

MICHIGAN ENTERPRISES CORP.,

IPC 13-2005-00115

Opposer,
- versus -

Opposition to:
TM Application No. 3-2003-000535
(Filing Date: 19 May 2005)

INCA PLASTICS PHILIPPINES, INC.,
Respondent-Applicant.

TM: "PLASTIC TRASH CONTAINER"

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Decision No. 2007 – 82

DECISION

For decision is a Petition for Cancellation filed by Michigan Enterprises Corporation, a corporation duly organized and existing under Philippine laws, with place of business at Bagong Industrial Compound, M. Gregorio Street, Canumay, Valenzuela City against Industrial Design Registration No. 3-2003-000535, for a Plastic Trash Container issued on May 19, 2005 to Inca Plastic Philippines, Inc., with address at 23 West Service Road, Cupang, Muntinlupa City, Metro Manila.

The petitioner relied on the following grounds for cancellation:

- a) The Industrial design for a PLASTIC TRASH CONTAINER registered under Industrial Design Registration No. 3-2003-000535 is not new and/or original, and therefore, not registrable under Sections 112 and 113 of Republic Act No. 8293;
- b) Industrial Design Registration No. 3-2003-000535 was secured fraudulently;
- c) Ralph A. Cabrera, the alleged designer, is not the first and/or original designer for the industrial design for a PLASTIC TRASH CONTAINER registered under Industrial Design Registration No. 3-2003-000535;
- d) The issuance and continued existence of Industrial Design Registration No. 3-2003-000535 has caused all will continue to cause damage and prejudice to petitioner.

"3.1.5. Respondent on the other hand states the following:

3.1.5.1. It has manufactured and sold the Plastic Trash Container earlier than petitioner Michigan Enterprise Corporation. In fact, the respondent's employees Norvito Ecat and Romulo Rapas has executed affidavits attesting to the fact that they worked as Finisher/Grinder in the Mold Department of the company; that it was sometime in January 1992 that one of the aluminum molds which was fabricated was the iron trash bin classified as TC60 by the respondent company; that they were among the two (2) who started and completed the grinding and finishing of the mold, after which the same TCT 60 was commercially produced. The affidavits are attached hereto and marked as Annexes "1" and "2".

3.1.5.2. Another employee, Hermiline Laviña, presently Vice President for Sales and Marketing of the Respondent, states that she joined the respondent company in April 15, 1993 as product managers, and as such, prepared the marketing plan for the company trash bins; and that the marketing plan was supported by advertisements by August 1993. A copy of her affidavit is attached hereto as Annex "4", and the Affidavit of Publication from Manila Bulletin are marked as

Annexes "5" to "5-b". The sales invoice for the advertisement materials for the environmental bins 14 September are attached hereto as Annex "6".

3.1.5.3. Aside from the foregoing written testimonies and relevant supporting documents, the respondents submit the following:

- a. PEPSICO INC., Confirmation Order for 130 pieces TC60SDS, dated 29 November 1993.
- b. RFC Supermarket Purchase Order No. 4768, dated 16 June 1994;
- c. Philippine Seven Corporation Purchase Order No. 21833, dated 7 July 1994;
- d. The Exelsior Purchase Order No. 425, dated 20 July 1994;
- e. Marymount School Purchase Order No. 01088;
- f. INCA Delivery Receipt No. 3740 to Cebu City Hall, dated 18 December 1995;
- g. Cebu Midtown Hotel Purchase Order No. 012657, dated 18 December 1995;
- h. Delivery Receipt to Sterling Tobacco , dated 4 January 1996;
- i. INCA Sales Invoice No. 14611 to Ms. Josephine Isidro (Shell Station Dealer), dated 27 August 1999;
- j. INCA Sales Invoice No. 14728 – Calbayog Shell Station, dated 9 September 1999;
- k. INCA Sales Invoice No. 15770 – Kimberly Clark Philippines, Inc., dated 7 April 2000;
- l. INCA Sales Invoice No, 15795 – SM Prime Holdings, Inc., Fairview Story land, dated 12 April 2000;
- m. INCA Sale Invoice No. 15922 – West Consultancy, dated 17 May 2000;
- n. INCA Sale Invoice No. 19263 – Ace Hardware Philippines, Inc., dated 26 January 2002;
- o. INCA Sales Invoice No.19144 – JAE Philippines, Inc., dated 09 January 2002;
- p. INCA Sales Invoice No. 22317 – Ateneo de Manila University, dated 26 June 2003;
- q. INCA Sales Invoice No. 22919 – Our Lady Chartres Diagnostics Center, dated 25 September 2003;

- r. INCA Sales Invoice No. 236000 – General Service Office Panlalawigan, Capitol Building, Lingayen, Pangasinan, dated 28 January 2004;
- s. INCA Sale Invoice No. 25302 – Sojitz Philippines Corporation, dated 16 October 2004;
- t. INCA Sales Invoice No. 25874 – Kimberly Clark Philippines, Inc., dated 29 January 2005; and
- u. INCA Sales Invoice No. 26320 – St. Joseph’s College, dated 21 April 2005.

All the foregoing are hereto attached as Annexes “7” to “7-T”. These Annexes clearly and indubitable shows that respondent has been engaged in the manufacturing, sales and distribution of the industrial design for Plastic Trash Container, which is now registered as Industrial Design Registration No. 3-2003-000535.

3.1.5.4 With regard to the petitioner’s claim that Himalaya Manufacturing is its sister company, respondent put forward the following;

- a. There is nothing on record which shows or proves that petitioner is a “sister company” of Himalaya Manufacturing. What is has presented are the Articles of Incorporation of both companies, and all it shows that there are common stockholders of said corporations. But since these are two different corporate and juridical entities, then the proof of such a relation must be shown.
- b. There is likewise document which shows that petitioner took over the Business of Himalaya Manufacturing, or that the latter sold to any of its business of manufacturing and selling of products such as the trash bins petitioner claims to be similar to that registered by respondent . There is no basis then for it claim that all prior business transactions and concerns of Himalaya Manufacturing is owned by petitioner.
- c. Further, verification with the Securities and Exchange Commission (SEC) shows that both companies are still in existence and operating, and have submitted their respective General Information Sheets (GIS) for the current year. An examination of the GIS of Michigan and Himalaya shows that it has not declared or claimed any relationships with each other, or any other company. Attached are certified true copies of the GIS of petitioner and Himalaya, marked as Annexes “8” and “9”.

3.2 2nd ground: Industrial Design Registration No. 3-2003-000535 was secured fraudulently.

3.2.1 Although petitioner accuses respondent of securing the industrial design registration fraudulently, it has failed to duly provide the details of the fraud, or to present clear and indubitable circumstances, arguments of proof which would support its allegations of fraud. At this juncture, respondent will be merely Speculating as to what the petitioner is referring to with respect to its allegations of fraud.

3.2.2 And since it is petitioner which alleged fraud to have been committed by INCA Philippines, then it has the burden to prove such an allegations; it is not incumbent on the respondent to come up with any explanation to dispute fraud, especially when it is aware what and how the fraud came about or was committed. This is inconsonance with rule 131 of the Revised Rules on evidence which state:

Burden of Proof and Presumptions Sec. 3 Disputable presumptions – The following presumptions are satisfactory if uncontradicted, but may be contracted and overcome by other evidence:

(a) That a person is innocent of crime or wrong;

3.3 3rd Ground: Ralph A. Cabrera, designer, is not the first and/or original designer of the industrial design for a PLASTIC TRASH CONTAINER registered under Industrial design Registration No. 3-2003-000535.

3.3.1 Again, as discussed in the previous paragraph, petitioner makes a bare allegation or accusation, this time directed at Mr. Cabrera, the designer of the industrial PLASTIC TRASH CONTAINER. Petitioner claims that the registered design registered is identical and/or substantially similar to an industrial design already in existence. This is the substance of its allegation that the industrial design registered under Industrial Design Registration No. 3-2003-000535 is not the first and/or original.

3.3.2 The same has been fully discussed in the previous paragraph, with the showing that it has been the Patentee which has been first one that designed and used the registered design. The discussion is hereby repleaded and adopted herein

3.4 4th Ground: The issuance and continued existence of Industrial Design Registration No. 3-2003-000535 has caused and will continue to cause damage to petitioner.

Respondent is totally surprise by his ground relied upon by the petitioner, since this is not a ground for the cancellation of the industrial design. The grounds for cancellation of design registration are enumerated under Republic Act No. 8293, which provides that:

Sec. 120. Cancellation of Design Registration. – 120.1. At anytime during the term of 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 Section 112 and 113;
- (b) If the subject matter is not new; or
- (c) If the matter of the industrial design extends beyond the content of the application as originally filed.

The main issue to be resolved is whether the industrial design registration is new? Corollary issues are whether registration was obtained fraudulently and whether Ralph A. Cabrera is the original designer of the subject industrial design.

The pertinent law on the matter, Section 20, Republic 8293 provides:

“Section 20. 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 terms of Sections 112 and 113.
- (b) If the subject matter is not new, xxx”

An industrial design is not considered new, and is therefore unregistrable if it forms part of prior art. The law provides:

“Section 24. Prior Art. – Prior Art shall consist of:

24.1 Everything which has been made available to the public anywhere in the world before filing the date or the priority date of the application claiming the invention; and xxx”

At the outset, this Bureau observes that in its Answer, respondent admits that it manufactured and sold the plastic trash container subject of the industrial design. Respondent avers:

“3.1.5. Respondent on the other hand states the following:

3.1.5.1. It has manufactured and sold the Plastic Trash Container earlier than petitioner Michigan Enterprise Corporation. In fact, the respondent’s employees Norvito Ecat and Romulo Rapas has executed affidavits attesting to the fact that they worked as Finisher/Grinder in the Mold Department of the company; that it was sometime in January 1992 that one of the aluminum molds which was fabricated was the iron trash bin classified as TC60 by the respondent company; that they were among the two (2) who started and completed the grinding and finishing of the mold, after which the same TCT60 was commercially produced. The affidavits are attached hereto and marked as Annexes “1” and “2”.

3.1.5.2. Another employee, Hermiline Laviña, presently Vice President for Sales and Marketing of the Respondent, states that she joined the respondent company in April 15, 1993 as product managers, and as such, prepared the marketing plan for the company trash bins; and that the marketing plan was supported by advertisements by August 1993. A copy of her affidavit is attached hereto as Annex “4”, and the Affidavit of Publication from Manila Bulletin are marked as Annexes “5” to “5-b”. The sales invoice for the advertisement materials for the environmental bins 14 September are attached hereto as Annex “6”.

3.1.5.3. Aside from the foregoing written testimonies and relevant supporting documents, the respondents submit the following:

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- p. INCA Sales Invoice No. 22317 – Ateneo de Manila University, dated 26 June 2003;

The admission is fatal to its defense. The evidence showing that the plastic trash container has been in existence and sold on a commercial scale years before the applications for registration of that exact industrial design with the Intellectual Property Office show that what respondent applied for as industrial design for a “PLASTIC TRASH CONTAINER” was no longer new at the time Respondent applied for its registration. Lack of novelty renders an industrial design unregistrable under the Intellectual Property Code.

Respondent’s witness Norvito Ecat, in his affidavit (Exhibit “1) stated:

“6. Aside from the TCT 60 bin, several variants of the same design were fabricated from 1993-1995 and these were the TC 15, TC40, TC120 all shaped and modeled from the original TC 60 design. As before, I was one of the moldshop personnel assigned to do the grinding and finishing all these molds.

7. That the TC 60 bin and other variants mentioned in the above paragraphs is the same TC60 bin design now being disputed with the Intellectual Property Office (I.P.O.)”

Another witness, Romulo D. Rapas similarly testified of the production of the plastic trash container way back in 1992. He started in his affidavit (Exhibit “2”):

“5. Upon completion of the grinding and finishing of the mold, I witnessed the plastic prototyping and actual commercial production of the TC 60 in our manufacturing plant. I did some minor repair and modification of the mold during the prototyping and commercial production since 1993 and up to present.

6. Aside from the TC 60 bin, several variants of the same design were fabricated from 1993-1995 and these were the TC 15, TC40, TC120 all shaped and modeled from

the original TC60 design. As before, I was one of the mold shop personnel assigned to do the grinding and finishing all these models.

8. That the TC 60 bin and other variants mentioned in the above paragraphs is the same TC60 bin design now being disputed with the Intellectual Property office (I.P.O.)”

Witness Hermiline Lavina, in her affidavit (Exhibit “4”) testifies as to the commercial sale of the trash bin referred to as TC60 and its advertisement as part of the company’s selling strategy. The affidavit of publication in the Manila Bulletin was submitted as evidence, (Exhibit “5”) Exhibit “5”-4 is the actual newspaper advertisement showing an illustration of several waste disposal bins which include the plastic trash container which looks the same as the plastic trash container depicted in the industrial design registration of respondent. She testified:

“4. After the company started with its selling strategy, the same was later supported with advertisements so by August 1993, I caused the publication of the advertisement of the TC 60 trash bins together with other trash bins.

5. After a while, the strategy was successful since the company started receiving orders, most noticeable of which came from Pepsi Bottling Company which was still at their plant in Aurora Blvd. at that time. Because of the positive market response of the TC 60 bin design, other variants of the same design such as TC 15, TC 40, TC 120 were all produced and sold between 1993 to 1995”.

In fact, respondent does not deny that the plastic trash container it has been manufacturing, selling and distributing are the products which depict the registered industrial design no. 3-2003-000535.

Respondent submitted Sales invoices (Exhibit “&” and sub-markings) which show the sale of the plastic trash containers. Exhibits “7” to “7”-O are various sales invoices whose dates bear the year 1993 to June 26, 2003. These all ante-date the filing date of respondent’s application for registration on September 1, 2003.

The relevant inquiry is whether there was a definite sale or offer for sale of the claimed invention prior to critical date, defined as one year prior to the U.S. filing date to which the application was entitled. The foremost of the on-sale bar is to “prevent inventors from exploiting the commercial value of their inventions while deferring the beginning of the statutory term. (Wayne K. Pfaff v. Wells Electronics, Inc. USCA Federal Circuit, September 8, 1997.)

The on-sale bar represents a balance of the policies of allowing the inventor a reasonable amount of time to ascertain the commercial value of an invention, while requiring prompt entry into patent system after sales activity has begun. Thus the statute limits the period of commercial sale or offers of sale of an invention to one year before, before patent application must be filed or forever barred. (Sed-flex, Inc. v. Athletic Track Court Construction, USCA Federal Circuit, October 24, 1994)

It also respondent’s contention that its sales antedate the sales made by petitioner’s sales of plastic trash containers were only shown through purchase order dated January 29, 2001. Respondent argues that Michigan and Himalayas are not the same entities. This supposition belies any claim by petitioner that advertisements by Himalayas Manufacturing in a telephone directory show use, manufacture and distribution as its own. Whether the two corporate entities are related immaterial to our finding that what was being sold by these entities are plastic trash containers bearing a similar if not identical design with the design belatedly registered by respondent only in September 1, 2003. Petitioner’s brochure printed on April 25, 2001 of Exhibit “D” shows pictorial representation of a plastic trash bin; “E”-1 “E”-8 are advertisements in the yellow pages of the PLTD Metro Manila Telephone Directories from the years 1995 to 2003 which includes illustrations of the trash bins. Petitioner also submitted

advertisements of Unimagna Phils., Inc. (Exhibit "J" and sub-markings in the PLDT Metro Manila Telephone Directories from the year 1998-2003 of similarly designed trash bins. Finally, we note the photographs attached to petitioner's witness Rosemarie Ong's affidavit (Exhibit "L") which show hooded plastic trash bins sold by petitioner. All in all, this Bureau notes that when goods sold and advertised by others entities are compared with the registered design of respondent, the design look essentially the same if not identical.

We fittingly apply the "ordinary observer test" utilized in the case of *Gorham Mfg. v. U.S. 511 (1871)* in concluding that the plastic trash bins sold by Himalaya Manufacturing Corp. or Michigan Enterprises Corp. are identical and the same the plastic trash container registered by respondent.

"We do not say that in determining whether two designs are substantially the same, differences in the lines, the configuration, or the modes by which the aspects they exhibit are not considered; but we think that the controlling consideration is the resultant effect. xxx

Plainly, it must be the sameness of appearance and the mere differences of lines and in the drawing or sketch, a greater or smaller number of lines, or slightly variances in configuration, if sufficient to change the effect upon the eye, will not destroy the substantial identity... xxx.

We hold, therefore, that if, in the eye of the ordinary observer, giving such attention as a purchaser 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 pretend is infringed by the other."

If the two designs are so alike that one may readily be taken as the other by an ordinary observer, the earlier constitutes an anticipation of the later, notwithstanding the differences in detail and in non-essential matters. (*Sagandorth v. Huger* 95 FED. 478).

The import of all these earlier sales is that the industrial design registered by herein Respondent entitled "PLASTIC TRASH CONTAINER" is no longer new because it has become available to the public. Having said this, this BUREAU can only conclude that the design for Plastic Trash Container designed by Ralph Cabrera subject of Industrial Design Registration No. 3-2003-000535 issued on May 19, 2005 is no longer novel and therefore, unregistrable under Patent law. However, there is insufficient evidence to prove that the designer fraudulently obtained its registration.

The Supreme Court in *Angelita Manzano v. Court of Appeals and Melecia Madolaria*, G.R. No. 113388, September 5, 1997, held:

"The element of novelty is an essential requisite of the patentability of an invention or discovery. If a device or process has been known or used by others prior to its invention or discovery by the applicant, an application for a patent therefore should be denied; and if the application has been granted, the court, in a judicial proceeding in which the validity of the patent is drawn in question, will hold it void and ineffective. It has been repeatedly held that an invention must possess the essential elements of novelty, originality and precedence, and for the patentee to be entitled to the protection the invention must be new to the world."

WHEREFORE, in view of the foregoing, the Petition for Cancellation filed by Michigan Enterprises Corporation against Industrial Design No. 3-2003-000535, for a Plastic Trash Container, is hereby GRANTED. Consequently, Industrial Design Registration No. 3-2003-000535, for a Plastic Trash Container issued on May 19, 2005 to Inca Plastic Philippines, Inc. is hereby CANCELLED.

Let the filewrapper of subject: Industrial Design Registration No. 3-2003-000535 together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 28 June 2007.

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