

LUCKY TABLEWARE FACTORY, INC.,
Petitioner,

-versus-

LUCKY GLASS ENTERPRISES CORP.,
Respondent-Registrant.

X-----X

}	IPC No. 13-2012-00362
}	Petition for Cancellation of:
}	
}	Reg. No. 3-2009-000534
}	Date Issued: 07 December 2009
}	
}	Title: DRINKING GLASS

NOTICE OF DECISION

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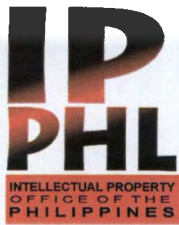
GREETINGS:

Please be informed that Decision No. 2016 - 531 dated 23 December 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 06 January 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



LUCKY TABLEWARE FACTORY, INC. }
Petitioner, }
 -versus- }
 LUCKY GLASS ENTERPRISES CORP., }
Respondent-Registrant. }

IPC No. 13-2012-00362
 Cancellation of:
 Registration No. 3-2009-000534
 Issued On: 07 December 2009
 Trademark: "DRINKING GLASS"

x-----x Decision No. 2016- 531

DECISION

LUCKY TABLEWARE FACTORY, INC.¹ ("Petitioner") filed a petition to cancel Industrial Design Registration No. 3-2009-000534 for "DRINKING GLASS". The registration was issued in favor of Designer Eulogio B. Olmillo of Lucky Glass Enterprises Corp.² ("Respondent-Registrant").

The Petitioner alleges:

x x x

"II

"GROUND

"THE SUBJECT DESIGN IS NOT NOVEL AND THUS NOT REGISTRABLE

"3. Section 119 of the IP Code provides that Section 21 on patents applies mutatis mutandis to an industrial design. Section 21 defines the elements of a patentable invention as follows:

x x x

"4. With regards to industrial designs, such as the Subject Design, Section 112(1) and 113.1 of the IP Code reiterates the essential requirement of novelty as follows:

x x x

"5. Moreover, Rule 1502 of the Revised Implementing Rules and Regulations for Patents, Utility Models and Industrial Designs specifically provide:

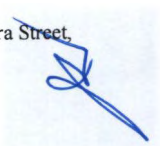
x x x

"6. Hence, an essential requirement for registrability of industrial design is the novelty of the products, process, or method sought to be registered. Section 23 of the IP Code negatively defines 'novelty' by stating that novelty exist if the invention is not part of the prior art, thus:

x x x

¹A corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at H. Labra Street, Guadalupe, Cebu City.

²With address on record at Malabon City, Philippines.



"7. Prior art is defined in Section 24 of the IP Code as follows:

x x x

"8. Therefore, if a work has been made available to the public prior to the date of filing of application, said work already forms part of the prior art and thereby affirm the absence of novelty of an industrial design. This rule is certainly applicable to the Subject Design.

"9. As early as the 1970's Petitioner has been manufacturing drinking glass no. 702 (presently renumbered as 509, hereinafter 'DG509'), which bears the same design as that of the Subject Design. Attached as Annex A, is a brochure published in the 1970's by Petitioner which proves that Petitioner has advertised and has been selling DG 509 as early as the 70's. Attached as Annex A-1 to A-4 are the Affidavits of Edmundo C. Solon, Henry E. Leung, Alfonso Qui Jr. and Ildefonso F. Pepito, current and former employees of Petitioner who has personally handled various glassware of petitioner including DG 509. Attached as Annex A-5 is the joint affidavit of employees of Petitioner who are members of the employee union (including those which were employed by its predecessor Visayan Glass Factory, Inc.), some of whom have been with the company since 1965 attesting to the fact that they have been involved in the manufacture and sale of glasses of identical design as DG509. All of which shows that the Subject Design has been made available to the public and in fact has been used by the public prior to the Respondent's August 19, 2009 filing date.

"10. More importantly, this design has become so commonplace and has clearly become part of public domain such that other manufacturers have likewise been producing, selling and advertising the products bearing the Subject Design. Attached as Annex B is a brochure published in 2003 by KIG Group - a multinational glass manufacturing conglomerate with corporations in Indonesia, Singapore, Hong Kong, and Malaysia, showing that it manufactured glasses with the same design as DG 509 (in page 3, glass no. HEC-09).

"11. All told, the Subject Design could not be considered novel at the time of its filing since the Subject Design has already been part of the public domain for decades prior to the August 19, 2009 filing date. Products utilizing the Subject Design have already been made available, and have been used by manufacturers and consumers alike and are thus not the proper subject of an industrial design patent.

"12. In addition to the fact that the Subject Design should be cancelled on account of the same having been part of the public domain for years or even decades before its filing date, the Subject Design should likewise be cancelled for lack of novelty for having been previously disclosed in prior art.

"13. Rule 204 (c) and Rule 1503 of the Implementing Rules and Regulations for Patents, Utility Models and Industrial Designs provides that an industrial design is not new (i.e. lacks novelty) if it forms part or is otherwise disclosed in a foreign patent as follows:

x x x

"14. The Subject Design has been previously disclosed and described in United States Patent 3,874,977, April 1, 1975; referred to as the basic form of a drinking glass on which additional patterns were incorporated. (a copy of the said patent is attached as Annex C):

x x x

"15. A cursory review of the illustrations of the straight cylindrical glass referred to in the previously registered patent and the Subject Design clearly shows that they differ only in minor respect (i.e. one is taller and the other is shorter) and is thus not subject to registration.

"16. Consequently, the Subject Design cannot be considered new, the same having been found to be part of prior disclosure and is thus forming part of prior art.

"17. This is consistent with the procedure for the assessment of patentability under the Manual of Substantive Examination Procedure (MPEP), which states:

x x x

"18. Moreover, a review of the Industrial Design Registry maintained by the World Intellectual Property Organization in accordance with the Hague System for International Registration of Industrial Designs readily shows that the industrial design sought to be registered by the Subject Design has already been in existence years prior to its August 19, 2009 filing date. The following are examples of registrations which are similar and substantially equivalent to the industrial design of the Subject Design.

x x x

"19. In sum, it is clear that the Subject Design, at the time of the filing of the application (i.e. August 19, 2009) is not and cannot be considered as new on account of the following:

"19.1 Petitioner has been producing DG509 (the industrial design of Subject Design) since the 1970's, decades before Respondent claims it has created the design and has requested for its registration;

"19.2 The industrial design covered by the Subject Design was already disclosed in patents issued by the US Patent Office as early as 1975.

"19.3 The industrial designs covered by the Subject Design are already registered and disclosed in the Industrial Design Registry maintained by the World Intellectual Property Organization in accordance with the Hague System for International Registration of Industrial Designs long before the Respondents filing date.

"20. Consequently, pursuant to Section 120 (b) of the IP Code, the Subject Design should be cancelled due to the absence of novelty.

The Petitioner's evidence consists of a brochure published in the 1970's by Petitioner; the Affidavits of Edmundo C. Solon, Henry E. Leung, Alfonso Qui Jr. and Ildefonso F. Pepito, current and former employees of Petitioner; the joint affidavit of employees of Petitioner who are members of the employee union, some of whom have been with the company since 1965; and a brochure published in 2003 by KIG Group- a



multinational glass manufacturing conglomerate with corporations in Indonesia, Singapore, Hong Kong, and Malaysia.³

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Registrant on 07 November 2012. The Respondent-Registrant filed their Answer on 05 December 2012 and avers the following:

x x x

"SPECIAL AND AFFIRMATIVE DEFENSES

"Respondent re-pleads and incorporates by way of reference the foregoing allegations and further alleges that:

"4. The instant complaint states no valid cause of action against the respondents for being bereft of merits in fact and in law.

"5. The grounds relied upon by petitioner is nothing but a token statement. Respondent is the registrant of industrial design and copyright and has the right to protect the same.

"6. Initially, the claim of petitioner is nothing but a token statement. Respondent is the registrant of industrial design and copyright and has the right to protect the same.

"7. The Petition for Cancellation must be dismissed outright. It alleges that the designs or drawing of subject glasses are not original intellectual creation of the respondent. However, it cannot also pinpoint who is the creator of the said designs. It merely alleges that in 2003 KIG published a brochure that it is manufacturing these glasses. Please do take note that KIG is merely a manufacturing glass company outside of the Philippine territory and never claimed that it is the creator. Since it was the respondent that has presented to this Honorable Office the design and was found to be proper and had complied with all the legal requirements thereof, the same was legally registered., If there has been similarity in the appearance of the industrial design of the respondent and the unregistered glasses of the petitioner, the same has to be weighed by the Honorable Office if the design presented by the respondent prior to its registration is novel or not, and not based on the conjecture, assumption and circumstances elucidated by the petitioner. The fact remains that the petitioner cannot prove that it is a prior user of the registered glasses by hard evidence except self-serving Affidavits.

"8. As far as the respondent is concerned the registered industrial Design is novel and new and has been the product of the innovative mind of the registrant having passed the stringent requirements of this honorable Office. Kindly take note that Lucky Glass Enterprises started advertising in 2003 and selling these products in 2004 to the buying public and had established goodwill that these glasses are already associated and synonymous to the respondent. Photocopy of the proof of receipts are hereto attached as Annexes 'A' to 'G'.

³Marked as Annexes "A" to "B", inclusive.

"9. The claim of petitioner that it was advertising and selling the questioned glasses, the same is a mere statement not supported by proof of selling. Besides, in the said brochure there was no indication that the same was advertised in the 1970s. Further, the Affidavits executed to support the allegation were executed by their employees and thus self-serving. Even the alleged Sales Contract dated July 20, 1995, the same is a mere piece of paper. The alleged purchaser never executed an Affidavit to this effect and the alleged piece of paper pertains only to glass 777 and not to other questioned glasses.

"10. The essence of registration is for the protection of the products. The Intellectual Property Office (IPO) will not process the registration of designs in the absence of technical drawings and specifications of the item subject of registration. IPO will verify if there are other designs being presented to their office which are similar to the applicant. In short, all the necessary requirements were being followed for the registration of the design. Should the designs be similar to that of other glasses, the right of the registrant must be protected having registered the same in good faith and in accordance with the provisions of the law.

"11. Relative to its claim on the ground that petitioner is the prior user of the questioned glass is a bare claim. It has not presented any proof to the contrary that they have been selling these items. Section 73 of the IPC applies only in a situation where the respondents could clearly show that it is the prior user of the questioned glasses. In this instance case, petitioner merely presented the affidavits of their employees which are all self-serving and the alleged Sales Contract which is not even authenticated by the buyer. The pictures depicted as part of alleging that it was already advertising and selling in the 1970s never indicated the said date.

"12. Due to the reckless filing of the instant opposition by the petitioner, respondent was constraint to hire the services of the undersigned counsel in the amount of P75,000.00 by way of attorney's fee and the amount of P5,000.00 per appearance to protect and defend its rights and interests.

"13. By way of example for public good that the same should not be repeated, petitioner must be held liable to pay respondent exemplary damages in the amount of P25,000.00

The Respondent-Applicant's evidence consists of copies of delivery receipt no. 062 and sales invoice nos. 135, 153, 168, 169, 180 and 182 issued by Respondent-Applicant, Lucky Glass Enterprises Corporation.⁴

Should Industrial Design Registration No. 3-2009-000534 be cancelled?

The Petitioner seeks the cancellation of Industrial Design Reg. No. 3-2009-000534 for lack novelty or that it is not new and formed part of prior art before it was filed by Respondent-Registrant and it is not registrable under Section 112 and 113 of the IP Code.

⁴Marked as Annexes "A" to "G".

Section 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 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:

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. [Emphasis supplied]

Section 113 of the IP Code also provides:

Sec. 113. *Substantive Conditions for Protection* – 113.1 – Only industrial design that are new or original shall benefit from protection under this Act.

Corollary, Sections 23 and 24 of the IP Code relating to patents are applicable *mutatis mutandis* to industrial design registrations under Section 119 of the same Code, to wit:

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

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

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

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.

One of the requirements for registration of an industrial design is that it must be new⁵. To be new, the design should not form part of a prior art before the filing date of the application for registration. Section 24 of the IP Code provides that prior art to a design may consist of everything made available to the public anywhere in the world before the filing date of the application for the design; or the whole contents of an application for an industrial design registration, published and filed in the Philippines, with a filing date that is earlier than the filing of priority date of the subject industrial design application.

⁵113.1 IP Code Rule 301 of the Rules and Regulations on Industrial Design.

In invalidating a design patent, there are two tests, the "Points of Novelty Test" and the "Ordinary Observer Test". These are two distinct tests employed in order to find patent invalidity as well as infringement⁶.

In applying the "Ordinary Observer Test", the determination should be made by "observers of ordinary acuteness" giving the "degree of observation" that a purchaser usually gives, as it is such persons, not experts, "who are the principal purchasers" of such articles.⁷ The true test of identity of design is sameness of appearance, in other words, sameness of effect upon the eye; that it is not necessary that the appearance should be the same to the eye of the expert, and that the test is the eye of an ordinary observer, the eyes of men generally, of observers of ordinary acuteness, bringing to the examination of the article upon which the design has been placed that degree of observation which men of ordinary intelligence give.⁸

The Petitioner puts into issue the novelty of Industrial Design No. 3-2009-000534 contending that the industrial design covered by said registration is not new since it already forms part of a prior art. Petitioner cites and alleges as prior art the following: drinking glass no. 702 (renumbered as 509) which Petitioner has been manufacturing and selling since the 70's, a brochure published in 2003 by KIG Group showing that it manufactured glasses with same design as DG 509, glasses as shown in Industrial Design Registry maintained by World Intellectual Property Organization ("WIPO") in accordance with the Hague System and United States Patent 3,874,977, (April 1, 1975), already made available in the market prior to Respondent's August 19, 2009 application for registration of its design.

The following is the claim of the subject industrial design as shown in the registration:

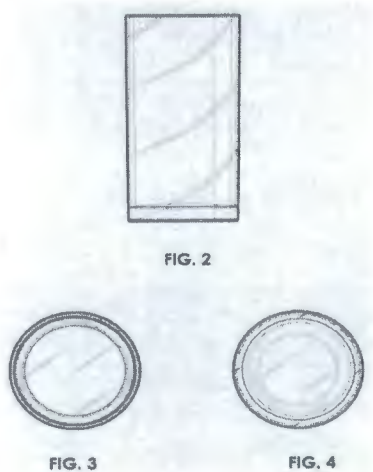
Claim:

The ornamental design for a drinking glass substantially as shown.

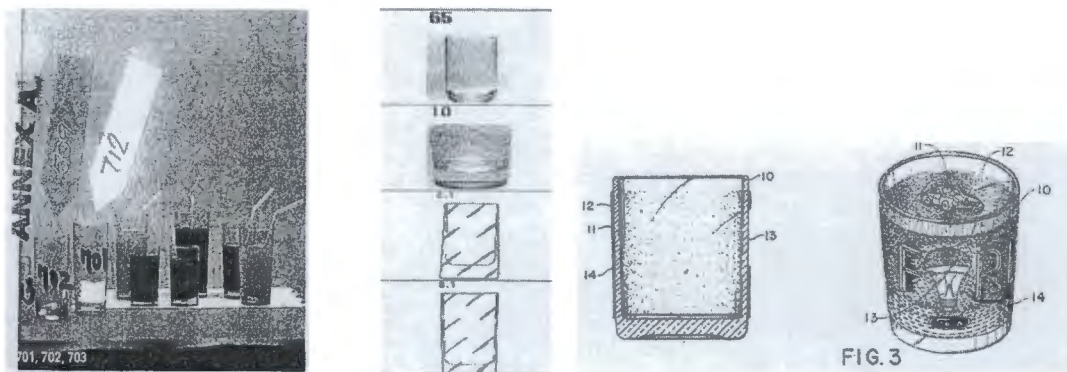
⁶ *Bernhardt L.L.C. vs. Collezione Europa USA Inc. No. 04-1024, Fed. Cir. 20 October 2004.*

⁷ *Gorham Co. v. White*, 81 U.S. 511 (1871)

⁸ *Jennings v. Kibbe*, 10 Fed. Rep. 669, 20 Blatchf. 353



On the other hand, the drinking glasses or glassware available in the market including that of United States Patent 3,874,977 and those in the Industrial Design Registry of the WIPO, as submitted by Petitioner are as follows:



After a judicious evaluation of the petition and the evidence on record, this Bureau finds the petition without merit. A scrutiny of the subject industrial design shows that the drinking glass disclosed and claimed satisfies the requirement of ornamentality in view of its unique shape and configuration that creates an impression in the eyes of the observer. The cylindrical shape, vertical lines appearing in the surface and the thinness of the bottom or base of the drinking glass would make an ordinary observer regard its design as different from the prior art as submitted, which are generally plain or clear, short glassware, some with designs or with different decorative features and mostly with thick base and arch bottom. It is the aforecited features and uniqueness of the subject drinking glass of Respondent that makes the design registrable.

Moreover, in *Del Rosario v. Court of Appeals*⁹, the Supreme Court ruled, to wit:

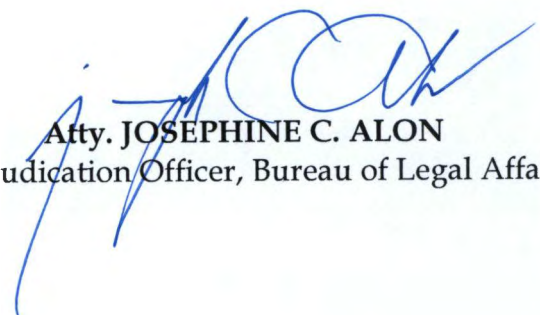
In issuing, reissuing or withholding patents and extensions thereof, the Director of Patents determines whether the patent is new and whether the machine or device is the proper subject of patent. In passing on an application, the Director decides not only questions of law but also questions of fact, 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.

In this case, Petitioner who is seeking the cancellation of the industrial registration issued by the Director of Patents failed to overcome the prima facie presumption of the correctness and validity of such registration. This Bureau, therefore cannot cancel the registration on the ground alleged or cited by the petitioner.

WHEREFORE, the instant Petition for Cancellation is hereby **DENIED** for the reason/s stated above. Let the filewrapper of Industrial Design Registration No. 3-2009-000534 be returned, together with a copy of this Decision, to the Bureau of Patents for information and appropriate action.

SO ORDERED.

Taguig City, 23 DEC 2016.


Atty. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs

⁹ G.R. No. 115106. March 15, 1996