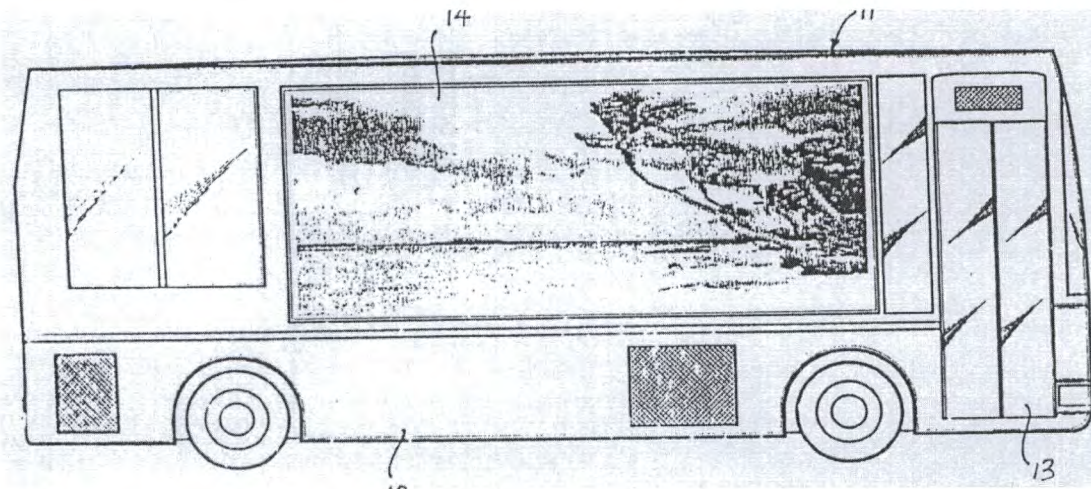
The contested Utility Model is a “Mobile Stage and Advertising Unit” which relates to a vehicle van and a led display unit installed on one side thereof, characterized in that an upper stage is mounted over the said van, said upper stage being defined by a platform being enclosed by railings.⁵

Figure 1 of the subject utility model is being depicted below:



On the other hand, Petitioner’s Utility Model is a “Mobile Entertainment and Advertising System” which relates to a vehicle having a vehicle body with front side door; a video screen mounted on at least one side of said vehicle body for displaying video images; xxx.⁶

Figure 1 of Petitioner’s utility model is being depicted below:



A comparison of the claim, disclosure, and drawings of the subject utility model application vis-a-vis Petitioner’s utility model would show substantial similarities on the LED DISPLAY UNIT INSTALLED ON ONE SIDE of Respondent-Registrant’s utility model and the VIDEO SCREEN

⁵ Abstract of UM Reg. No. 2-2009-000167.

⁶ Abstract of UM Reg. No. 2-2008-000402.

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MOUNTED ON AT LEAST ONE SIDE OF THE VEHICLE of the Petitioner's. It appears that without the structure of the stage of Respondent-Registrant's utility model, it is basically identical and/or very similar to that of Petitioner's.

The IP Code provides Novelty in Section 23 and defines Prior Art in Section 24 as follows:

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 priority date of the application: Provided, That the application which has validly 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.

The Court ruled in similar cases that, "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 therefore 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."⁷

Further, the Court ruled that, "It has been repeatedly held that an invention must possess the essential elements of novelty, originality and precedence and for the patentee to be entitled to protection, the invention must be new to the world."⁸

The allegation of the Respondent-Registrant that he declined the offer of Petitioner to become an investor because he did not believe in the way the utility model was being used and marketed, and that he considered the contrivances to be attractive nuisances, which may cause distraction among drivers on the road that may lead to accidents, is belied by the fact that his own utility model is also used as a mobile advertising pedestal when being driven from one venue to another. Moreover, the substantial similarities in the design and purpose of Respondent-Registrant's advertising unit with the Petitioner's advertising system warrant the cancellation of Respondent-Registrant's utility model registration as it pertains to the same advertising function of Petitioner's vehicle.

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."⁹

Finally, the allegation of Respondent-Registrant that he has seen similar vehicles to Petitioner's utility model is not supported by evidence. Thus, it is based on bare allegations which are not equivalent

⁷ Angelita Manzano vs. Court of Appeals, GR 113388 (1997).

⁸ Mangan vs. Court of Appeals, GR L-45101 (19886).

⁹ 60 AM Jur 2d, Patents, Sec. 933, as cited in Intellectual Property Law p. 236, Ranhilio Callangan Aquino, 2006 ed.



to proof under the Rules. This proceeding is essentially a litigation and the parties have the burden to submit evidence to support their allegations and to impeach the others.

WHEREFORE, premises considered, the instant Verified Petition for Cancellation is hereby **GRANTED**. However, it should be noted that the subject Utility Model Registration No. 2-2009-000167 was filed on 30 April 2009. The law provides that "A utility model registration shall expire, without any possibility of renewal, at the end of the seventh year after the date of the filing of the application."¹⁰ Thus, Utility Model Registration No. 2-2009-000167 has ceased to have force and effect by operation of law.

Let the file wrapper of Utility Model No. 2-2009-000167 be returned, together with a copy of this Decision, to the Bureau of Patents for information and appropriate action.

SO ORDERED.

Taguig City. 04 OCT 2016



Atty. GINALYN S. BADIOLA, LL.M.
Adjudication Officer, Bureau of Legal Affairs

¹⁰ Sec. 109.3 RA No. 8293.