

CHOA KIU,
Petitioner,

INTER PARTES CASE NO. 3499

CANCELLATION OF:

- versus -

Letters of Patent No.: D-3875
Filed: June 6, 1987
Patentee: David E. Atienza
For: UNGLAZED MOSAIC TILE

DAVID E. ATIENZA
Respondent-Patentee.
x-----x

DECISION NO. 90-25 (PAT.)
July 22, 1990

DECISION

A Petition to Cancel Philippine Letters Patent No. D-3875, entitled "Unglazed Mosaic Tile" issued by this Bureau on July 13, 1987 in favor of David E. Atienza, a Filipino citizen, was filed on November 17, 1989 by Choa Kiu, a Filipino citizen, residing at 383-385 Dasmariñas St., Sta. Cruz, Manila.

The grounds for cancellation are:

"1. The design subject matter of Letters Patent No. D-3875 is not new nor original as required and defined by Sec. 55, in relation to Sec. 9 of Republic Act 165, as amended, and therefore, is not patentable.

2. The design subject matter of Letters Patent No. D-3875 is an unauthorized copying of the patent design (in Letters Patent No. 3622) of herein petitioner for the purpose of trade or industry in the product which constitute an infringement of a design patent pursuant to Sec. 60 of Republic Act 165, as amended.

3. Other grounds relied upon by petitioner are set forth in Sec. 28(a)(c), in relation to Sec. 55, of Republic Act 165, as amended.

4. The petitioner has been damaged and will continue to be damaged by the issuance and continued existence of Letters Patent No. D-3875."

On January 8, 1990, Respondent filed his Answer denying the foregoing grounds and alleging several affirmative defenses.

Issues having been joined, pre-trial conference was set on January 31, 1990. Both parties, assisted by their respective counsel, appeared on the scheduled pre-trial conference. No amicable settlement having been reached, pre-trial conference was terminated on the same date.

Trial on the merits began on February 27, 1990.

Petitioner has started presenting his evidence when the possibility of amicable settlement was again raised by both parties.

On June 11, 1990, a Compromise Agreement jointly signed by the parties, assisted by their respective counsel, was submitted before this Bureau.

The Compromise Agreement is hereunder reproduced verbatim on the request of both parties:

“1. Respondent being the full and absolute owner of the design patent issued under Letters Patent No. D-3875 bearing the date July 13, 1987, hereby agrees to sell, assign, transfer and convey as by these presents he hereby sells, assigns, transfers and conveys all his title, rights and interests thereto to the full-term for which said letters patent are granted, unto the Petitioner for the sum of Ten Thousand Pesos (P10, 000.00) and other valuable considerations, the terms of which are herein below mentioned. It being agreed and understood that the sale of the aforementioned design patent shall become effective, final, and irrevocable on the date of the signing of this Agreement:

2. Respondent hereby warrants and affirms that as the registered owner of Letters Patent No. 3875, he has not authorized any party or parties, outside of or within the Philippines, except Pioneer Ceramics and Manufacturing Co., with principal office at Mabini Street, Bo. Manggahan, Pasig, Metro Manila, to be exclusive manufacturer and seller of the tile products bearing the design covered by Letters Patent No. 3875. And that, as owner of the design patent and General Manager of the Pioneer Ceramics Inc., he further warrants that any commitment he makes herein shall, likewise apply to and bind Pioneer Ceramics Inc.;

3. As part of the agreed consideration for the above-mentioned sale, petitioner allows, solely and exclusively, respondent and his authorized manufacturer, the Pioneer Ceramics Inc., free of charge and royalties, to manufacture and sell the tile products with the design patent under Letters Patent No. D-3875 for a period of one (1) year from the date of the signing of this Agreement or up to June 11, 1991. It is hereby agreed and understood that during this one (1) year period, respondent and his authorized manufacturer Pioneer Ceramics Inc. are the only ones who can manufacture within the Philippines and sell the aforementioned tile products anywhere using his own procedure, style of marketing, strategies and methodology without interference from, and fear of, being unduly disturbed by the petitioner legally or otherwise.

During the one (1) year period and immediately after this agreement shall have been recorded in accordance with Rule 180, Chapter III of the Rules of Practice in Patent Cases, the Petitioner shall keep the respondent and authorized manufacturer, the Pioneer Ceramics Inc. free and harmless from any liability that may arise from any suit of infringement and/or unfair competition claims that may be filed by any third party;

4. Five (5) days before the expiry of the aforementioned one (1) year period, respondent voluntarily agrees to cease and desist from manufacturing and selling the tile products covered by the design patent under Letters Patent No. D-3875. In this regard, at this period, he shall terminate any authorization given to Pioneer Ceramics Inc. to manufacture and sell the aforementioned tile products.

This commitment does not extend to stocks which have already been sold to and in the possession of respondent and his authorized manufacturer's distributors, wholesalers and retailers;

5. Respondent reiterates his warranty that during the one (1) year period, he shall not authorize or allow any individual or business entity, other than Pioneer Ceramics Inc. to manufacture and sell the tile products bearing the design covered by his Letters Patent No. D-3875;

6. By virtue of this Agreement, petitioner hereby manifests that he is no longer interested in pursuing the instant Petition for Cancellation;

7. Petitioner and respondent agree that all the terms and conditions set forth in this Agreement be reproduced verbatim in the Order to be issued by this Honorable Office disposing of the case and as basis for the Patents Executive Examiner to record the transfer or assignment of the design patent issued under Letters Patent No. D-3875 from the respondent to the petitioner.

WHEREFORE, in view of the foregoing, it is respectfully prayed that this Compromise Agreement be approved and made the basis of an order disposing of this case.

Finding said Compromise Agreement not contrary to law, good customs, public order and public policy, the same is hereby APPROVED.

WHEREFORE, this Petition for Cancellation is DISMISSED subject to the terms and conditions agreed upon by the parties in the Compromise Agreement.

SO ORDERED.

IGNACIO S. SAPALO
Director