



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

PANASONIC ELECTRIC WORKS CO., LTD., and }
PANASONIC ELECTRIC WORKS SALES }
PHILIPPINE CORPORATION, }
Complainants, }

-versus-

YATAI INTERNATIONAL CORPORATION,
Respondent.

X-----X

IPV No. 10-2009-00001

For: Infringement
of Design Patents and
Damages

NOTICE OF DECISION

HECHANOVA BUGAY VILCHEZ & ANDAYA-RACADIO

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Makati City


SIOSON SIOSON & ASSOCIATES

Counsel for Respondent
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Ortigas Center, Pasig City

GREETINGS:

Please be informed that Decision No. 2018 – 01 dated January 15, 2018 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 25, 2018.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



INTELLECTUAL PROPERTY
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**PANASONIC ELECTRIC WORKS CO., LTD., }
and PANASONIC ELECTRIC WORKS }
SALES PHILIPPINE CORPORATION, }
Complainants, }**

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Decision No. 2018- 01

DECISION

PANASONIC ELECTRIC WORKS LTD.¹ and PANASONIC ELECTRIC WORKS SALES PHILIPPINE CORPORATION² ("Complainants") filed a complaint for Design Patents infringement and damages against Yatai International Corporation³ ("Respondent").

The Complainant alleges the following:

"6. PANASONIC, formerly known as Matsushita Electric Works, Ltd. traces its roots to the company started by Konosuke Matsushita in 1918. PANASONIC operates in six (6) business sectors of lighting products, information equipment and wiring products, home appliances, building products, electronic and plastic materials, and automation controls. PANASONIC'S products are used in houses, buildings, commercial and public facilities, and factories to support communications, industry and everyday living and working activities. PANASONIC takes an integrated approach to its operations which start with research and development, manufacturing, and sales and extend to proposals for product usage, installation and servicing. The PANASONIC group of 57,655 employees includes 90 consolidated subsidiaries worldwide, ranging from production sites to research laboratories. The PANASONIC global sales network is comprised of 213 sales offices and 2,482 agents.

"7. PANASONIC actively works toward the creation of new products and new businesses. PANASONIC continues its efforts at value-creating management with growth in new directions by offering attractive solutions for diverse customer needs. As part of its strategic focus, the brand name 'Panasonic' shall be used on all products. In October 2008, the name Matsushita Electric Works, Ltd. was changed to Panasonic Electric Works Co., Ltd., hence, unifying its three internationally well-known brand names 'Matsushita', 'National' and 'Panasonic', to form one global brand: PANASONIC. Attached herewith as Exhibit 'B' is the duly authenticated certified copy of the change of name document of PANASONIC from Matsushita Electric Works, Ltd.

¹With address at 1048 Kadoma, Osaka , Japan.

²With address at 14th Floor, Makati Sky Plaza, 6788 Ayala Avenue, Makati City.

³With address at Rm. 205 Phil. Chinese Fed. Building, Muelle de Binondo, Tondo, Manila.

"8. Being the leading manufacturer in the electric industry, one of PANASONIC's more popular products, particularly in the Philippines, are its switches. These products are locally distributed through different retail outlets all over the country. Attached herewith as Exhibit 'C' is the judicial affidavit of Ms. Desiree Ballarta, Assistant Manager of Panasonic Electric Works Sales Philippines Corporation (PEWSPH) attesting to the fact that switches under the well-known brands, 'National' and 'PANASONIC' are distributed nationwide, and are the leading brands in switches due to its superior quality and attractive designs.

"9. Cognizant of the need to protect its intellectual property rights in countries where its products are found, PANASONIC obtained the following industrial design registration for some of its switches from the Intellectual Property Office of the Philippines ('IPPhil'), to wit:

Title	Registration No.	Date Filed	Date Issued
A Seesaw Switch	3-1997-12873	Sept. 12, 1997	June 13, 2000

A certified true copy of the above design registration is hereto attached as Exhibit 'D'. Attached also is the corresponding Registrability Report as Exhibit 'E'. Copies of other design registrations as shown below are attached to the affidavit of Ms. Desiree Ballarta (Exhibit C) to further show that PANASONIC is actively protecting its industrial designs in the Philippines and supporting its market leadership position in switches in the Philippines, to wit:

Title	Registration No.	Date Filed	Date Issued
Seesaw Switch	3-1999-00322	May 28, 1999	April 20, 2001
Seesaw Switch	3-1999-00323	May 28, 1999	May 7, 2001
Seesaw Switch	3-1999-00324	May 28, 1999	May 7, 2001

"10. Some time in February 2007, PANASONIC discovered that YATAI was selling and distributing in the Philippines, OMNI branded switches, particularly WWS 213-PK (Exhibit 'F'), the appearance of which was similar to PANASONIC's registered industrial design registration no. 3-1997-12873, without the consent and authorization of PANASONIC, thereby infringing on the same.

"11. Alarmed by its discovery of the infringement of its design patents, Complainants met with the undersigned counsel, who upon its instructions, sent YATAI a cease and desist letter (Exhibit 'C-17', 'C-18') dated February 7, 2007, demanding from YATAI to cease and desist from further selling, and distribution of the aforementioned switches; to destroy all inventories of OMNI and all other infringing similar switches including all mouldings, and other equipment or material used to produce the infringing switches; to recall from the market all infringing OMNI and other switches within two months from receipt of the letter; and to require YATAI to cause the publication in either Philippine Daily Inquirer or Manila Bulletin of an apology that its company shall never infringe on PANASONIC's industrial design registrations.

"12. YATAI's counsel then sent a Reply letter dated February 20, 2007 refusing to accede to Complainant's demand and claiming that its products are covered by Industrial Design Registration No. 3-2004-00767 in the name of Yang Hua Huang, president of YATAI. Attached hereto is a copy of the Reply letter dated February 20, 2007 as Exhibit 'C-19'.

"13. YATAI's claim that its switches, particularly OMNI WWS-213-PK is protected by Design Registration No. 3-2004-00767 has no basis for the following reasons:

- a) The switches OMNI WWS-213-PK are substantially similar to PANASONIC Design Patent No. 3-1997-12873;
- b) Design Patent No. 3-1997-12873 is prior art of Design Registration No. 3-2004-00767 having been issued filed only on October 29, 2004, compared to 3-1997-12873 which was filed on September 12, 1997, hence, 3-2004-00767 should be cancelled.

"14. As of October 30, 2008, YATAI's OMNI's infringing switches are still available in the market. As proof of the foregoing, attached herewith as Exhibit 'G' is the Affidavit of Maricris E. Oronea dated October 31, 2008, attesting to the fact that OMNI switches Model WWS 213 which infringe on PANASONIC's design patent no. 3-1997-12873 subject of registration are still being sold by YATAI.

"15. Furthermore, also sighted as being sold in the Philippines were OMNI switches models WWS 214 and WWS 224 which also infringe on PANASONIC's design patent no. 3-1997-12873 (Exhibits 'C-12', 'C-13', 'C-14', 'C-15', 'C-16').

"16. As a direct result of YATAI's acts, Complainants have suffered grave injury to its patent rights, damages, and material losses."

On 19 October 2011, Respondent filed its Answer denying the allegations of the complaint. As an affirmative defense, Respondent alleges, among other things, the following:

x x x

"5.2. Complainant PANASONIC does not work out its Industrial Design Registration No. 3-1997-12873.

"5.3. Respondent's president filed and secured in good faith Industrial Design Registration No. 3-2004-000767 and No. 3-2004-000771.

"5.4. Respondent's OMNI WWS-213 AND 22S-213-PK switches are made in accordance with, and are duly covered and protected by Industrial Design registration No. 3-2004-000767 issued in favor of respondent's president.

"5.5. Respondent's OMNI WWS-214 and WWS-224 switches are made in accordance with, and are duly covered and protected by Industrial Design Registration No. 3-2004-000771 issued in favor of respondent's president.

"5.6. Respondent's OMNI WWS-213 and WWS-213-PK switches do not infringe Industrial Design Registration No. 3-1997-12873 of complainant PANASONIC.

"5.7. Respondent's OMNI WWS-214 and WWS-224 switches do not infringe Industrial Design Registration No. 3-1997-12873 of complainant PANASONIC.

"5.8. Pursuant to Section 80 of the IP Code, complainants are not entitled to claim damages for the alleged infringement of Industrial Design Registration No. 3-1997-12873 of complainant PANASONIC.

"5.9. Seesaw switches including invention patents and industrial designs thereof, are old prior arts.

"5.10. Any reduction in the sale of complainants' switches is not directly attributable to competition from respondent's OMNI WWS-213, WWS-213-PK, WWS-214, and WWS-224 switches.

"5.11. Whatever damages complainants might have suffered are due to their own fault and negligence."

To prove their allegations, the Complainants presented/submitted evidence, marked as Exhibits "A" to "V", including their sub-markings, consisting of, among others: the Special Power of Attorney executed by Kouchi Hatanaka, President of Panasonic Electric Works Co. Ltd. in favor of the Law Offices of Hechanova Bugay and Vilchez; a copy of the Full Certificate of Current Registration of Panasonic Electric Works Co. Ltd.; the Judicial Affidavit of Desiree Ballarta dated January 21, 2009; a copy of the Amended Certificate of Articles of Incorporation of Panasonic Electric Works Sales Philippines; the Panasonic Ideas for Life General Catalogue for 2007 to 2008; the Panasonic Switch Model No. WEG5001K; the Panasonic Switch Model No. WEG5151K-5; a copy of Design Registration No. 3-1997-12873; a copy of Design Registration No. 3-1999-00322; a copy of Design Registration No. 3-1999-00323; a copy of Design Registration No. 3-1999-00324; the 2008-2009 Omni Electrical and Lighting Catalogue; the Omni Switch Model No. WWS-214PK; the Omni Switch Model No. WWS-224PK; a copy of the Cease and Desist Letter dated February 7, 2007 addressed to Mr. Yang Hua Huang, President of Yatai International Corp.; photograph of Omni Switches; Industrial Design Registration under the name of Matsushita Electric Works, Ltd.; a copy of the Letter dated February 20, 2007 from Sioson Sioson & Associates to Hechanova Bugay & Vilchez; a copy of the Letter dated February 21, 2007 of Hechanova Bugay Vilchez to Sioson Sioson & Associates; a list of Industrial Designs with extension of Term; Industrial Design Registration Form for Matsushita Electric Works, Ltd.; Letter dated February 28, 2007 from Sioson Sioson & Associates to Hechanova Bugay & Vilchez; Market Share Analysis of Panasonic Electric Works Sales Philippines; Summary pie chart showing complainants' market share vs. the share of its competitors in the field of switches in the Philippines for the year 2005; raw data used to determine complainants' market share vs. the share of its competitors in the field of switches in the Philippines for the year 2005; Summary pie chart showing complainants' market share vs. the share of its competitors in the field of switches in the Philippines for the year 2006; raw data used to determine complainants' market share vs. the share of its competitors in the field of switches in the Philippines for the year 2006; Summary pie chart showing complainants' market share vs. the share of its competitors in the field of switches in the Philippines for the year 2007; raw data used to determine

complainants' market share vs. the share of its competitors in the field of switches in the Philippines for the year 2007; loss of market share incurred by complainants by reason of respondent's acts of infringement; graphical presentation of complainants' product positioning in relation to loss incurred by the complainants; Affidavit of Maricris E. Oronea dated October 31, 2008; sales invoice for the purchase of Omni Switch at True Value Home Center; Sales invoice for the purchase of Omni Switch at True Value Home Center; photograph of the item brought from True Value Home Center; Omni Switch Model No. WWS-213Pk; Secretary's Certificate dated July 8, 2009 signed by Mely Jane G. Bertillo; Omni Switch Model No. WWS-214PK; Omni Switch Model No. WWS-224PK; True Value (Cebu) Receipt No. 1511; Omni Switch Model No. WWS-214PK; Omni Switch Model No. WWS-224PK; Omni Switch Model No. WWS-213PK; Ace Hardware Receipt for the purchase of the OMNI Switches; Panasonic Certification by Kazuhito Takahashi dated August 11, 2010; Panasonic ideas for Life Flyers of the Wide Series Model; copy of the 2010 General Information Sheet as Submitted to the Securities and Exchange Commission of Panasonic Electric Works Sales Philippines Corp.; Panasonic Electric Works Co., Ltd.'s Annual Report for the year ended March 31, 2009; copy of Design Registration no 3-1997-12873 under the name of Panasonic Electric Works Company Ltd.; copy of Design Registration no. 3-1999-00322 under the name of Panasonic Electric Works Company Ltd.; copy of Design Registration no. 3-1999-00323 under the name of Panasonic Electric Works Company Ltd.; copy of Design Registration No. 3-1999-00324 under the name of Panasonic Electric Works Company Ltd.; Curriculum Vitae of Engineer Isagani I. Reyes; UST B.S. ECE Diploma of Isagani Reyes; Asian Workshop on Paten Search and Examination Participants Group Photo; Authority to travel of Isagani Reyes to Kuala Lumpur to attend the Asean Workshop on Patent Search Examination; Master in Business Administration Diploma of Isagani Reyes from International Academy of Management and Economics; Employment Certificate and Record of Isagani Reyes; Certificate of Attendance of Isagani Reyes to the seminar "Search and Examination with Focus on Physics/Electricity/Mechanics" issued by the European Patents Office-Berlin; Certificate of Attendance of Isagani Reyes to the seminar "Common Course on Search and Examination of Patent Application in the Field of Telecommunication"; Regional Training Course on Patent Search and Examination in Telecommunications Related Inventions Participants Group Photo; Authority to travel of Isagani Reyes to Kuala Lumpur to Attend the Regional Training Course on Patent Search and Examination in Telecommunications Related Inventions; Certificate of Completion of Training of WIPO Training Course issued by the Japanese Patent Office; Certificate of Participation of Isagani Reyes to the seminar on Protection of Computer Software and Business Methods in the Philippines; Certificate of Participation of Isagani Reyes to the seminar on Public Service Excellence and TQM Core Values for the Intellectual Property Office; Training Index of the Intellectual Property Office; List of Participants to the Training on IP Valuation and Commercialisation; Certificates of

Attendance of Isagani Reyes to the seminar on Patents, A Source of Technology Information and The International Patent Classification and the seminar on Business of Creativity; Certificate of Completion of Isagani Reyes to the seminar on Regional Workshop on Search and Examination in the Field of Nanotechnology – Electronics and Chemistry; Certificate of Participation of Isagani Reyes to the seminar on Drafting Patent Applications; List of Participants to the Seminar on the Economic Impact of Legal Protection of Intellectual Property Rights; Judicial Affidavit of Isagani Reyes dated October 6, 2010; Request Letters asking for a copy of the Design Registration No. 3-2004-00767 under the name of Yang Hua Huang and a Copy of the Design Registration No. of 3-2004-00771 under the name of Yang Hua Huang; a copy of the Design Registration No. 3-2004-00767 under the name of Yang Hua Huang; a copy of the Design Registration No. 3-2004-00771 under the name of Yang Hua Huang; Top View of Design Registration No. 3-2004-00767; Right Side View of Design Registration No. 3-2004-00767; Left side view of Design Registration No. 3-2004-00767; Rear View of Design Registration No. 3-2004-00767; Bottom View of Design Registration No. 3-2004-00767; Top View of Design Registration No. 3-2004-00771; Right Side View of Design Registration No. 3-2004-00771; Left Side View of Design Registration No. 3-2004-00771; Rear View of Design Registration No. 3-2004-00771; Bottom View of Design Registration No. 3-2004-00771; Front View, Rear View, Right Side View, Left Side View, Top Plan View, Bottom Plan View, Perspective View Photographs of Omni Switch Model No. WWS-213PK; Front View, Rear View, Bottom Plan View, Right Side View, Left Side View, Top Plan View, Perspective View Photographs of Omni Switch Model No. WWS-214PK; Front View, Rear View, Right Side View, Left Side View, Top Plan View, Bottom Plan View, Perspective View Photographs of Omni Switch Model No. WWS-224PK; Judicial Affidavit of Niño C. Ner; 2001 National Wiring Devices Product Catalogue for the Full Wide Series Switches; National Wiring Devices 2001 Product Catalogue; Matsushita (National) Switch model no. WEG 5001; Perspective View, Left Side View, Right Side View, Rear View, Bottom View Comparisons of the Picture of National Switch Model WEG 5001 with design registration 3-2004-000767 and 3-2004-00771; Judicial Affidavit of Editha R. Hechanova dated December 21, 2011; signature of Editha R. Hechanova; Summary of Attorney's Fees Incurred by Complainants in IPV No. 10-2009-00001, entitled "Panasonic v. Yatai"; Debt Note 01-07/7088 dated February 9, 2007; Hechanova Bugay & Vilchez (HBV) Official Receipt No. 109; Debit Note 04-07/7108 dated April 18, 2007; Hechanova Bugay Vilchez (HBV) Official Receipt No. 228; Debit Note 10-08/7331 dated October 31, 2008; Hechanova Bugay & Vilchez (HBV) Official Receipt No. 484; Debit Note 11-08/7334 dated November 26, 2008; HBV Official Receipt No. 515; Debit Note No. 03-09-7402 dated March 24, 2009; HBV Official Receipt No. 578; Debit Note No. 09-09/7510 dated September 28, 2009; HBV Official Receipt No. 752; Debit Note No. 03-10/7555 dated March 1, 2010; HBV Official Receipt No. 775; Debit Note No. 09-10/7650 dated September 22, 2010; HBV Official Receipt No. 1004; Debit Note No. 04-

11/7747 dated March 31, 2011; Official Receipt No. 1279; Debit Note No. 03-11/7746 dated March 31, 2011; HBV Official Receipt No. 1050; Debit Note No. 09-11/7851 dated September 28, 2011; HBV Official Receipt No. 1226; Debit Note No. 09-11/7854 dated September 30, 2011; HBV Official Receipt No. 1231; and Certification of Noemi P. Rivera dated January 24, 2012. Complainants also presented as witnesses Desiree Ballanta, Maricris E. Oronea, Niño C. Ner, Atty. Editha R. Hechanova and former patent examiner Isagani I. Reyes. BPTTT.

Respondent's evidence on the other hand, marked as Exhibits "1" to "19" including their sub-markings, consists of, among others: a copy of Industrial Design Registration No. 3-2004-00767 for "ONE WAY SWITCH" issued on July 29, 2005 in the name of Yang Hua Huang, Chairman of respondent Yatai International Corp.; a copy of Industrial Design Registration No. 3-2004-000771 for "ILLUMINATED SWITCH" issued on July 29, 2005 in the name of Yang Hua Huang, Chairman of respondent Yatai International Corp.; copy of Respondent's reply letter dated February 20, 2007 to the February 7, 2007 letter of complainants' counsel; copy of Respondent's reply letter dated February 28, 2007 to the February 21, 2007 letter of complainants' counsel; printout from the website <http://patft.uspto.gov> (USPTO PATENT FULL-TEXT AND IMAGE DATABASE) dated May 26, 2009 re results of search for seesaw switch; copy of complainant Panasonic's Industrial Design Registration No. 3-1997-12873 for a SEESAW SWITCH issued on June 13, 2000; Renewal of Term of Industrial Design Registration No. 3-2004-000767 for ONE WAY SWITCH for another five (5) years effective October 29, 2009, or until October 29, 2014; Renewal Term of Industrial Design Registration No. 3-2004-000771 for ILLUMINATED SWITCH for another five years effective October 29, 2009, or until October 29, 2014; copy of the Letter to the Director of the Bureau of Patents dated September 22, 2010, requesting for registrability report for Industrial Design Registration No. 3-2004-000767 and No. 3-2004-000771; copy of Official Receipt No. 0303238 dated September 22, 2010; signature of Florencio Z. Sioson above his printed name in Exhibit "9"; Registrability Report issued by the Bureau of Patents for Industrial Design Registration No. 3-2004-000767 with the following evaluation: "The above cited documents (including Industrial Design Reg. No. 3-1997-12873) are considered under Category "A"; Registrability Report issued by the Bureau of Patents for Industrial Design Registration No. 3-2004-000771 with the following evaluation: "The above cited documents (including Industrial Design Reg. No. 3-1997-12873) are considered under Category "A"; Letter to the Director of the Bureau of Patents dated December 6, 2011, requesting for a certification as to whether or not Matsushita Electric Works filed a Third Party Observation or Opposition to Industrial Design Registration No. 3-2004-000767 and No. 3-2004-000771; Official Receipt No. 0365915 dated December 7, 2011; Certification issued by the Director of the Bureau of Patents dated January 10, 2012 to the effect that "Within two (2) months from publication, in the absence of adverse information lodged with this Office within the purview of Rule 211.1 of the above-mentioned IRR as amended, the subject applications were considered

registered as of the above date of publication, and thereafter the Certificates of registration were prepared and issued"; Judicial Affidavit of Florencio Z. Sioson; signature of Florencio Z. Sioson above his printed name in Exhibit "14-B"; Judicial Affidavit of Rolando Belocura Saquilabon; signature of Rolando Belocura Saquilabon above his printed name; Certificate of Recognition issued by the Intellectual Property Office to Rolando B. Saquilabon dated June 20, 2008 for successfully passing the Patent Agent Qualifying Examination; Letter dated March 16, 1990 of Rolando B. Saquilabon to the Department of Trade & Industry updating his 201 File by submitting a copy of his "Diploma" for Bachelor of Laws degree issued by the University of Manila, College of Law dated May 29, 1984; together with his Official Transcript of Records for his Bachelor of Science in Mechanical Engineering from Cebu Institute of Technology and for his Bachelor of Laws at the University of Manila; Certificate of Career Executive Officer (CEO) Rank IV issued by the Civil Service Commission dated September 10, 2007; Certificate of Attendance at the following: Training Course on Patent Information held in Moscow from June 10 to July 5, 1988, organized by the World Intellectual Property Organization and the USSR State Committee for Inventions and Discoveries, together with the photograph, List and photographs of participants of the Intellectual Property Rights in Technology Transfer held May 5, 1997 – August 13, 1997 at the Osaka International Centre under the auspices of the Japan International Cooperation Agency, Letter from the Office of the President authorizing Saquilabon's travel to Taejon, Republic of Korea to attend the WIPO Asian Regional Training Course for Intellectual Property Trainers and Instructors on March 16-23, 2002, Letter from the WIPO dated June 17, 2002 acknowledging Saquilabon's registration as representative of the Philippines to the International Patent Cooperation Union (PCT), Committee on reform of the Patent Cooperation Treaty held in Geneva from July 1 to 5, 2002, Letter from the Office of the President dated October 15, 2002 authorizing Saquilabon's travel to Munich, Germany on November 16-24, 2002 to attend the International Academy Seminars on "Patents in electronics, computer technology and telecommunications" and "International Forum on protection of computer-related and business model inventions organized by the European Patent Office (EPO), International Academy, together with the Certificate issued by the EPO on 22 November 2002, Letter from the Office of the President dated January 14, 2003 authorizing Saquilabon's travel to Washington, D.C., U.S.A. from March 11 to April 5, 2003 to participate in the International Visitor Program on the Protection of Intellectual Property Rights; Certificate issued by the Executive Programs, Inc. for having satisfactorily completed the 1999 Seminar on the Administrative Disciplinary Investigations conducted on November 29, 1999 at Seameo Innotech Center, Diliman, Quezon City; Certificate of Participation awarded by the IPO in coordination with the Civil Service Commission for having attended the Leave Administration Course For Effectiveness (8 training hours) held at the IPO; Certificate of Participation awarded by the IPO in coordination with the National Economic Development Authority – Project Monitoring Staff for having attended

the Training Course on the Preparation of Implementation Completion Report for the JICA Project – Type Technical Cooperation Project for the Modernization of the Industrial Property System (48 training hours) held on January 13-16, 2003 at Richville Mansion Hotel, Mandaluyong City; Certificate of Attendance at the Conference on Civil Service Matters and Seminar Workshop on Public Service Ethics and Accountability (26 training hours) conducted by the Civil Service Commission on May 27 to 30, 2003 at Baguio City for the IPO; Certificate of Participation in the WIPO National Seminar on the Patent Cooperation Treaty (PCT) held at Discovery Suites, Pasig City on November 20-21, 2003; Certificate of Attendance at the First National Summit on Critical Informations and Communications Infrastructure Protection held April 15-16, 2004 at Edsa Shangr-la Hotel; Certificate issued by the Development Academy of the Philippines for having attended the Seminar-Workshop on Public Service Excellence and TQM Core Values for the Intellectual Property Office held May 18-20, 2004 at Baguio City; Certificate of Attendance at the 2nd Session of the "CATCH IP" Lecture Series "Valuing, Nurturing, and Using Intellectual Property for National Development" conducted by the IPO on May 24, 2006; Certificate of Attendance at the 3rd Session of the "CATCH IP" Lecture Series "Information and Communications Technology (ICTO and Its Contribution to IP Business Operations" conducted by the IPO on June 2, 2006; Certificate of Attendance at the 5th Session of the "CATCH IP" Lecture Series "Traditional Knowledge (TK) and the Development of Database for Patent Search in Asia" conducted by the IPO on August 31, 2006; Certificate of Attendance at the 16th Session of the "CATCH IP" Lecture Series on "Technology Commercialization and Nanotechnology" conducted by the IPO on February 6, 2008; Certificate of Attendance at the "Intellectual Property Philippines Leadership Summit" conducted by the IPO from February 11 to 14, 2008; Certificate awarded by the Filipinas Heritage Library and the DTI for having completed the Understanding Culture Workshop Part of Learning Stream – Soar Track 2008 DTI Human Capital Development Program held on September 17, 2008; Letter dated December 20, 1990 from Undersecretary Lilia R. Bautista of DTI informing Saquilabon of his appointment as Supervising Patent Examiner of the Bureau of Patents, Trademarks and Technology Transfer, together with the forwarding letter to the Civil Service Commission dated February 28, 1991; ; Letter dated August 19, 1993 from Undersecretary Cesar B. Bautista of DTI informing Saquilabon of his appointment as Chief Patent Principal Examiner of the BPTTT, together with his Personal Data Sheet, and Resume indicating his personal circumstances, educational background, civil service eligibility, various positions held with the job description, seminars/trainings participated (ten(10) foreign and eight (8) local), ten (10) Ad Hoc Assignments, Authorship of "Your IPR Kit", and being Speaker on ninety-eight (98) IPR Seminars; Letter from the Office of the President dated April 14, 1999 transmitting Saquilabon's appointment as Assistant Director of the IPO, together with the letter of appointment dated April 07, 1999 signed by President Joseph E. Estrada, and Oath taken on May 13,

1999; Service Record as of November 16, 1999 indicating various designation from Patent Researcher to Asst. Director; Service Record as of June 26, 2000 with enumeration of eight (8) foreign and seven (7) local Training Programs/Seminars attended; Service Records as of April 4, 2002, June 26, 2002 and May 31, 2008; Application for Retirement Benefits dated February 6, 2009, together with Application for Separation Benefit, Service Record as of February 5, 2009 and as of November 26, 2009; Certificate of Appreciation presented by the Bureau of Patents, Trademarks and Technology Transfer for contributing technology as Principal Lecturer to Patent Examiners from different Asean countries held on September 9-20, 1996 at Sulo Hotel, Quezon City; Letter from the Office of the President dated January 16, 2004 authorizing Saquilabon's travel to Singapore on March 4-5, 2004 to participate in the Europe Asia Patent Information Conference II; Certificate of Attendance at the "Speechcraft Seminar" conducted by the Executive Toastmasters Club of Makati from May 23 to July 18, 1989; Certificate of Completion at the "Session on Targetted Interviewing Techniques" conducted by the HRDS on July 16, 1991; Certificate of Attendance at the "National Symposium on Intellectual Property Law Teaching and Research" conducted by the World Intellectual Property Organization in coordination with the BPTTT, IPAP, and COMPACT from October 26 to 28, 1992; Certificate of Attendance at the "BPTTT Trainers' Training Course" conducted by the Department of Trade and Industry from October 11 to 15, 1993; Certificate of Completion at the "Technology Intelligence Training Program" conducted by the National Security Council and Department of Science and Technology on March 4-7, 1996; Certificate of Completion at the "Project Management Workshop" conducted by the Kenner-Tregoe Philippines/Manila Execon Group, Inc. on December 4-7, 1995; Certificate of Attendance at the "WIPO Asian Regional Round Table on the Strengthening of the Industrial Property System in view of Recent International Developments" conducted by the Bureau of Patents, Trademarks and Technology Transfer of the Department of Trade and Industry from January 17 to 19, 1996; Certificate of Attendance at the "BPTTT Seminar on Project Management" conducted by the Bureau of Patents, Trademarks and Technology Transfer in coordination with the EC-ASEAN Patents and Trademarks Programme from February 28 to 29, 1996; Certificate of Attendance at the "Drafting of Patent Applications" conducted by the Bureau of Patents, Trademarks and Technology Transfer in coordination with the European Patent Office from March 18 to 22, 1996; Certificate of Attendance at the "Seminar Workshop on the Proposed Implementing Rules and Regulations of the Intellectual Property Code" conducted by the Intellectual Property Foundation, Intellectual Property Association of the Philippines, Licensing Executives Society of the Philippines and the Philippine Association of Certified Patent Agent from September 12 to 13, 1997; Certificate of Completion at the "The Seven Habits of Highly Effective People" conducted by the Covey Leadership Center, Inc.; Certificate of Participation at the "Seminar on the Protection of Computer Software and Business Methods in the Philippines" conducted by the Intellectual



Property Office on September 28, 2005; Letter from the Department of Foreign Affairs dated January 17, 2006 authorizing Saquiabon's travel to Tokyo, Japan on January 22-28, 2006 to participate in the International Patent Licensing Seminar and World Intellectual Property Policy and Strategy; the Judicial Affidavit of Engineer Rolando B. Saquilabon; Comparison of Industrial Design Registration No. 3-1004-000767 and Industrial Design Registration No. 3-1997-12873; Comparison of Industrial Design Registration No. 3-2004-000771 and Industrial Design Registration No. 3-1997-12873; Photograph of OMNI switches Model No. WWS 213-PK, WWS 214, and WWS 224; Judicial Affidavit of Florencio Z. Sioson executed on July 25, 2013; Bill No. 13-054 dated June 5, 2013 of Sioson Sioson & Associates to Yatai International Corporation for attorneys' fees in the total amount of P250,000.00; Official Receipt No. 0622 dated July 15, 2013 of Sioson Sioson & Associates issued to Yatai International Corporation indicating partial payment (P150,000.00) of attorneys' fees. Respondent also presented as witnesses Atty. Florencio Z. Sioson and former Assistant Director Rolando B. Saquilabon of the then BPTTT.

This Bureau directed the parties to file their respective memoranda. The Complainants submitted their Memorandum on 18 November 2013, while the Respondent did so on 29 October 2013.

Issues

1. Whether or not Respondent is guilty of infringement of Industrial Design Registration No. 3-1997-12873; and
2. Whether or not Complainants are entitled to an award for damages.

Section 112 par. 1 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines as amended ("IP Code") defines an Industrial Design, to wit:

"SEC. 112. *Definition of Industrial Design.* - An industrial design is any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors; *Provided,* That such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft.

Corollary, provisions regarding "Rights of Patentee and Infringement of Patents" apply *mutatis mutandis* to industrial designs.⁴ The registration of a design confers on the owner or registrant the exclusive right to restrain, prohibit and prevent any unauthorized person or entity from making, using, offering for

⁴Chapter VIII, Sec. 119.3, IP Code.

sale, selling or importing that product. Thus, until such time that the registration is cancelled, the registrant enjoys the exclusive right to make, use and sell its registered design patent.

In the case at bar, the Complainants allege that Respondent infringed their Industrial Design covered by Registration No. 3-1997-12873 issued on 13 June 2000 entitled "A Seesaw Switch"⁵, when the latter copied, sold, and distributed in the Philippines, switches of similar appearance bearing the brand OMNI, specifically, OMNI models WWS 213 (213PK), WWS 214 and WWS 224 without the consent and authorization of the Complainants.

In this regard, what constitutes infringement of a registered design?

Section 76, in relation to Sec. 119, of the IP Code provides:

"Civil Action for Infringement – 76.1 The making, using, offering for sale, selling or importing a patented product or a product obtained directly or indirectly from a patented process or the use of a patented process without the authorization of the patentee constitutes patent infringement"

The landmark case in the United States of America of Gorham Co. vs. White,⁶ while cannot be considered part of this jurisdiction's jurisprudence, is nevertheless instructive on the matter, to wit:

"The acts of Congress which authorize the grant of patents for designs were plainly to give encouragement to the decorative art. x x x It is a new or original design for manufacture, whether of metal or other material. x x x And the thing invented or produce, for which a patent is given is that which gives a peculiar or distinctive appearance to the manufacturer or article to which it may be applied or to which it gives form. x x x The appearance maybe the result of peculiarity of configuration or of ornament alone, or of both conjointly, but in any way produced, it is the new thing or product which the patent law regards. x x x We do not say that in determining whether two designs are substantially the same,, differences in the line, the configuration, or the more by which the aspects they exhibit are not to be considered; but we think the controlling consideration is the resultant effect. [6 Chancery Appeal Cases. Law Reports 4[8]]. That was a suit to restrain infringement of a design used by the defendants was the same as that to which the plaintiffs were entitled. The ornament on both was in part, a star, but on one it was turned on the opposite direction from that in the other, yet the effect of the ornament was the same to the eye. The Lord Chancellor held that important inquiry was whether there was any difference in the effect of the designs, not whether there were differences in the details of ornament.

We are now prepared to inquire what is the true test of identity of design. Plainly it must be the sameness of appearance, and mere difference of lines in the drawing, sketch, a greater or smaller number of lines, or slight variances in

⁵ Exhibit "C-8" to "C-8-i" of the Complainants.

⁶ 81 U.S (14 Wall.) 511 (1871).

configuration, if sufficient to chance the effect upon the eye, will not destroy the substantial identity. x x x

If then, identity of appearance or (as expressed in *McCrea v. Holdsworth*) sameness in effect upon the eye is the main test of substantial identity of design, the only remaining question upon his part of the cases is whether it is essential that the appearance should be the same to the eye of an expert. The court below was of opinion that the test of a patent for a design is not the eye of an ordinary observer. The learned judge thought there could be no infringement unless there was 'substantial identity'.

In view of the observation of a person versed in designs in the particular trade in question – of a person engaged in the manufacture or sale of articles containing such designs – of a person accustomed to compare such designs one with another, and who sees and examines the articles containing them side by side.

There must, he thought, be a comparison of the features which make up the two designs. With this cannot concur. Such a test would destroy all the protection which the act of Congress intended to give. There never could be privacy of a patented design, for human ingenuity has never yet produced a design, in all its details, exactly like another – so like that an expert could not distinguish them. No counterfeit bank note so identical in appearance x x x

We told therefore, that if, in the eye of the ordinary observer, giving such attention as a person usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, including him to purchase one supposing it to be the other, the first one patented is infringed by the other.

Complainants presented Isagani I. Reyes whose judicial affidavit⁷ states that he examined and compared the contending products. Part of his Affidavit states:

"Q: Based on your review of Design Registration No. 3-1997-12873, the design laws of the Philippines, relevant decisions of the Intellectual Property Office (IPPhil), relevant decisions of the Supreme Court involving industrial designs, and the other materials furnished you, how would you compare **OMNI switch model WWS 213** to Design Registration No. 3-1997-12873?

A. Taking into consideration the appearance of OMNI switch model WWS 213 as a whole, when compared to the overall appearance of the seesaw switch in Design Registration No. 3-1997-12873, the said OMNI switch is substantially similar to the seesaw switch of the said design registration. The said OMNI switch model WWS 213 therefore infringes on Design Registration No. 3-1997-12873. Photographs of the contending products, submitted by the Complainants are hereby reproduced.

In Design Registration No. 3-1997-12873, the seesaw switch is characterized by a generally elongated body having a base and an operating level securely provided on top of said base. The said operating

⁷Exhibit "P" of the Complainants.

lever is defined by a generally rectangular body having an inclined top surface, a pair of opposed longitudinal and transverse sidewalls downwardly extending from said top surface. **A generally elliptical shaped ornament is adjacently disposed to an end portion of said inclined top surface as shown in figure 1.** The said base is defined by a generally rectangular body with a pair of engaging locks provided on each of its opposed transverse walls. A plurality of apertures for wire connection are also provided on the bottom portion of said base.⁸ (Emphasis and underscoring supplied)

"Q: Based on your review of Design Registration No. 3-1997-12873, the design laws of the Philippines, relevant decisions of the Intellectual Property Office (IPPhil), relevant decisions of the Supreme Court involving industrial designs, and the other materials furnished you, how would you compare **OMNI switch model WWS 214** to Design Registration No. 3-1997-12873?

A. Taking into consideration the appearance of OMNI switch model WWS 214 as a whole, when compared to the overall appearance of the seesaw switch in Design Registration No. 3-1997-12873, the said OMNI switch is substantially similar to the seesaw switch of the said design registration. The said OMNI switch model WWS 214 therefore infringes on Design Registration No. 3-1997-12873.

In Design Registration No. 3-1997-12873, the seesaw switch is characterized by a generally elongated body having a base and an operating level securely provided on top of said base. The said operating lever is defined by a generally rectangular body having an inclined top surface, a pair of opposed longitudinal and transverse sidewalls downwardly extending from said top surface. **A generally elliptical shaped ornament is adjacently disposed to an end portion of said inclined top surface as shown in figure 1.** The said base is defined by a generally rectangular body with a pair of engaging locks provided on each of its opposed transverse walls. A plurality of apertures for wire connection are also provided on the bottom portion of said base.⁹ (Emphasis and underscoring supplied)

"Q: Based on your review of Design Registration No. 3-1997-12873, the design laws of the Philippines, relevant decisions of the Intellectual Property Office (IPPhil), relevant decisions of the Supreme Court involving industrial designs, and the other materials furnished you, how would you compare **OMNI switch model WWS 224** to Design Registration No. 3-1997-12873?

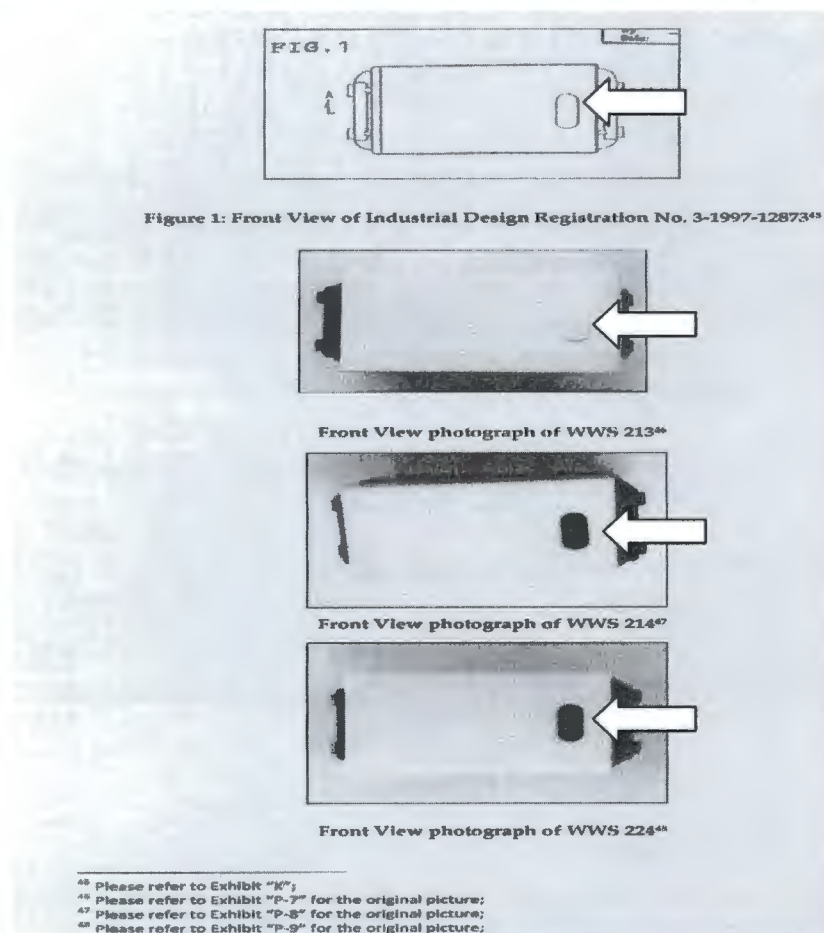
A. In Design Registration No. 3-1997-12873, the seesaw switch is characterized by a generally elongated body having a base and an operating level securely provided on top of said base. The said operating

⁸Question No. 13 of Exhibit "P" of Complainants.

⁹Question No. 14 of Exhibit "P" of Complainants.

lever is defined by a generally rectangular body having an inclined top surface, a pair of opposed longitudinal and transverse sidewalls downwardly extending from said top surface. **A generally elliptical shaped ornament is adjacently disposed to an end portion of said inclined top surface as shown in figure 1.** The said base is defined by a generally rectangular body with a pair of engaging locks provided on each of its opposed transverse walls. A plurality of apertures for wire connection are also provided on the bottom portion of said base.¹⁰ (Emphasis and underscoring supplied)

Photographs of the Design Registration No. 3-1997-12873 (figure 1) and OMNI switch models WWS 213, WWS 214 and WWS 224 are depicted below:



(each arrow pointing to the same elliptical shaped ornament)

Succinctly, the Respondent cannot claim that its OMNI switch models WWS 213, WWS 214 and WWS 224 have distinct features, by mere looking at the photographs shown above, one can readily cite the points of similarities when it

¹⁰Question No. 15 of Exhibit "P" of Complainants.

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comes to the **elliptical shaped ornament adjacently disposed to an end portion of the top surface.**

Likewise, this Bureau noted that Isagani I. Reyes cited points of similarities when it comes to a pair of engaging locks provided on each of the switch opposed transverse walls. Part of his Affidavit states:

"Q: Based on your review of Design Registration No. 3-1997-12873, the design laws of the Philippines, relevant decisions of the Intellectual Property Office (IPPhil), relevant decisions of the Supreme Court involving industrial designs, and the other materials furnished you, how would you compare **OMNI switch model WWS 213** to Design Registration No. 3-1997-12873?

A. Taking into consideration the appearance of OMNI switch model WWS 213 as a whole, when compared to the overall appearance of the seesaw switch in Design Registration No. 3-1997-12873, the said OMNI switch is substantially similar to the seesaw switch of the said design registration. The said OMNI switch model WWS 213 therefore infringes on Design Registration No. 3-1997-12873. Photographs of the contending products, submitted by the Complainants are hereby reproduced.

In Design Registration No. 3-1997-12873, the seesaw switch is characterized by a generally elongated body having a base and an operating level securely provided on top of said base. The said operating lever is defined by a generally rectangular body having an inclined top surface, a pair of opposed longitudinal and transverse sidewalls downwardly extending from said top surface. A generally elliptical shaped ornament is adjacently disposed to an end portion of said inclined top surface as shown in figure 1. **The said base is defined by a generally rectangular body with a pair of engaging locks provided on each of its opposed transverse walls.** A plurality of apertures for wire connection are also provided on the bottom portion of said base."¹¹ (Emphasis and underscoring supplied)

"Q: Based on your review of Design Registration No. 3-1997-12873, the design laws of the Philippines, relevant decisions of the Intellectual Property Office (IPPhil), relevant decisions of the Supreme Court involving industrial designs, and the other materials furnished you, how would you compare **OMNI switch model WWS 214** to Design Registration No. 3-1997-12873?

A. Taking into consideration the appearance of OMNI switch model WWS 214 as a whole, when compared to the overall appearance of the seesaw switch in Design Registration No. 3-1997-12873, the said OMNI switch is substantially similar to the seesaw switch of the said design registration. The said OMNI switch model WWS 214 therefore infringes on Design Registration No. 3-1997-12873.

¹¹Question No. 13 of Exhibit "P" of Complainants.

In Design Registration No. 3-1997-12873, the seesaw switch is characterized by a generally elongated body having a base and an operating level securely provided on top of said base. The said operating lever is defined by a generally rectangular body having an inclined top surface, a pair of opposed longitudinal and transverse sidewalls downwardly extending from said top surface. A generally elliptical shaped ornament is adjacently disposed to an end portion of said inclined top surface as shown in figure 1. **The said base is defined by a generally rectangular body with a pair of engaging locks provided on each of its opposed transverse walls.** A plurality of apertures for wire connection are also provided on the bottom portion of said base."¹² (Emphasis and underscoring supplied)

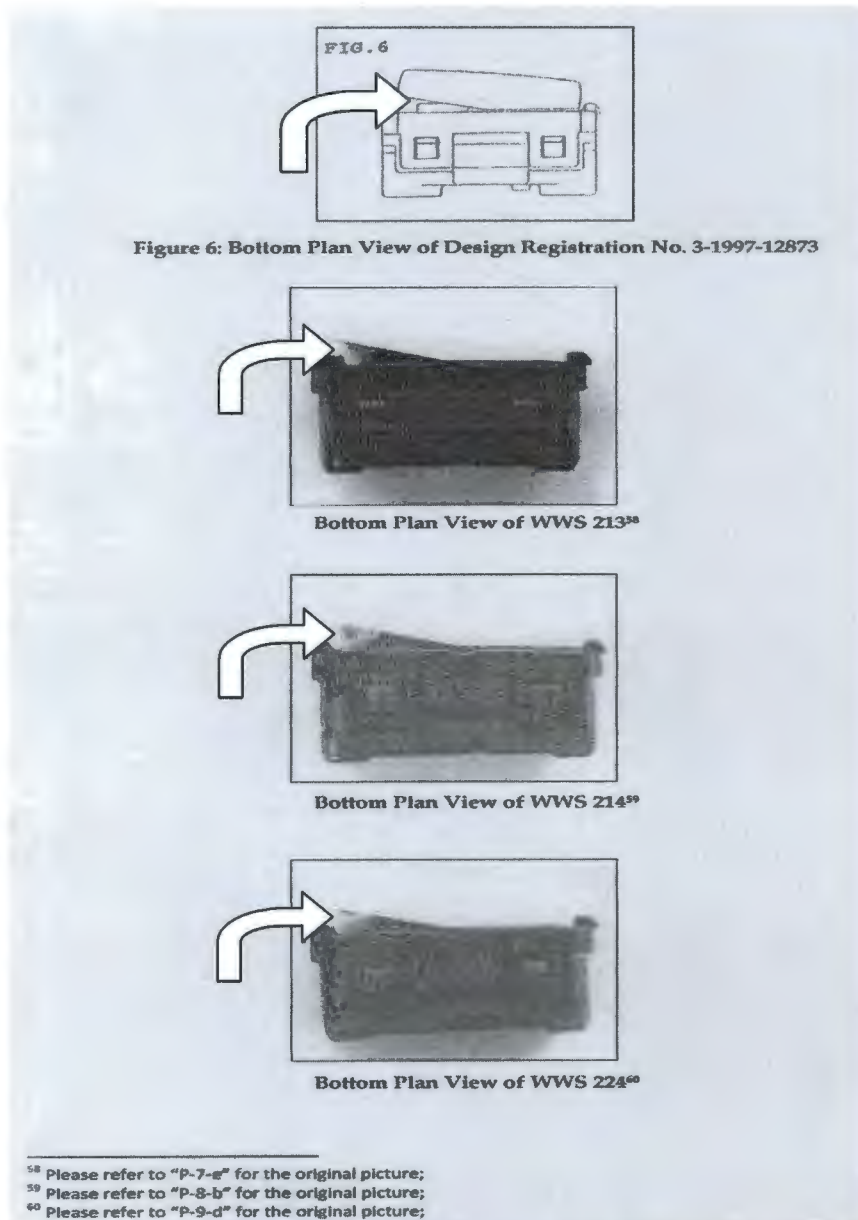
"Q: Based on your review of Design Registration No. 3-1997-12873, the design laws of the Philippines, relevant decisions of the Intellectual Property Office (IPPhil), relevant decisions of the Supreme Court involving industrial designs, and the other materials furnished you, how would you compare **OMNI switch model WWS 224** to Design Registration No. 3-1997-12873?

A. In Design Registration No. 3-1997-12873, the seesaw switch is characterized by a generally elongated body having a base and an operating level securely provided on top of said base. The said operating lever is defined by a generally rectangular body having an inclined top surface, a pair of opposed longitudinal and transverse sidewalls downwardly extending from said top surface. A generally elliptical shaped ornament is adjacently disposed to an end portion of said inclined top surface as shown in figure 1. **The said base is defined by a generally rectangular body with a pair of engaging locks provided on each of its opposed transverse walls.** A plurality of apertures for wire connection are also provided on the bottom portion of said base."¹³ (Emphasis and underscoring supplied)

Photographs of the Design Registration No. 3-1997-12873 (Bottom Plan View) and OMNI switch models WWS 213, WWS 214 and WWS 224 are depicted below:

¹²Question No. 14 of Exhibit "P" of Complainants.

¹³Question No. 15 of Exhibit "P" of Complainants.



(each arrow pointing to the same pair of engaging locks provided on each of the opposed transverse walls)

In the above photographs of the Design Registration No. 3-1997-12873 (Bottom Plan View) and OMNI switch models WWS 213, WWS 214 and WWS 224, both Complainants' and Respondent's switches are **characterized or defined by a generally rectangular body having an inclined top surface.**

Also, Reyes observed that the base or the rear view of Design Registration No. 3-1997-12873 and Respondent's OMNI switch models WWS 213, WWS 214 and WWS 224 are characterized by **hollow spherical portions which are located in the center and adjacently disposed to the end portions of the bottom surface.** Photographs of the Design Registration No. 3-1997-12873

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and OMNI switch models WWS 213, WWS 214 and WWS 224 (Rear View or bottom portion) are depicted below:

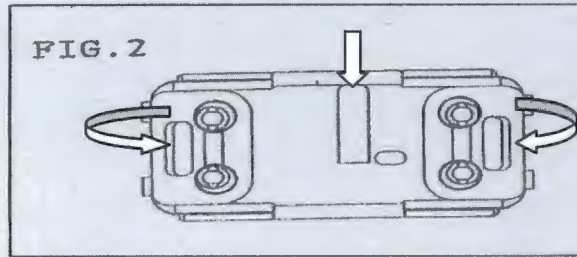
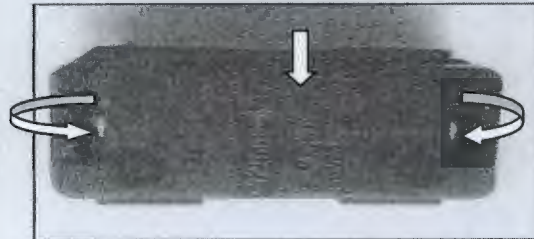
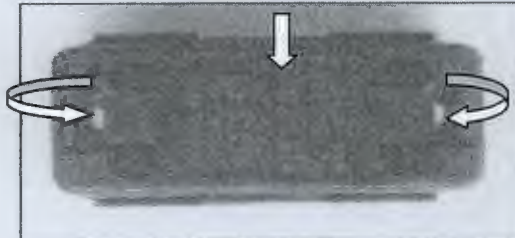


Figure 2: Rear View of Industrial Design Registration No. 3-1997-12873



Rear View of WWS 213⁴⁹



Rear View of WWS 214⁵⁰



Rear View of WWS 224⁵¹

⁴⁹ Please refer to "P-7-a" for the original picture;
⁵⁰ Please refer to "P-8-a" for the original picture;

(all arrows point to the same hollow spherical portions of each switch)

In conclusion, given all these features, the resultant effect shows that Respondent's OMNI switch models WWS 213 (213PK), WWS 214 and WWS 224 and Complainants' SEESAW switch are essentially the same in appearance. Accordingly, this Bureau finds that the acts Respondent of distributing and selling

OMNI switches substantially similar to Complainants' Industrial Design Registration No. 3-1997-12873 without obtaining consent and authorization and continuously distributing and selling the said switches, constitute patent infringement.

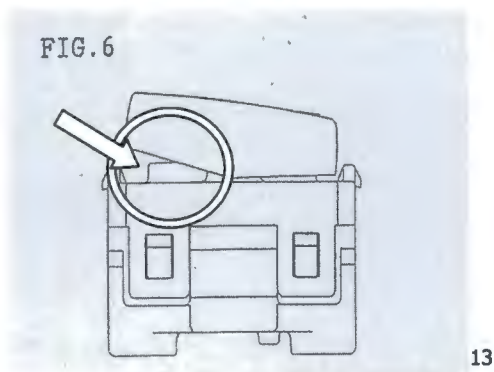
As thoroughly discussed, Respondent's subject OMNI switch models are substantially similar to Complainants' Design Registration No. 3-1997-12873. What about the Respondent's ONE WAY and ILLUMINATED switches as embodied in Design Registration Nos. 3-2004-00767 and 3-2004-00771?

Complainants argue that Respondent's designs covered by Registration Nos. 3-2004-00767 and 3-2004-00771 entitled "ONE WAY SWITCH" and "ILLUMINATED SWITCH" respectively, are not new since it already forms part of prior art. Complainants cite and allege as prior art their Design Registration No. 3-1997-12873 entitled "SEESAW SWITCH" issued on January 13, 2000. Such prior art, however, is not identical or substantially similar to Respondent's industrial designs covered by Registration Nos. 3-2004-00767 and 3-2004-00771.

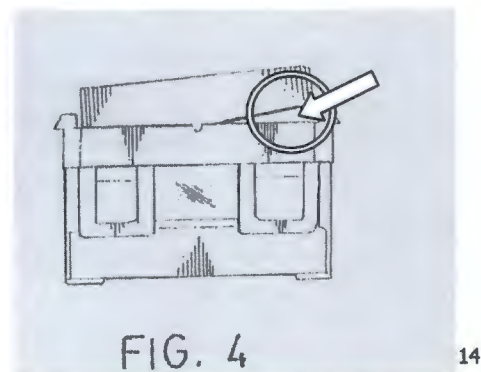
Distinct and prominent features of Complainants' SEESAW SWITCH namely a pair of engaging locks and hollow spherical provisions are not found in Respondent's ONE WAY SWITCH and ILLUMINATED SWITCH industrial designs. Illustrations of the bottom plan and rear views of both Complainants' Design Registration No. 3-1997-12873 and Respondent's Design Registration Nos. 3-2004-00767 and 3-2004-00771 are hereby reproduced.

Bottom Plan View:

(Complainants)



(Respondent)



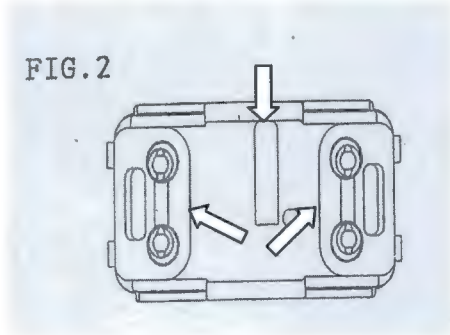
In Figure 6 of Complainants' SEESAW industrial design, there is a pair of engaging locks provided on each of the opposed transverse walls that are not found in Figure 4 of Respondent's ONE WAY SWITCH and ILLUMINATED SWITCH industrial designs.

¹³Exhibit "K" of Complainants.

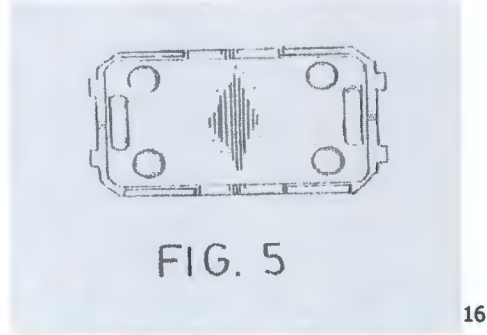
¹⁴Exhibits "1-d" and "2-d-4" of Respondent.

Rear View:

(Complainants)



(Respondent)



In Figure 2 of Complainants' SEESAW industrial design, there are hollow spherical provisions located in the center and adjacently disposed on the end portions of the bottom surface, including provisions of an elongated element that are not found in Figure 5 of Respondent's ONE WAY SWITCH and ILLUMINATED SWITCH industrial designs.

Therefore, in comparison to Complainants' SEESAW switch, Respondent's ONE WAY and ILLUMINATED SWITCHES **have NOVEL features**. The features of the rear and bottom plan views of Complainants' SEESAW switch are not the same compositions that can be found in Respondent's ONE WAY and ILLUMINATED SWITCHES.

This Bureau now turns on the reliefs sought by the Complainants, the determination of damages suffered as a consequence of Respondent's act of infringing Complainants' design patent. Regarding damages for patent infringement, the law provides that, according to the circumstances of the case, award damages in a sum above the amount found as actual damages sustained, provided that the award does not exceed three (3) times the amount of such actual damages.

In the instant case, Complainants presented to this Bureau computation for loss of profits by submitting documents showing loss of market share by reason of the infringement¹⁷, graphical presentation of its product positioning in relation to loss incurred¹⁸, raw data of Complainants' market share vs. its competitors for 2005, 2006, and 2007¹⁹, and summary pie charts showing Complainants' market share vs. its competitors for the years 2005, 2006 and 2007²⁰. These documents are not concrete evidence that fully substantiate the actual claim of damages by the Complainants. Nevertheless, Complainants are entitled to temperate

¹⁵Exhibit "K" of Complainants.

¹⁶Exhibits "1-d-5" and "2-d-5" of Respondent.

¹⁷Exhibit "C-21" of Complainants.

¹⁸Exhibit "C-21-a" of Complainants.

¹⁹Exhibits "C-20-a-1 to C-20-a-4", "C-20-b-1 to C-20-b-4", "C-20-c-1 to C-20-c-4" of Complainants.

²⁰Exhibits "C-20-a", "C-20-b", "C-20-C" of Complainants.

damages as provided under Article 2224 of the Civil Code for the loss it suffered. When pecuniary loss has been suffered but the amount cannot, from the nature of the case, be proven with certainty, temperate damages can be recovered. Temperate damages may be allowed in cases where from the nature of the case, definite proof of pecuniary loss cannot be adduced, although the court is convinced that the aggrieved party suffered some pecuniary loss. Undoubtedly, Complainants suffered pecuniary loss brought about by the specific acts of infringement as thoroughly discussed and passed upon in the foregoing. The failure to prove the actual amount of damages allows this Bureau to grant the Complainants temperate damages. Regarding attorney's fees, the same may be recovered since the Complainants are compelled to litigate or incur expenses to protect its interest by reason of an unjustified act of the Respondent. Also, Section 10.2(b) of the IP Code provides that this Bureau is also authorized to impose one or more of the administrative penalties enumerated therein.

WHEREFORE, this Bureau finds Respondent guilty of infringing Complainants' Industrial Design Reg. No. 3-1997-12873. Accordingly, the Respondent is hereby permanently enjoined to use in commerce any reproduction, counterfeit, copy, or colorable imitation of the subject design registration in connection with the sale, offering for sale, distribution, advertising including other preparatory steps in the sale or use thereof; Respondent is likewise ordered to deliver to this Bureau for destruction any and all OMNI switches that are still in the possession of Respondent within fifteen (15) days from receipt of this Decision, and to recall from the market all infringing OMNI branded switches subject of this instant case. The Respondent is hereby ordered to pay Complainants:

1. The amount of Php 750,000.00 as temperate damages; and
2. The amount of Php 750,000.00 plus cost of litigation with government receipts.

The petition to cancel Design Reg. No. 3-2004-00767 entitled "ONE WAY SWITCH" and Design Reg. No. 3-2004-00771 entitled "ILLUMINATED SWITCH", however, is DENIED for the reason/s stated above.

SO ORDERED.

Taguig City, 15 January 2018.


ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs