

Republic of the Philippines
Court of Appeals
Manila

SECOND DIVISION

OTB SOLAR B.V.,
Petitioner,

CA-G.R. SP No. 132979

Members:

- versus -

SALAZAR-FERNANDO, R. A.,
Chairperson,
GARCIA, R. R., *and*
BUESER, D. Q., *JJ.*

INTELLECTUAL
PROPERTY OFFICE
(IPO) DIRECTOR-
GENERAL,
Respondent.

Promulgated:

October 27, 2014

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D E C I S I O N

GARCIA, R. R. J.:

Before Us is a Petition for Review¹ under Rule 43 of the Revised Rules of Court assailing the Decision² dated November 18, 2013 of the Director-General of the Intellectual Property Office, which affirmed the Decision³ dated June 25, 2012 of the Director of the Bureau of Patents denying petitioner OTB Solar B.V.'s Request for Revival of their Application for Patent, the dispositive portion of which reads:

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision and the records of this case be furnished to the Director of the Bureau of Patents and the library of the Documentation, Information and Technology Transfer Bureau for information, guidance and records purposes.

¹ Rollo, pp. 7-25.

² Rollo, pp. 28-30.

³ Rollo, pp. 42-44.

SO ORDERED.⁴

THE FACTS

On February 13, 2006, petitioner OTB Solar B.V., a foreign corporation organized under the laws of Netherlands, submitted before the Intellectual Property Office (IPO) – Philippines an application⁵ for a patent of its invention entitled “Method and Apparatus for Applying a Coating on a Substrate” which was then assigned Application Series/Patent No. 1-2006-500324. In the said application, the Sapalo and Velez Law Offices was named as the agent or representative of petitioner in the Philippines.

On March 9, 2006, petitioner paid the corresponding fees for the said patent application in the total amount of P13,029.00.⁶ On August 10, 2006, petitioner requested that a substantive examination be conducted relative to the application.⁷

On November 10, 2006, the IPO, through its Records Officer II, acknowledged the patent application of petitioner. It likewise advised the latter to submit a Power of Attorney/Appointment of Resident Agent duly signed by the applicant within two (2) months from the mailing date of Examiner's Paper No. 5 dated November 10, 2006.⁸

On January 10, 2007, petitioner requested for an extension of two (2) months, or until March 10, 2007 within which to file the response to Examiner's Paper No. 5.⁹ On March 12, 2007, another request for extension of two (2) months was made by petitioner.¹⁰ Subsequently, the IPO sent Examiner's Paper No. 10 dated October 31, 2007 requiring petitioner to complete its requirements relative to the patent application. It also reiterated its demand for petitioner to submit the Power of Attorney/Appointment of Resident Agent duly signed by the applicant and was given until December 31, 2007 to submit the same in order to avoid abandonment of the patent application.

On February 8, 2008, a Notice of Withdrawn Application¹¹ was issued by Anna-Lia R. Batungbacal, IPO Records Officer II, which deemed petitioner's patent application withdrawn as of January 1,

⁴ Rollo, p. 30.

⁵ Rollo, p. 47.

⁶ *Vide*: Letter dated March 9, 2006, Rollo, p. 45.

⁷ *Vide*: Letter dated August 10, 2006, Rollo, p. 50.

⁸ *Vide*: Letter dated November 10, 2006, Rollo, p. 52.

⁹ *Vide*: Letter dated January 10, 2007, Rollo, p. 55.

¹⁰ *Vide*: Letter dated March 12, 2007, Rollo, p. 54.

¹¹ Rollo, p. 57.

2008 for failure to submit the required Power of Attorney/Appointment of Resident Agent within the reglementary period.

On June 10, 2008, petitioner filed a Request for Revival with Cost¹² stating that it is very much interested in pursuing the application for patent. It likewise paid the corresponding annual fee with excess claims in the total amount of P11,564.50.¹³

On July 23, 2010, or more than two (2) years thereafter, petitioner submitted to the IPO the Power of Attorney and Appointment of Resident Agent¹⁴.

On September 24, 2010, the Records Officer II of the Bureau of Patents denied petitioner's request for revival due to the latter's failure to comply with all the requirements for the patent application.

On February 29, 2012, petitioner filed before the Office of the Director of the Bureau of Patents a Petition¹⁵ to Question Authority of the Records Officer to Deny Petition for Revival. It argued that the Records Officer has no jurisdiction to deny the petition for revival and that the belated submission of the power of attorney is not a valid ground for the withdrawal of its patent application.

In a Decision¹⁶ dated June 25, 2012, the Director of the Bureau of Patents treated the petition as an appeal from the findings of the Records Officer II and denied the same. It was explained that the action by the Records Officer II may be considered as a final action of the Patent Examiner subject to appeal to the Director of the Bureau of Patents. It was further elucidated that the denial of petitioner's request for revival of its patent application was proper. Records show that petitioner is deemed to have abandoned its patent application when it failed to submit the required Power of Attorney/Appointment of Agent within the two (2)-month reglementary period and the extended periods given by the Bureau of Patents. Petitioner was able to submit the said document only after twenty-five (25) months from the expiration of the reglementary period for revival. Petitioner also failed to establish that the failure to submit the required document was due to fraud, accident, mistake or excusable negligence. The pertinent portions of the Decision read:

¹² Rollo, p. 58.

¹³ *Vide*: Payment of Annual Fees Receipt, Rollo, p. 60.

¹⁴ Rollo, p. 69.

¹⁵ Rollo, pp. 80-81.

¹⁶ *Supra* at note 3.

The Request for Revival with Cost was denied on the ground that not all the requirements as stated under Rule 930 of the Rules and Regulations on Inventions were complied with. xxx

Records show that as early as November 10, 2006, in Office Action Paper No. 5, the Records Officer already requested applicant to submit, among others, a Power of Attorney/Appointment of Resident Agent duly signed by the applicant. After two (2) postponements, applicant, still, was not able to comply with such requirement. In October 31, 2007, through Office Action Paper No. 10, the Records Officer issued her Subsequent Action, reiterating her request for the Power of Attorney/Appointment of Resident Agent, in order "to avoid abandonment of this application". Applicant, again, was not able to comply, hence the Records Officer sent the Notice of Withdrawn Application to applicant's counsel on February 8, 2008. Thus, applicant submitted its Request for Revival with Cost on June 10, 2008. However, the required complete proposed response was not submitted by applicant within the period allowed by the Rules. It was only on July 23, 2010, or more than twenty-five (25) months from the expiration of the reglementary period for revival was it able to comply.

This Office is, thus, NOT convinced that applicant's failure to comply with Office Action Nos. 5 and 10 on the submission of the Power of Attorney/Appointment of Resident Agent, within the reglementary period, can be attributed to fraud, mistake or excusable negligence within the import of Rule 930 of the Rules. Applicant proffered no satisfactory explanation why it was not able to comply with such requirement, knowing fully well that failure to comply with the Office Action carries with it the corresponding abandonment of the application, as earlier expressly stated in the said Office Actions. Thus, this Office is constrained to DENY the instant appeal, as well as applicant's Request for Revival with Cost.

IN VIEW OF THE FOREGOING, the Request for Revival with Cost is hereby DENIED for failure of applicant to comply with the requirements of the Examiner's Office Action Paper Nos. 5 and 10.¹⁷

Aggrieved, petitioner appealed to the Office of the Director-General of the IPO.¹⁸ In the assailed Decision¹⁹ dated November 18, 2013, the Director-General of the IPO sustained the findings of the Director of the Bureau of Patents ratiocinating that petitioner's failure to comply with the requirements for patent application merits the withdrawal of the same. Petitioner was given enough time and notice to submit the requirements knowing fully well that the failure to comply carries with it the corresponding abandonment of the application. The failure to submit the requested documents would fall squarely under failure to submit a complete proposed response within

¹⁷ Rollo, pp. 43-44.

¹⁸ *Vide*: Memorandum of Appeal dated September 5, 2013, Rollo, pp. 230-248.

¹⁹ *Supra* at note 2.

the prescribed period as required under Rule 930 of the Rules and Regulations on Inventions. The jurisdiction of the Records Officer to deny petitioner's patent application is likewise sustained. The denial of petitioner's request for revival may be properly considered as the "final action" of the Patent Examiner for purposes of appeal to the Bureau of Patents Director. The Office Action Papers indicate that that said Records Officer was the Examiner-in-Charge of the patent application giving the latter the authority and jurisdiction to handle petitioner's patent application. The pertinent portions of the Decision read:

The issues in this case are whether the untimely submission by the applicant-appellant of the requested duly signed power of attorney/appointment of resident agent should merit the declaration of a patent application as withdrawn, and whether the records officer has jurisdiction to act upon and deny applicant-appellant's request for revival with cost.

As to the first issue, applicant-appellant claims that the untimely submission of the aforementioned requested documents is not among the grounds for withdrawal of a patent application. Furthermore, they invoke Section 40 of the IP Code, which pertain to Filing Date Requirements, Section 42 of the IP Code, which pertains to Formality Examination, and Rules 600 and 601 of the Rules and Regulations on Inventions, to show that the non-submission of the said documents on time would not merit a withdrawal of the patent application.

In his Decision, the Director of Patents sustained the records officer in that Office Action Paper No. 10 reiterated the request for the power of attorney/appointment of resident agent, in order to avoid abandonment of the patent application. As the records show, applicant-appellant still did not produce the said documents, even after two extensions, thus the records officer was constrained to send the notice of withdrawn application. It was only on 23 July 2010 or more than twenty five (25) months from the expiration of the reglementary period for revival, did the applicant-appellant comply with the requirement.

The Director of Patent likewise submits that the applicant's failure to comply with Office Action Nos. 5 and 10 on the submission of the aforementioned documents within the reglementary period, cannot be attributed to fraud, accident, mistake or excusable negligence within the import of Rule 930. Applicant-appellant was given enough time and notice to comply with the requirements, knowing fully well that failure to comply with the Office Action carries with it the corresponding abandonment of the application, as expressly stated therein. Thus, the denial of the appeal, as well as the applicant's request for revival with cost.

This Office sees no cogent reason to disturb the assailed Decision of the Appellee. The failure to submit the requested document would fall squarely under failure to submit a complete proposed response within the prescribed period, as required by Rule 930:

Rule 930. Revival of application. - An application deemed withdrawn for failure to prosecute may be revived as a pending application within a period of four (4) months from the mailing date of the notice of withdrawal if it is shown to the satisfaction of the Director that the failure was due to fraud, accident, mistake or excusable negligence.

A petition to revive an application deemed withdrawn must be accompanied by (1) a showing of the cause of the failure to prosecute, (2) a complete proposed response, and (3) the required fee.

An application not revived in accordance with this rule shall be deemed forfeited.

Anent the second issue regarding the jurisdiction of the records officer, this Office finds the contention of the Applicant-Appellant to be without merit. Rule 100 (d) of the Rules and Regulations on Inventions provide that an “examiner” means any officer or employee of the Bureau of Patents authorized to examine applications. Thus, the Appellee was correct in ruling that while the authority to grant or deny petitions for revival rests solely with the Director of the Bureau of Patents under Rule 930, the denial of the Request for Revival made by the records officer may be properly considered as the “Final Action” of the patent examiner for purposes of Appeal to the Director of Patents. Likewise, the Office Action Papers indicate that the said records officer was the Examiner-In-Charge of the application, giving her the authority and jurisdiction to handle the patent application and to issue the related Office Action Papers.

This Office adheres to the policy of securing protection to investors and promoting patent protection and recognizes the need to have an effective industrial property system. The Rules and Regulations on Inventions that streamlined the administrative procedures in granting patents were promulgated to achieve this policy and objective. The submission of the required documents within the prescribed reglementary periods fixed in the Regulations are essential for the effective and orderly administration and disposition of patent applications. Aptly, procedural rules are not to be belittled or disregarded simply because their non-observance may have resulted in prejudice to a party's substantive rights.²⁰

Hence, the instant petition for review where petitioner raised the issues, as follows:

²⁰ Rollo, pp. 29-30.

I.

WHETHER OR NOT THE UNTIMELY SUBMISSION BY THE PETITIONER OF THE REQUESTED DULY SIGNED POWER OF ATTORNEY/APPOINTMENT OF RESIDENT AGENT IS ONE OF THE GROUNDS UNDER THE LAW TO DECLARE A PATENT APPLICATION AS WITHDRAWN.

II.

WHETHER OR NOT THE RECORDS OFFICER II ERRED IN DECLARING THE SUBJECT APPLICATION AS WITHDRAWN.

III.

WHETHER OR NOT A RECORD OFFICER HAS THE JURISDICTION TO ACT UPON AND DENY PETITIONER'S REQUEST FOR REVIVAL WITH COST.²¹

THE ISSUE

The sole issue to be resolved is whether or not the Director-General of the IPO gravely erred in affirming the findings of the Bureau of Patents which considered petitioner's patent application as withdrawn.

THE RULING

The petition is bereft of merit.

Petitioner contends that the Director-General of the IPO gravely erred in denying its petition asking for the revival of the subject patent application. The mere delay in the submission of the Power of Attorney/Appointment of Agent does not merit the withdrawal of the application. Petitioner has no intention to abandon its patent application. In fact, petitioner paid the annual fee and other claims. The Records Officer likewise has no authority to deny its patent application. The jurisdiction lies solely with the Director of Patents. As such, petitioner's patent application should have been revived.

We are not persuaded.

²¹ Rollo, p. 11.

Republic Act (R.A.) No. 8293, otherwise known as “*The Intellectual Property Code of the Philippines*”, is the law governing the application for patents, trademarks and copyrights. Section 2, Part I thereof states that “It is also the policy of the State to streamline administrative procedures of registering patents, trademarks and copyright, to liberalize the registration on the transfer of technology, and to enhance the enforcement of intellectual property rights in the Philippines”.

Chapter IV, Part II of R.A. 8293 specifically provides the procedures and requirements for application of patents. Under Section 33 of the said law, an applicant who is not a resident agent of the Philippines must appoint and maintain a resident agent or representative in the Philippines upon whom notice or process for judicial or administrative procedure relating to the application for patent or the patent may be served. We quote:

SECTION 33. Appointment of Agent or Representative. — An applicant who is not a resident of the Philippines must appoint and maintain a resident agent or representative in the Philippines upon whom notice or process for judicial or administrative procedure relating to the application for patent or the patent may be served.
[Emphasis supplied.]

Rule 504 of the Rules and Regulations on Inventions also elucidates that if the applicant appoints a representative, the Bureau of Patents shall require proof of such authority. It reads:

Rule 504. Proof of authority. — If the person who signs the application in behalf of a juridical person is an officer of the corporation, no proof of authority to file the said application will be required. However, if any other person signs for and in behalf of a juridical person, the Bureau shall require him to submit proof of authority to sign the application.

If the applicant appoints a representative to prosecute and sign the application, the Bureau shall require proof of such authority. *[Emphasis supplied.]*

Corollarily, Section 42.1 of R.A. 8293 provides that after the patent application has been accorded a filing date and the required fees have been paid on time, the applicant shall comply with the formal requirements specified by the law and the regulations within the prescribed period. Otherwise, the application shall be considered withdrawn.²²

²² SECTION 42. Formality Examination. — 42.1. After the patent application has been accorded a filing date and the required fees have been paid on time in accordance with the Regulations, the applicant shall comply with the formal requirements specified by Section 32 and the Regulations

Rule 929 (a) of the Rules and Regulations on Inventions further provides that “if an applicant fails to prosecute his application within the required time as provided in these Regulations, the application shall be deemed withdrawn.”

In the case at bench, We find no grave error on the part of the Bureau of Patents, as affirmed by the Director-General of the IPO, in finding that petitioner's application for patent is deemed withdrawn due to its failure to timely submit the required Power of Attorney/Appointment of Agent. As aptly held by the IPO, as early as November 10, 2006, petitioner was informed of the requirement to submit the said document. However, petitioner merely requested for two (2) extensions within which to comply with the directive of the Records Officer. Despite the extended periods granted to petitioner, the latter still failed to submit the same. Hence, the Notice of Withdrawn Application dated February 8, 2008. The records also show that it was only on July 23, 2010, or almost four (4) years from notice that petitioner was able to submit the Power of Attorney/Appointment of Agent. It must be noted that petitioner indeed failed to explain the delay in the submission of said document. There was no clear showing that the failure to timely submit the same was due to fraud, accident, mistake and excusable negligence.

As may be gleaned under Rule 902 of the Rules and Regulations on Inventions, petitioner, as the applicant, is supposed to look after its interest. The Bureau of Patents, as represented by the Examiners, is charged with the protection of the public. Hence, the Bureau must be vigilant relative to the application for patents. We quote:

RULE 902. Applicant Supposed to Look After His Interest. — The Bureau, represented by the Examiner, is not supposed to look after the interests of an applicant. The Examiners are charged with the protection of the interest of the public, and hence must be vigilant to see that no patent issues for subject matter which is not patentable, and is already disclosed in prior inventions and accessible to the public at large. [*Emphasis supplied.*]

We likewise sustain the IPO Director-General's finding as to the power of the Records Officer II to act petitioner's request for revival of its application. As correctly held by the IPO, the act of the Records Officer may be considered as the “final action” by the Patent Examiner which is appealable to the Office of the Director of the Bureau of Patents. Rule 100 (d)²³ of the Rules and Regulations on

within the prescribed period, otherwise the application shall be considered withdrawn

²³ RULE 100. Definitions. — Unless otherwise specified, the following terms shall have the meaning provided in this Rule:

Inventions defines an examiner as “any officer or employee of the Bureau of Patents authorized to examine applications”. It further provides that the title or official designation of such officer or employee may change as the structure of the Office may be set. The records further show that the Records Officer has been assigned to examine petitioner's patent application from the very start. The denial of petitioner's application as well as its request for the revival thereof was even sustained by the Director of the Bureau of Patents.

It is well-settled that findings of fact of quasi-judicial agencies are generally accorded respect, and even finality, by the appellate tribunal, if supported by substantial evidence. The findings of facts of quasi-judicial agencies which have acquired expertise because their jurisdiction is confined to specific matters are accorded not only respect but at times even finality.²⁴ In *Ayala Land, Inc. et al. vs. Castillo, et al.*²⁵, the Supreme Court held that courts will not interfere in matters which are addressed to the sound discretion of the government agency entrusted with the regulation of activities coming under its special and technical training and knowledge and the latter is given wide latitude in the evaluation of evidence and in the exercise of their adjudicative functions.

WHEREFORE, premises considered, the instant petition for review is hereby **DENIED**. The assailed Decision dated November 18, 2013 of the Director-General of the Intellectual Property Office is **AFFIRMED**.

SO ORDERED.

RAMON R. GARCIA
Associate Justice

WE CONCUR:

REMEDIOS A. SALAZAR-FERNANDO
Associate Justice

DANTON Q. BUESER
Associate Justice

x x x

(d) "Examiner" means any officer or employee of the Bureau of Patents authorized to examine applications. The title or official designation of such officer or employee may change as the structure of the Office may be set;

²⁴*Heirs of Arcadio Castro, Sr. vs. Lozada, et al., G.R. No. 163026, August 29, 2012; Alangilan Realty and Development Corp. vs. Office of the President, et al., G.R. No. 180471, March 26, 2010; DAR vs. Samson, et al., G.R. Nos. 161910 & 161930, June 17, 2008; DAR vs. Oroville Dev't. Corp., G.R. No. 170823, March 27, 2007; Alfonso O. Alejandro vs. CA, G.R. No. 84572-73, November 27, 1990; Teofilo Arica et.al. vs. NLRC et.al., G.R. No. 78210, February 28, 1989.*

²⁵ G.R. No. 178110, June 15, 2011.

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, it is hereby certified that the conclusions in the above decision were reached in consultation before the case was assigned to the writer of the opinion of the Court.

REMEDIOS A. SALAZAR-FERNANDO
Associate Justice
Chairperson, Second Division