

**T.L.A. CORPORATION,**  
*Petitioner,*

**-versus-**

**HONDA MOTOR CO. LTD.,**  
*Respondent-Registrant.*

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**IPC No. 13-2012-00127**  
Petition for Cancellation of:  
  
ID Reg. No. 3-2005-000403  
Issued on : 25 July 2006  
  
**Title: "AN INTERNAL COMBUSTION  
ENGINE"**

**NOTICE OF DECISION**

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851 Antonio Arnaiz Avenue,  
Makati City

**GREETINGS:**

Please be informed that Decision No. 2016 - 389 dated 21 October 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 21 October 2016.

  
**MARILYN F. RETUAL**  
IPRS IV  
Bureau of Legal Affairs

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### DECISION

T.L.A. CORPORATION ("Petitioner")<sup>1</sup>, filed a Verified Petition for Cancellation of **Industrial Design Reg. No. 3-2005-000403**. The registration issued to HONDA MOTOR CO. LTD. ("Respondent-Registrant")<sup>2</sup>, is entitled "An Internal Combustion Engine."

Petitioner alleges that **Industrial Design Reg. No. 3-2005-000403**, the subject industrial design, should be cancelled on the ground that it is not new because Petitioner's own registered industrial design with Registration No. 3-2003-000465<sup>3</sup> constitutes prior art to said Respondent-Registrant's industrial design, as defined under Section 24 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). Petitioner argues that the subject industrial design is not registrable for failing the requirement of novelty, pursuant to Section 23 of the IP Code.

Further, Petitioner claims that the grant of Respondent-Registrant's **Industrial Design Registration No. 3-2005-000403** for an "Internal Combustion Engine" causes injury to Petitioner because the design elements of which are similar to Petitioner's earlier approved design.

Petitioner's evidence consists of the following:

1. Secretary's Certificate;
2. certified true copy of Industrial Design Registration No. 3-2003-000465 entitled "AN ENGINE";
3. certified true copy of **Industrial Design Registration No. 3-2005-000403** entitled "AN INTERNAL-COMBUSTION ENGINE";
4. copy of Respondent-Registrant's Petition for Cancellation of Industrial Design No. 3-2003-000465 docketed as IPC No. 13-2011-00186; and,
5. certified true copy of the Decision dated 27 January 2012 of the Regional Trial Court of Caloocan, Branch 123.

On 11 July 2012, Respondent-Registrant filed its Answer alleging among others that Petitioner's Industrial Design Reg. No. 3-2003-000465 is not new and is not registrable. It was also asserted that

<sup>1</sup> A corporation duly organized and existing under and by virtue of the laws of the Philippines with principal office and place of business at Tower B, Gotesco Twin Tower, Concepcion Street, Ermita, Manila.

<sup>2</sup> Represented by Hechanova Bugay & Vilchez with office address at Ground Floor, Chempil Building, 851 Antonio Arnaiz Avenue, Makati City.

<sup>3</sup> Filed on 12 August 2003 and issued on 07 June 2004.

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Petitioner's Industrial Design Reg. No. 3-2003-000465 is different from Respondent-Registrant's **Industrial Registration Reg. No. 3-2005-0000403**.

Respondent-Registrant's evidence consists of the following:

1. Authentication and legalization of the Special Power of Attorney;
2. certified true copy of Industrial Design Reg. No. 3-2003-000465;
3. certified true copy of Respondent's **Industrial Design Reg. No. 3-2005-0000403**;
4. Curriculum Vitae and Affidavit of Engineer Rolando Saquilabon; and,
5. photocopies of Respondent-Registrant's Copyright Registration No. H-2003-274, H-2003-275, H-2003-276, and H-2003-372.

The Preliminary Conference was held and terminated on 12 March 2013. Parties were directed to submitted their position papers until 01 April 2013.

Should **Industrial Design Reg. No. 3-2005-000403** be cancelled?

Section 113.1 of the IP Code provides that, "Only industrial design that are new or ornamental shall benefit from protection under this Act." In reference, Section 117.1<sup>4</sup> in turn requires that as to its registration, "Where the Office finds that the conditions referred to in Sec. 113 are fulfilled, it shall order that registration be effected in the industrial design or layout-design register and cause the issuance of an industrial design or layout-design registration, otherwise, it shall refuse the application."

Consequently, to be considered new, Section 119 of the same law provides that Sections 23 and 24 on Patents, affirm the determination of novelty. It is stated that an industrial design cannot be considered new, hence not registrable, if it forms part of a prior art. On the other hand, for purposes of cancellation, the law allows lack of novelty as a ground for the cancellation of registration.<sup>5</sup> It is provided that:

"Sec. 120. Cancellation of Design Registration. - 120.1. At any time during the term of the industrial design 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:

x x x  
(b) If the subject matter is not new  
x x x"

Petitioner argues that its rights have been injured by the grant of **Industrial Design Registration No. 3-2005-000403** to Respondent-Registrant, as it bears substantially the same industrial design elements as that of Petitioner's earlier registered Industrial Design Registration No. 3-2003-000465. To support this argument, Petitioner advances that Respondent-Registrant has categorically admitted in its Petition for Cancellation dated 29 April 2011 that it is identical to Petitioner's earlier 3-2003-000465.<sup>6</sup>

Petitioner further posits that in view of the fact that it was first to file its industrial design application on 12 August 2003, it has rightfully obtained an earlier application, registration, and approval of its industrial design. Accordingly, this fact should be the basis for enjoining the Respondent-Registrant

<sup>4</sup> IP Code.

<sup>5</sup> Sec. 120, IP Code.

<sup>6</sup> Paragraphs 5.9 and 5.10, Position Paper of Petitioner.

from actual and future misappropriation of Industrial Design Registration No. 3-2003-000465 granted in favor of the Petitioner.<sup>7</sup> Hence, Petitioner seeks to cancel Respondent-Registrant's **Industrial Design Registration No. 3-2005-000403** on the basis of its earlier Industrial Design Registration No. 3-2003-000465 as being a prior art.

After a perusal of the arguments and corresponding evidence on record, this Bureau finds the Petition to be without merit.

To specifically rebut Petitioner's contention, Respondent-Registrant presented an affidavit<sup>8</sup> of its expert witness, Engr. Rolando B. Saquilabon, who compared the different views of the two competing industrial designs to determine substantial similarity. Indeed, the opinion of a witness on a matter requiring special knowledge, skill, experience or training, which he is shown to possess, may be received in evidence.<sup>9</sup> In point of fact, despite its permissive and discretionary nature, the reception of the opinion of expert witness is accorded weight as to its purpose is "not to sway the court in favor of any of the parties, but to assist the court in the determination of the issue before it, and is for the court to adopt or not to adopt depending on its appreciation of the attendant facts and the applicable law."<sup>10</sup>

In this case, Engr. Saquilabon concluded that the two engine designs are different from each other. He first compared Figure 1 of Petitioner's Industrial Design Reg. No. 3-2003-000465 with Figure 7 of Respondent-Registrant's **Industrial Design Reg. No. 3-2005-000403**, which is the front perspective views of the engine designs, and found that:

"21.  
x x x

In this view, the starter or cranking mechanism of Honda's 3-2005-000403 is externally defining a cylindrical cover having no taper and having a plurality of regularly arranged slots distribute around its side and weaved surface on the obverse side thereof, while that of TLA's 3-2003-000465 shows a frustrum of circular cone shape having a plurality of depressed portions for the retaining bolts and circular boss with radiating slots on its obverse side. The appearance and position of the switch in Honda's 3-2005-000403 are different from TLA's 3-2003-000465 design does not. Further, Honda's 3-2005-000403 has ornamental rib projections on its front cover which feature is not found in TLA's 3-2003-000465."

Further, in comparing Figure 2 of Respondent-Registrant's **Industrial Design Reg. No. 3-2005-000403**, which is the rear view of the design, and Figure 2 of 3-2003-000465, which is the right side view of Petitioner's design, Engr. Saquilabon observed that:

"x x x

In this view, Honda's 3-2005-000403 features an air cleaner housing with a plurality of prominent vertical slots and two pairs of relatively smaller horizontal slots under them, while the said corresponding view of TLA's 3-2003-000465 has prominent two rows of prominent horizontal slots and a

<sup>7</sup> paragraph 5.11, Position Paper of Petitioner.

<sup>8</sup> Exhibit "5" of Respondent-Registrant.

<sup>9</sup> Sec. 49, Rule 130 Revised Rules of Court.

<sup>10</sup> Tabao vs. People, G.R. No. 187246, 20 July 2011.



plurality of relatively smaller vertical slots over said rows of horizontal slots. In addition, the fuel tank of the engine embodying Honda's 3-2005-000403 is relatively smaller than its air cleaner housing, while the fuel tank of TLA's 3-2003-000465 is bigger than its air cleaner housing. Furthermore, on the edge of TLA's 3-2003-000465, the side of the cylinder head cover can be seen, while the cylinder head cover of Honda's 3-2005-000403 is covered by a circular member installed at the side of the cylinder. In Honda's 3-2005-000403 design, there is an inlet for oil, while there is no such inlet for oil in TLA's 3-2003-000465. Lastly for this view, in TLA's 3-2003-000465, there is a visible portion of the exhaust pipe, while there is no similar visible portion of the exhaust pipe in Honda's 3-2005-000403 design."

Lastly, Engr. Saquilabon compared Figure 3 of Petitioner's Industrial Design No. 3-2003-000465 which is the rear view with Figure 6 of Respondent-Registrant's **Industrial Design Reg. No. 3-2005-000403** which is the left side view. He found that:

"x x x

In this view, the subject engine design of Honda's 3-2005-000403 defines a rectangular cylinder cover with rounded corners, while that of TLA's 3-2003-000465 has a hexagonal cylinder cover for that engine part."

After a close examination of the two subject industrial designs, the arguments, and the evidence of the parties on record, this Bureau is convinced that Respondent-Registrant's **Industrial Design No. 3-2005-000403** bears substantial differences in terms of design with that of Petitioner's Industrial Design No. 3-2003-000465. The latter, therefore, cannot be considered as prior art to the former.

The Supreme Court in *Del Rosario v. Court of Appeals*<sup>11</sup> held that:

"In issuing, reissuing or withholding patents and extensions thereof, the Director of Patents determines whether the patent is new and whether the machine or device is the proper subject of patent. In passing on an application, the Director decides not only questions of law but also questions of fact, i.e. whether there has been a prior public use or sale of the article sought to be patented. Where petitioner introduces the patent in evidence, if it is in due form, it affords a prima facie presumption of its correctness and validity. The decision of the Director of Patents in granting the patent is always presumed to be correct, and the burden then shifts to respondent to overcome this presumption by competent evidence."

Applying the law to this case, the Petitioner has the burden to overcome the presumption of validity of Respondent-Registrant's right. This, the Petitioner failed to do. Petitioner relied on its earlier filing and subsequent registration of its own Industrial Design Reg. No. 3-2003-000465. This is known as the "First to File" rule which states that:

"Sec. 29. First to File Rule. If two (2) or more persons have made the invention separately and independently of each other, the right to the patent shall belong to the person who filed an application for such invention, or where

<sup>11</sup> G.R. No. 115106, 15 March 1996.

two or more applications are filed for the same invention, to the applicant who has the earliest filing date or, the earliest priority date."<sup>12</sup>

What Petitioner failed to appreciate is that this rule speaks of a similar invention or a similar design made by two (2) or more persons separately and independently of each other. However, there must be a substantial proof of substantial similarity to properly invoke this rule.

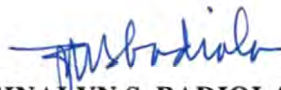
Unfortunately for Petitioner, it failed to show this similarity, as the only evidence to prove its allegation is the alleged admission by the Respondent-Registrant made in a separate Petition for Cancellation dated 29 April 2011 and docketed as IPC No. 13-2011-00186.<sup>13</sup> Such separate petition in turn sought to cancel Petitioner's Industrial Design No. 3-2003-000465 on the basis of Copyright Registration No. H-2003-274 entitled "GX 160 General Purpose Engine (1990 Model)" in the name of Honda Motor Co. Ltd. as prior art to it. As pointed out, this admission is completely false and misleading because a reading of the said petition states that Petitioner's Industrial Design Reg. No. 3-2003-000465 is identical to Honda's Copyright Registration Nos. H-2003-274, H-2003-275, H-2003-276, and H-2003-372, and not to **Industrial Design Reg. No. 3-2005-000403**.<sup>14</sup>

Therefore, the evidence of Petitioner is not sufficient to show substantial similarity between its design and that of Respondent-Registrant's. Given this, the "first to file" rule also cannot be made to apply. The Petitioner failed to overcome the prima facie validity of Respondent-Registrant's **Industrial Design Reg. No. 3-2005-000403**.

**WHEREFORE**, premises considered, the Petition is hereby **DISMISSED**. Let the filewrapper of this subject patent be returned, together with a copy of this Decision, to the Bureau of Patents for information and appropriate action.

SO ORDERED.

Taguig City. 21 OCT 2016



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

<sup>12</sup> IP Code.

<sup>13</sup> Filed by Respondent-Registrant against herein Petitioner.

<sup>14</sup> paragraph 30, Position Paper of Respondent-Registrant.