



TERRAMEDIC, INC.,
Petitioner,

-versus-

GROWRICH FOOD MANUFACTURING INC.,
Respondent-Patentee.

X-----X

} IPC No. 12-2007-00242
} Cancellation of:
} UM Reg.No. 2-2005-000249
} Date Issued: 11 Dec. 2006
} Title: "PROCESS OF PRODUCING
} ENCAPSULATED VIRGIN
} COCONUT OIL"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2013 - 01 dated January 08, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 08, 2013.

For the Director:

Edwin A. Dating
Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



TERRAMEDIC, INC.,	}	IPC No. 12-2007-00242
<i>Petitioner,</i>	}	Cancellation of:
	}	UM Reg. No. 2-2005-000249
-versus-	}	Date Issued: 11 December 2006
	}	
GROWRICH FOOD MANUFACTURING	}	TM: PROCESS OF PRODUCING
INC.,	}	ENCAPSULATED VIRGIN
<i>Respondent-Patentee.</i>	}	COCONUT OIL
x-----x	}	Decision No. 2013-01

DECISION

TERRAMEDIC, INC., ("Petitioner")¹, filed on 22 November 2007 a Petition for Cancellation of Utility Model Registration No. 2-2005-000249 issued to GROWRICH FOOD MANUFACTURING INC. ("Respondent-Registrant")² on 11 December 2006, entitled "*Processing of Producing Encapsulated Virgin Coconut Oil*". The Petitioner alleges, among other things, that the utility model covered by the subject patent is not novel and industrially applicable. Also, according to the Petitioner, the subject patent claim failed to satisfy the requirements of enablement and that the owner of the utility model is not the inventor. The Petitioner's evidence³ consists of copies of patents issued in the United States of America ("U.S.", for brevity) which purportedly relate to the process of encapsulating of medicine, food or other materials.

In its Answer filed on 21 December 2007, the Respondent-Patentee alleges that the the instant petition should be dismissed due to the defective certification against forum shopping. According to the Respondent-Patentee, the alleged representative of Petitioner who signed the verification/certification was not duly authorized to sign the said document. The Respondent-Patentee also contends that there is a presumption that the Office has correctly determined that the subject patent qualified for registration as a utility model and such cannot be interfered with in the absence of competent evidence to the contrary. The Respondent-Patentee likewise insists that it is the owner of the utility model registration. To support its defense, the Respondent-Patentee submitted copies of the Notice of Issuance of Certificate of Registration issued by the Director of Patents, Certificate of Business Name Registration issued by the Department of Trade and Industry and a copy of Utility Model Registration No. 2-2005-000249.⁴

The Petitioner filed a Reply on 21 January 2008. In its Reply, the Petitioner refuted the Respondent-Patentee's allegation by stating that there is no requirement, express or implied, which requires party litigants to attach a Board Resolution in support of their Verification/Certification. The Preliminary Conference was conducted and terminated on 22 April 2008.

1 A corporation organized and existing under the laws of the Philippines with offices at Catanauan, Quezon Province.

2 A corporation organized and existing under the laws of the Philippines with offices at E&E Industrial Complex, Brgy. San Antonio, San Pedro, Laguna.

3 Marked as Annexes "A" to "A-2".

4 Marked as Annexes "A" to "C".

Then after, the Petitioner filed its Position Paper on 25 June 2008. The Respondent-Patentee's motion for extension of time to file position paper, filed on 10 June 2008, was denied.

The records show that Geraldine Ann C. Balao, purportedly, the "legal representative" of the Petitioner, signed the Verification/Certification. However, no document was submitted showing Ms. Balao's authority or legal personality to represent herein Petitioner. In this regard, Rule 2, Section 7.3 of the Rules and Regulations on Inter Partes Cases, as amended, provides:

7.3. If the petition or opposition is in the required form and complies with the requirements including the certification of non-forum shopping, the Bureau shall docket the same by assigning the Inter Partes Case Number. Otherwise, the case shall be dismissed outright without prejudice. A second dismissal of this nature shall be with prejudice.

It is well settled that it is obligatory for the one signing the verification and certification against forum shopping on behalf of the principal party or the other petitioners that he/she has the authority to do the same.⁵ If the real party-in-interest is a corporate body, an officer of the corporation can sign the certification against forum shopping so long as he has been duly authorized by a resolution of its board of directors.⁶ If the certification against forum shopping signed by a person on behalf of a corporation, is unaccompanied by proof that said signatory is authorized to file a petition on behalf of the corporation, the same shall be sufficient ground to dismiss the case.⁷

But in the unlikely event that Geraldine Ann C. Balao is authorized by the Petitioner to file on its behalf the cancellation case, there is still no cogent reason to grant the instant petition.

Section 109.4 (a) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that in proceedings under Sections 61 to 64, the utility model registration shall be canceled if it does not qualify for registration and does not meet the requirements of registrability, specifically, novelty and industrial applicability. Section 61 of the IP Code provides:

"Sec. 61. Cancellation of Patents. -61.1. Any interested person may, upon payment of the required fee, petition to cancel the patent or any claim thereof, or parts of the claim, on any of the following grounds:

- (a) That what is claimed as the invention is not new or patentable;
- (b) That the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by any person skilled in the art; or
- (c) That the patent is contrary to public order or morals."

⁵ Fuentabella vs. Rolling Hills Memorial Park, G.R. No. 150865, 30 June 2006.

⁶ Supra.

⁷ Mediserv, Inc. vs. Court of Appeals, et al., G.R. No. 161368, 05 April 2010.

Corollary thereto, Rule 4, Sec. 1 of the Inter Partes Regulations, as amended, states that:

“At any time during the term of the utility model registration, any person, upon payment of the required fee, may petition the Director to cancel the utility model registration on any of the following grounds: x x x”.

One of the requirements for the registration of a UM is that it must be new⁸. To be new or novel means that no prior art exists before the filing date of the application for the registration of the UM. Sec. 24 of the IP Code states that prior art shall consist of:

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

24.2 The whole contents of an application for a patent, utility model, or industrial design registration, published in accordance with this Act, filed or effective in the Philippines, with a filing or priority date that is earlier than the filing or priority date of the application; Provided, That the application which has validly claimed the filing date of an earlier application under Section 31 of this Act, shall be prior art with effect as of the filing date of such earlier application. Provided further, That the applicant or the inventor identified in both applications are not one and the same.

The Petitioner put into issue the novelty of UM Registration No. 2-2005-000249 contending that the utility model covered by said registration is not new since it already forms part of a prior art. The Petitioner cites and alleges that U.S. Patent 4,143,162 entitled “*Encapsulated Foodstuff*” of Tanaka issued on 06 March 1979; U.S. Patent 5,939,97 entitled “*Food-like Medicine*” by Fusejima, et al. issued on 17 August 1999 and U.S. Patent 6,608,017 entitled “*Encapsulated Oil Particles*” by Dihora, et al. issued on 19 August 2003 are prior arts which directly teach of a method of encapsulating medicine, food or other materials including coconut oil.

Clearly, the cited U.S. patents were made available to the public before the filing date of the Respondent-Patentee's UM Application No. 2-2005-000249 on 15 June 2005. But are the afore cited U.S. patents considered prior art which would render the Respondent-Patentee's utility model not novel and, therefore, would result in the cancellation of its registration its registration should be canceled.

The abstract of Respondent-Patentee's UM states that the utility model relates in general to making virgin coconut oil but more particularly to a process of producing encapsulated virgin coconut oil that makes it handy, easy to take as a regular supplemental health food, clean, pure, safe and prolongs the shelf life of the virgin coconut oil itself. UM Registration No. 2-2005-000249 contains a single Claim, to wit:

- “a.) Crushing the coconut shell.
- b.) Taking the coconut meat and grating it by means of a grating machine.
- c.) Putting the grated coconut meat into a storage tank and mixing with distilled water.

- d.) Extracting the materials from the storage tank for a few minutes.
- e.) Setting the extract aside for at least twenty-four (24) hours.
- f.) Filling the extract into a filter pressed or filter bag, having a mesh of five 95 microns producing a virgin coconut oil.
- g.) Taking sample for quality control and test analysis.
- h.) Putting the extracted virgin coconut oil in an encapsulating machine that produces virgin coconut oil in capsule wherein, encapsulation the virgin coconut oil is done by putting droplet amount of virgin coconut oil ranging from 250mg up to 1000mg within a gelatine base capsule having a cylindrical body comprising of telescopically joinable, co-axial cap and body that is joined together by either twisting or coating them with a thin layer of edible wax.
- i.) Polishing the encapsulated virgin coconut oil; and
- j.) Packing the encapsulated virgin coconut oil in either blister packs or tamper proof bottles."

A thorough evaluation of the claims of the aforementioned U.S. patents and the single claim of Respondent-Patentee's UM shows that the Respondent-Patentee's does not include every element as recited in the cited U.S. patents. All elements of an assailed patent as a whole must be found in a single prior art reference.

The Petitioner lacked evidence to show that each element of the patent is found either expressly or described or under principles of "inherency" in a single prior art reference or that the claimed invention was probably known in a single prior art or device or practice.⁹

Processes for encapsulating food, medicine, materials and other ingredients have been widely used and developed in various industries for over a century ago. However, the Petitioner failed to prove by substantial evidence that a process for encapsulating in particular virgin coconut oil with all the features or elements of Respondent-Patentee's UM has been available to the public anywhere in the world before the filing date of the latter's UM application.

Aptly, in determining whether a patent has been anticipated by a prior art reference, the claim of the said patent must read or include every element in the prior art reference. In other words, each and every element of the claimed invention must be disclosed in a prior art reference.¹⁰ If there is even the slightest difference between what is claimed and what is disclosed in the prior art reference, then there is no anticipation.¹¹

Moreover, the records of the Office with respect to Utility Model Registration No. 2-2005-000249 do not indicate a finding by the Bureau of Patent's examiner of any relevant art that anticipates the model.

⁹ Angelita Manzano v. Court of Appeals, G.R. No. 113388, September 5, 1997, citing the case of Kalman v. Kimberly Clark, 218 USPQ 781, 789.

¹⁰ See W.L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303, Fed. Cir. 1983, LEXIS 13701.


¹¹ See Wegner, Patent Law on Biotechnology, Chemicals and Pharmaceuticals, 2nd ed., 1994, p. 159-160.

The UM Reg. No. 2-2005-000249 issued in the name of Respondent-Patentee is presumed valid. Significantly, the burden of proving want of novelty is on him who avers it and the burden is a heavy one which is met only by reasonable doubt. There is a presumption that the Office has correctly determined the patentability of the model and such action must not be interfered with in the absence of competent evidence to the contrary.¹² The evidence presented by Petitioner is not enough to overthrow the presumption of validity accorded to the utility model registration.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **DISMISSED**. Let the filewrapper of UM Reg. No. 2-2005-000249 be returned, together with a copy of this Decision, to the Bureau of Patents for information and appropriate action.

SO ORDERED.

Taguig City, 08 January 2013.



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