

VICENTE LIM,	}	IPC No. 13-2004-00024
<i>PETITIONER,</i>	}	Petition for Cancellation
	}	
-versus-	}	
	}	
SILVER SPIRIT PLASTICS, INC.,	}	Industrial Registration
<i>RESPONDENT-PATENTEE.</i>	}	No. 3-2002-000749
	}	Date Issued: Nov. 13, 2003
x-----x	}	Title: "A CRATE"
	}	Decision No. 2006-106

DECISION

This is a cancellation proceeding that Vicente Lim (*Petitioner*) seasonably instituted against Silver Spirit Plastic Incorporated (*Respondent*). A brief description of the parties is certainly appropriate.

Petitioner is a Filipino citizen and a resident of Teresita Dr., 2nd Ave., Sta. Maria Subd., Bagong Tanyag, Taguig, Metro Manila. Respondent, on the other hand, is a domestic corporation with principal office at Esguerra St., Longos, Pulilan, Bulacan. It is the registrant of the design patent for "A Crate" under Industrial Registration No. 3-2002-000749.

On 23 February 2004, Petitioner filed a verified petition for cancellation before the Bureau of Legal Affairs (Bureau) praying for the cancellation of Respondent's Industrial Design Registration No. 3-2002-000749. This was docketed as Interpartes Case No. 13-2004-00024. In his verified petition, Petitioner alleged that the industrial design under Respondent's design patent is not new. Moreover, he alleged that Respondent's design patent was obtained fraudulently and contrary to the existing policy of the Intellectual Property Office (Office), finally, he averred that Respondent acquired the design under its design patent from one who is not the subject design's first, original, and actual owner. On these grounds, Petitioner prays for the cancellation of Respondent's design patent. The salient portions of Petitioner's verified petition substantiating the foregoing grounds for cancellation are stated below, viz.:

Long before December 16, 2002, the industrial design for A CRATE registered under Industrial Design Registration No. 3-2002-000749 had been publicly used and crates with such industrial design label been sold and offered for sale in this country.

The industrial A CRATE registered under Industrial Design Registration No. 3-2002-000749 is identical and/or substantially similar to the design for A Circular Fishing Box copyrighted by Seon Weon Seo under Certificate of Copyright Registration No. H-2001-240, a certified true Xerox copy of which is hereto attached as Annex "A" and made an integral part thereof;

Soon Baek Seo is not the first, original, true and actual designer of the industrial design for A CRATE registered under Industrial Design Registration No. 3-2002-000749 as fish crates or boxes with identical or substantially similar designs were already in existence, in public and commercial use in the Philippines long before the application for registration was filed on December 16, 2002.

Silver Spirit Plastics, Inc. did not derive its rights to the industrial design for A CRATE registered under Industrial Design Registration No. 3-2002-000749 from the first, original, true and actual designer of said industrial design;

Industrial Design Registration No. 3-2002-000749 was issued on November 13, 2003 notwithstanding the publication in the Philippine Daily Inquirer last September 26, 2003 of a Notice to the Public about the issuance of Annex "A" in favor of Mr. Soon Weon Seo.

On 15 March 2004, Respondent filed its Answer specifically denying the foregoing allegations. In its Answer, it contended that the design covered by its design patent is new. Moreover, it noted that it is the first, original, true, and actual maker of the subject design. Finally, it remarked that no fraud attended the issuance of its design patent. The salient portions of Respondent's Answer substantiating its alleged defenses are stated below, viz.:

The Respondents, as already stated were the ones who introduced the Industrial Design subject of this case in the Philippines.

The supposed copyrights of Soon Weon Seo are nothing because the law gives almighty preference to Industrial Design Registration. Petitioner does not have any agent or representative as required by law. Please note that for the last ten (10) years, Soon Weon Seo is a perennial TOURIST.

The Respondents also have their own copyrights over the subject of the Industrial Designs. There is no identity between the subject of the Industrial Design Registration and the supposed copyrights of Soon Weon Seo.

The Respondents, again, are the first, original, true and actual make [sic] of the subject of the Industrial Design Registration.

The Petitioner known that he has not [sic] copyright in his favor.

The fact is that respondent-patentee are [sic] entitled and were [sic] issued the Industrial Design Registration in accordance with law.

The pre-trial conference was set on 30 June 2004. During the pre-trial conference, the parties jointly declared their willingness to negotiate for possible amicable settlement and requested that they be given time for this purpose. The Bureau granted the parties' joint motion and, accordingly, set the continuation of the pre-trial conference on 10 August 2004. On the date set for the continuation of pre-trial conference, the parties declared that efforts to amicably settle the case did not prosper.

Petitioner presented its evidence consisting of various documents. On 7 June 2005, he formally offered his documentary evidence, and on 9 June 2005, the Bureau issued Order No. 2005-380 admitting Petitioner's formal offer of evidence. On 20 June 2005, Respondent filed its objections to Petitioner's documentary evidence, and on 8 July 2005, we issued Order No. 2005-498 taking note of Respondent's objections and declaring them part of the record to be considered in the final adjudication of the case.

As earlier noted, Petitioner had presented and offered its documentary evidence. These are reproduced below, viz.:

Description	Marking
Industrial Design No. 3-2002-000749 for "A CRATE" issue last November 12, 2003 in favor of Silver Spirit Plastics, Inc., as assignee of Soon Baek Seo.	"A"
Certified true copy of Certificate of Copyright Registration and Deposit No. H-2001-240 for A CIRCULAR FISHING BOX issued on September 10, 2001 in favor of Soon Weon Seo	"B"
Notice & Warning to the Public published on page 21 of the Philippine Daily Inquirer issue of September 26, 2003 by the legal counsel of Soon Weon Seo referring, among Plastics, Inc. of his Circular Fishing Box covered by Copyright Registration No. H-2001-240.	"C"
Notice and Stern Warning published in the February 4, 2004 issue of the Plastics, Inc. referring, among others to its Industrial Design No. 3-2002-000749 for 50 Liter-Round Crate.	"D"
Certified true copy of the Incorporation and Articles of CWB Plastic Corporation.	"E"
Certified true copy of the Amended Articles of Incorporation of Silver Spirit Plastics, Inc.	"F"
Certified true copy of Certificate of Incorporation of Pony Plastics Corporation.	"G"
Certificate of Copyright Registration and Deposit No. H-2002-01 issued on January 18, 2002 in favor of Respondent Silver Spirit Plastics, Inc. for the 50-liter round fishing box (marked as Exhibit "2" by Respondent Silver Spirit Plastics, Inc.)	"H"
Certificate of Copyright Registration No. H-2002-510 issued on October 16, 2002 to petitioner Vicente Lim for "A Multi-Purpose Plastic Box No. 04.	"I"
Request for Admission addressed to and received by respondent Silver Spirit Plastics, Inc.	"J"
The various Acknowledgment Receipts and Provisional Receipt attached to Exhibit "J" as Annexes "1" to "6".	"J" to "J-6"
Notarized Answer to Request for Admission filed by Silver Spirit Plastics, Inc., dated July 23, 2004.	"K"
Letter dated February 6, 2004 of respondent Silver Spirit Plastics, Inc. to petitioner making known the issuance in its favor of Registration/Patent No. 3-2002-000749 for Industrial Design of Crate 50 Liter Round, among others.	"L"
Request for Admission addressed to and received by Soon Baek Seo on June 30, 2004. The various Acknowledgment Receipts	"M"

attached to Exhibit "M" as Annexes

"M" to "M-14"

On 1 September 2005, Office Order No. 79 took effect, amending the existing Regulations on Interpartes Proceedings. The Bureau issued Order No. 2005-812 directing the parties to inform the Bureau whether or not they are willing to submit their cancellation suit to be governed under the summary procedure prescribed in Office Order No. 79. The parties seasonably complied with the foregoing order. On 8 November 2005, this Bureau issued Order No. 2005-948 declaring that Office Order No. 79 governs the parties' cancellation suit and directed the parties to comply with its pertinent provisions. The salient portions of the subject order are stated below, viz.:

Considering that the Opposer has already presented all its evidence and the same have been admitted by this Office, Opposer is deemed to have substantially complied with Section 7.1 of the Office Order 79.

On the other hand, Respondent-Applicant is hereby directed to comply with the requirements under Section 8 and Subsection 8.1 of Office Order No. 29, within thirty (30) days from receipt.

Respondent's failure to attach the affidavit/s of his/her/its witness and other documents which comprise his/her/its evidence duly marked and in the form required under Section 8 and Subsection 8.1 shall be construed as waiver to file such affidavit/s and/or documents. Thereafter, the Office shall proceed to render judgments granting the claimant such relief/s as evidence may warrant.

Respondent failed to comply with the Order No. 2005-948. On 31 March 2006, we issued Order No. 2006-536 declaring Respondent to have waived its right to submit its evidence. The pertinent portions of this order read, viz.:

In view of Respondent's failure to comply with the requirements under Section 8 and Subsection 8.1 of Office Order No. 79 pursuant to this Bureau's issuance of Order No. 2005-948 dated 8 November 2005, Respondent is declared to have waived its right to file the affidavits of its witnesses and other documents which comprise its evidence.

In this cancellation proceeding, the sole issue is whether or not Respondent's design under its design patent lacks the essential requirement of novelty. This issue certainly casts a cloud of doubt on the validity of Respondent's design patent. As Respondent holds a design patent that the Office has issued, its design patent enjoys the presumption of validity. Thus, the burden is on the challenger to establish, by clear and convincing evidence, the invalidity of the contested design patent. It is, therefore, necessary for the Petitioner to meet the requisite burden of proof to overturn this presumed validity of Respondent's design patent.

Statutorily defined, industrial design refers to any composition of lines or colors or any three-dimensional form whether associated with lines or colors; provided that such composition or form gives special appearance to and can serve as a pattern for an industrial products or handicraft. In plain language, it pertains to that aspect of a useful article, which is ornamental or aesthetic. It may consist of an object having three-dimensional features such as the shape or the surface of an article of or an object having two-dimensional features such as patterns, lines, or color.

To secure a design patent, an applicant must meet certain fundamental requirements. First, the industrial design must be new or original; second, it must be capable of being reproduced by industrial means. Otherwise stated, the subject design must be new in the sense that no single, identical design exists in the prior art; it must satisfy ornamental standards; and it must be original to the inventor or inventors seeking protection. It must also be unobvious on the basis of any previously existing design or combination of designs when viewed through the eyes of a hypothetical designer skilled in the art.

As earlier noted, Petitioner seeks to cancel Respondent's design patent on the ground that its design lacks novelty or is not new. Specifically, Petitioner contended that Respondent's design patent is invalid because of prior public use. He pointed out to several circumstances establishing prior public use of the claimed design. *First*, he alleged the copyrighted work for "A Circular Fishing Box" covered by Certificate of Copyright Registration No. H-2001-240 issued on 10 September 2001. This, he noted, was identical to Respondent's design patent for "A Crate." *Second*, he averred certain relevant publications made in the Philippine Daily Inquirer. The first concern "A Circular Fishing Box" covered by Certificate of Copyright Registrations No. H-2001-240, which appeared on 26 September 2003. The second one concerns "A Crate" 50L covered by Industrial Registration Certificate No. 3-2002-000749 which appeared on 4 February 2004. *Third*, he referred to another copyrighted work for "A Multi-Purpose Plastic Box No. 04" covered by Certificate of Registration No. H-2002-510 issued on 16 October 2002 and published on 2 February 1996. This, he noted, was identical and/or substantially similar to Respondent's design patent for "A Crate." *Finally*, he pointed out to sales of products consisting of 50L Banneras as early as 2000 and as late as 2002 and that CWB Plastics Corporation and Pony Plastic Corporation sold the 50L Round (Crates) as early as 2000 and as late as 2001.

Respondent, on the other hand, argues that its claimed design under its design patent is new. It remarked that although a copyright over the same design may have already existed, its design patent is nevertheless superior to the alleged copyrighted work. Moreover, it noted that there is no identity between the subject of the Respondent's design patent and the alleged copyrighted work. As earlier stated, this Bureau adjudged Respondent to have waived its right to submit further evidence for failing to comply with Order No. 2005-948. Nonetheless, we will take judicial notice of Respondent's design patent.

To be considered novel or new, an industrial design must not be part of prior art. Novelty or newness, as earlier explained, means that the no single, identical design exists in the prior art. And by prior art, it meant everything made public anywhere in the world. For an ornamental design, the only possible public use is its embodiment, exhibition, and observation.

The allegedly invalidating arts are copyrighted words, namely: "A Circular Fishing Box" and "A Multi-Purpose Plastic Box." In the Certificate of Copyright Registration No. H-2001-240 issued on 3 September 2001 for "A Circular Fishing Box," it shows that the copyrighted work has placed on sale, sold, or publicly distributed on 7 January 1998. On the other hand, the Certificate of Copyright Registration No. H-2002-510 issued on 11 October 2002 for "A Multi-Purpose Plastic Box No.4" demonstrates that the copyrighted work has placed on sale, sold, or publicly distributed on 2 February 1996. Noticeably, these allegedly invalidating prior arts were published or were made public earlier than Respondent's design patent.

But to determine the invalidity of a design patent for prior public use, a two-step process is ordinarily employed. First, the court must construe the design patent's claim, and second, the finder of fact must compare the claim and the invalidating art utilizing both the ordinary observer test and the point of novelty test.

First, we must render a claim construction of Respondent's design patent. The contested design patent is titled "A Crate." The claim is the ornamental design for a crate as shown and described. In the description of the drawings depicting a crate, it described figure 1 as the perspective view of the present design for a crate; figure 2 as the front elevational view of the

crate of figure 1, the rear elevational view being identical to it; and figure 3 as the bottom plain view of the crate of figure 1.

A design patent relied primarily upon the drawings to communicate what is protected. It is the drawing in the patent, not just one feature of the claimed design, that define a patented design. This claim, rather than listing any structure or describing the design in words, generally refers to the drawings as a standard of what is protected. In determining the scope of a design patent, one must look to the overall ornamental visual appearance, not to the design concept. Examining Respondent's claimed design, it plainly appears that it is the overall configuration of Respondent's article of manufacture titled "A Crate," as had been described and shown, that is its ornamental feature.

Now, we must compare the claimed design and the alleged prior public use of the claimed design employing the ordinary observer and point of novelty tests. The same rigor to determine patent infringement under these tests must be applied when comparing any allegedly invalidating art to the claimed design.

Under the ordinary observer test, invalidating of a design patent occurs if in the eye of an ordinary, giving such attention as a purchaser usually gives, the patented and the invalidating designs are substantially the same, the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other. But this does not require the patented design and the invalidating art to be identical. What it only requires is the comparison of these two designs from the viewpoint of the ordinary observer to determine whether the patented design, as a whole, is substantially the same as the invalidating art. This focuses on the overall ornamental appearance of the claimed design and not on its selected ornamental features.

One of the allegedly invalidating prior art is a copyrighted work falling under Class H and titled "A Circular Fishing Box." The claim is the ornamental design for a circular fishing box as shown and described. In the description of the drawings depicting a circular fishing box, it described figure 1 as a perspective view of a circular fishing box; figure 2 as a front elevational view, its rear right and left side view; figure 3 as a top plain view; and figure 4 as a bottom plain view of the crate of figure 1.

The other allegedly invalidating prior art is also a copyrighted work falling under Class H and titled "A Multi-Purpose Plastic Box No.4." The claim is the ornamental design for a multi-purpose plastic box as shown and described. In the description of the drawings depicting a multi-purpose plastic box, it described figure 1 as its perspective view; figure 2, as its front view; figure 3, as its top plain view; and finally, figure 4 as its bottom view.

Comparing the claimed design ("A Crate") and the alleged invalidating prior arts ("A Circular Fishing Box and A Multi-Purpose Plastic Box"), it is readily apparent that they have the same general configuration, outline, or form. In each of their drawing-figures, it displays the whole object, illustrated as to highlight a certain configuration depending on the view presented. Examining their figures 1 and 2, they reveal an object having a wide spherical aperture contiguous to a trapezoidal-shaped body. Both their figure 3, including figure 4 of "A Circular Fishing Box" and "A Multi-Purpose Plastic Box," show the general configuration of their inner portion. Noticeably, it is the general configuration, outline, or form of "A Crate," "A Circular Fishing Box," and "A Multi-Purpose Plastic Box" that constitutes their central ornamental feature. Under the ordinary observer test, we find that the ornamental feature embodied in the copyrighted works titled "A Circular Fishing Box" and "A Multi-Purpose Plastic Box" respectively is substantially similar, if not, identical to the ornamental feature of respondent's design patent titled "A Crate."

On the other hand, the point of novelty test requires that the invalidating art must substantially contain the points of novelty of the patented design. The invalidating art must embody the aspects of the patented design that established its novelty and distinguished it from

prior art. These points of novelty, it must be emphasized, must pertain to the novel, ornamental, and non-functional features of the design.

Petitioner must show that the invalidating arts substantially contain the points of novelty of Respondent's design patent. For the purpose, Petitioner introduced as evidence, the disputed design patent, the relevant prior art references, certain publications showing an object having substantial similarity to Respondent's design patent, and some dated acknowledgment receipt demonstrating public sale of an object. We note, however, that Petitioner failed to specifically point out what appears to be the points of novelty of Respondent's design and why they ought to be considered as non-novel as they already exist as prior art. Albeit not a fatal flaw, it would nevertheless assist the Bureau in ascertaining whether or not Respondent's design truly contains points of novelty that distinguishes it from prior art.

As earlier noted, Respondent's central ornamental feature pertains to its industrial design's general configuration. This constitutes its point of novelty. After a careful study of the alleged invalidating arts, we found that they bear a striking substantial similarity in appearance to Respondent's design. We also found that the ornamental feature of these invalidating arts lies in their general configuration, form, or outline. Thus, we declared earlier that the Respondent's design and the invalidating arts have a common ornamental feature. Under the point of novelty test, we hold that the invalidating arts substantially contain the point of novelty of Respondent's design.

Early on, Petitioner also adduced evidence showing prior public use through sales of articles of manufacture embodying Respondent's design. As pointed out, it demonstrates that such sales even antedated the filing of Respondent's application for a design patent. Examining the acknowledgment receipts, they show sales of articles of manufacture denominated as "50L Banneras" and "50L (Round) Crates" as early as the year 2000. These articles of manufacture, notably, embody the ornamental feature of Respondent's design.

In determining an invention or an ornamental design's public use, it is necessary to consider how the totality of the circumstances comports with the policies underlying the on sale and the public use bars, including discouraging the removal from the public domain, which the public justifiably comes to believe are freely available, prohibiting an extension of the period for its exploitation, and favoring its prompt and widespread disclosure. It is also necessary to consider and weigh the nature of the activity that occurred in public and the public's access to and knowledge of the public use.

Employing the same tenor, our Supreme Court noted that an inventor has no common law right to a monopoly of his invention. He has the right to make use of and vend his invention, but if he voluntarily discloses it, such as by offering it for sale, the world is free to copy and use it with impunity. Moreover, it remarked that the ultimate goal of a patent system is to bring new designs and technologies into the public domain through disclosure. Ideas, once disclosed to the public without the protection of a valid patent, are subject to appropriation without significant restraint. This principle certainly does not only apply to inventions but also to industrial designs.

Taking into account prior public use through sales of articles of manufacture embodying the ornamental feature of Respondent's design and the existence of prior arts substantially similar to and substantially containing the point of novelty of Respondent's design, this Bureau declares that Respondent's industrial design lacks the essential element of novelty.

Having discussed the main, critical, and most important issue, we see no need to belabor the rest.

WHEREFORE, premises considered, the petition for cancellation filed by Vicente Lim is, as it is hereby, GRANTED. Consequently, Respondent's Industrial Registration No. 3-2002-000749 for A Crate issued to Soon Baek Seo and subsequently assigned to Silver Spirit Plastics Incorporated is ordered CANCELLED.

Let the filewrapper of Industrial Design Registration No. 3-2002-000749 for "A Crate" be forwarded to the Bureau of Patents for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 27 September 2006.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office