

KPI MANUFACTURING, INC., doing business
Under the name and style **KEY LARGO CAR**
ACCESSORIES CENTER,
Petitioner,

-versus-

ALWIN T. GO,
Respondent-Registrant.

X-----X

IPC No. 13-2015-00523
Petition for Cancellation
of Industrial Design

Reg. No. 3-2014-001210
Issued On: 29 May 2015

Title: A CAR MAT
(AFCN 2014-1028F)

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 306 dated 14 September 2016
(copy enclosed) was promulgated in the above entitled case.

Taguig City, 14 September 2016.


Atty. ADORACION U. ZARE
Adjudication Officer
Bureau of Legal Affairs

KPI MANUFACTURING, INC. doing	} IPC Case No. 13-2015-00523
business under the name and style KEY LARGO	} Petition for Cancellation of Industrial Design
CAR ACCESSORIES CENTER,	} Registration No. 3-2014-001210
Petitioner,	} Issued on: 29 May 2015
	} Title: " A CAR MAT "
-vs-	}
	}
ALWIN T. GO,	}
Respondent-Registrant.	}
	}
x-----x	} Decision No. 2016- <u>306</u>

DECISION

KPI MANUFACTURING, INC., doing business under the name and style KEY LARGO CAR ACCESSORIES CENTER ("Petitioner")¹, filed a Petition for Cancellation of Industrial Design Registration No. 3-2014-001210. The registration issued in the name of ALWIN T. GO, ("Respondent-Registrant")², entitled "A CAR MAT (AFCN 2014-1028F)" was issued on 29 May 2015.

The Petitioner relies on the following grounds in support of its petition:

"(a) The respondent is not the true and original designer of the car mat product under Industrial Design Registration No. 3/2014/001210.

"(b) The respondent's car mat product under Certificate of Registration No. 3/2014/001210 lacks novelty as it forms part of the prior art therefore void."

The Petitioner alleges, among others, that:

"32. In the case at bar, it was shown that petitioner KPI was already dealing with car mats with designs similar to respondent's Industrial Design No. 3/2014/001210 as shown by the various business or sales transactions of petitioner KPI (Exhibits 'I' to 'K-4') and printed publication/catalog of the said product (Exhs. 'H' and 'H-1'). Thus, it can be reasonably presumed that said car mat design was already available to the public at the time the said respondent filed his application for registration on November 27, 2014. It is not false therefore to presume that respondent's industrial design registration for car mat under Certificate of Registration No. 3/2014/001210 was obtained fraudulently and in bad faith.

¹ A corporation organized and existing under Philippine laws with address at 1335 G. Araneta Avenue, Quezon City

² Filipino with address at 42-A Albany St., Bgy, Silangan, Cubao Quezon City



"33. Indubitably, therefore, at the time of the filing of respondent's application for industrial design registration on November 27, 2014, the industrial design applied for was not new and registrable under the facts of the case and the provisions of the IP Code quoted above.

"34. As petitioner KPI has proven in this case that respondent is not the true and original designer of the subject car mat as it been printed in a publication/catalog and that the respondent's industrial design for car mat has been existence in the markets and known to the world, it only goes to show that respondent's industrial design lacks novelty.

"35. Truly, respondent is not the true and original designer of the industrial design for the subject car trunk mats. Hence, respondent's Industrial Design Patent Registration No. 3/2014/001210 for "A Car Mat" is not registrable. As a result, any person including the herein petitioner KPI may appropriate the same design without the risk of committing an act of infringement. xxx"

To support its petition, the Petitioner submitted the following as evidence:

1. Copy of Amended Articles of Incorporation under Securities and Exchange Commission (SEC) Reg. No. ASO96-00198;
2. Copy of KPI's General Information Sheet;
3. Copy of Corporate Secretary's Certificate dated 29 October 2015;
4. Copy of letter signed by Oscar G. Raro dated 14 October 2015;
5. Copy of letter signed by Clarence Lee B. Evangelista dated 19 October 2015;
6. Copy of Certificate of Registration No. 3/2014/001210 dated 29 May 2015;
7. Pages of catalogue of Viair car mats;
8. Copies of Proforma Invoice and delivery receipts and
9. Affidavit of Mario G. Gamboa dated 29 October 2015³

The Respondent-Registrant filed his Answer on 14 March 2015, alleging among others, the following special and affirmative defenses:

"15. Respondent is the true and original designer of the car mat design covered by Registration No. 3-2014-001210 specifically described as Car Mat AFCN 2014-1028 F. As admitted by petitioner, this is exactly the same car mat design which it has been importing abroad as early as 12 May 2014 from a China supplier (par. 17-Petition).

"16. Respondent created and designed the subject car mat as early as 7 August 2013, using a specific computer program known as 'Solidworks,' He has been continuously tinkering with the design in that it was modified on 29 August 2013, copy of his computer printout showing the relevant date and the actual design of

³ Exhibits "A" to "L"

the subject car mat hereto attached and made integral parts hereof as Exhibits '1' to '1-B'.

"17. Upon being satisfied with his design, the respondent had the design mould manufactured by *Allied Flourish* SDN BHD, a Malaysian manufacturer with which respondent has a business relationship since 2010, a copy of *Allied Flourish* SDN BHD's certification dated 15 February 2016 attesting to this fact hereto attached and made integral part hereof as Exhibit '2'. xxx

"18. The purchase order signed by respondent under PO#AF20130902 dated 2 September 2013, showed that respondent paid the amount of Eighteen Thousand Six Hundred Ninety Seven and 14/100 U.S. Dollars (USD18,697.14) to *Allied Flourish* SDN BHD of Malaysia for the manufacture of one (1) set of mould for the subject car mat design, copy of such document issued by *Allied Flourish* SDN BHD for the same amount and order is hereto attached and made integral part hereof as Annex '3'. xxx

"19. On 27 November 2014, respondent filed Application No. 3-2014-001210 for registration of an Industrial Design with the Intellectual Property Office of the Philippines (IPO). Respondent, to obtain the registration, fully complied with the requirements under the provisions of the law and regulations for Industrial Design registration, primarily under Republic Act No. 8293. xxx"

The Respondent-Registrant's evidence consists of the following:

1. Copy of computer print-out of creation of the car mat design;
2. Authenticated and legalized certification of *Allied Flourish* SDN BHD notarized on 15 February 2016;
3. Copies of purchase order, proforma invoice, telegraphic transfer application, certificate of bank deposit and/or placement;
4. General Information Sheet of Bionic Auto Seat Cover Mfg., Incorporated;
5. Certified true copy of Registrability Report requested on 25 January 2016; and
6. Affidavit of Alwin T. Go dated 14 March 2016.⁴

The Hearing Officer issued on 10 July 2016 a notice setting the Preliminary Conference on 21 July 2016. During the Preliminary Conference, the Hearing Officer directed the parties to file their position papers. Petitioner and Respondent-Registrant filed their position papers both on 10 August 2016.

Should the Respondent-Registrant's Industrial Design Registration No. 3-2014-001210 be cancelled?

Section 122 of Republic Act. No. 8293, otherwise known as the Intellectual Property Code of the Philippines (IP Code) state that:

⁴ Exhibits "1" to "6"

Section 122. An Industrial Design is any composition of lines or colors or any three-dimensional form, whether associated with lines or colors: Provided, that such composition or form gives a special appearance to and can serve as a pattern for an industrial product or handicraft.

Sec. 120 of the Intellectual Property Code of the Philippines (IP Code) provides that an industrial design may be cancelled on the following grounds:

Section 120. At any time during the term of the industrial design registration, any person upon the payment of the required fee, may petition the Director of Legal Affairs to cancel the industrial design on the following grounds:

- (a) If the subject matter of the industrial design is not registrable within terms of Section 112 and 113;
- (b) If the subject matter is not new;
- (c) If the subject matter of the industrial design extends beyond the content of the application as originally filed. xxx”

The industrial design registration entitled “A CAR MAT (AFCN 2014-1028F)” consists of a single claim:

“1 CLAIM:

The ornamental design for A car mat (AFCN 2014-1028F) substantially as shown.”

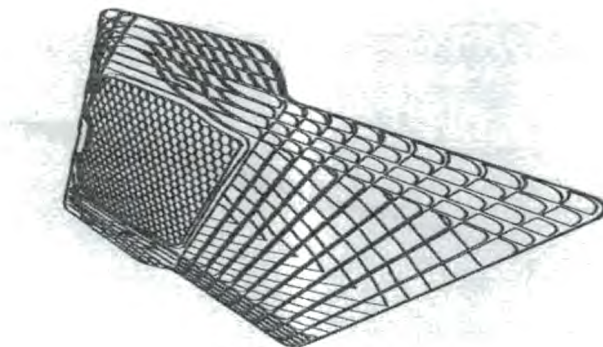


FIG.1



FIG. 2

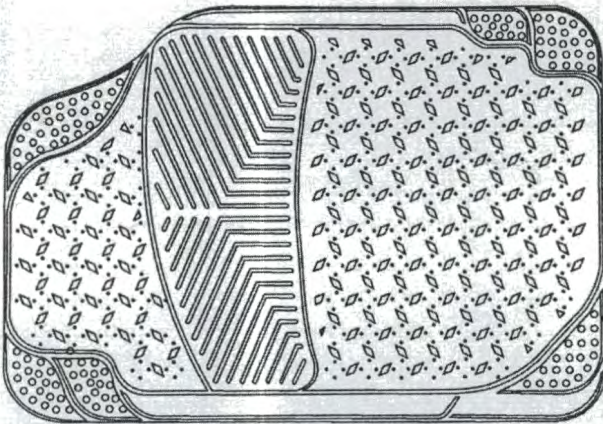


FIG. 3

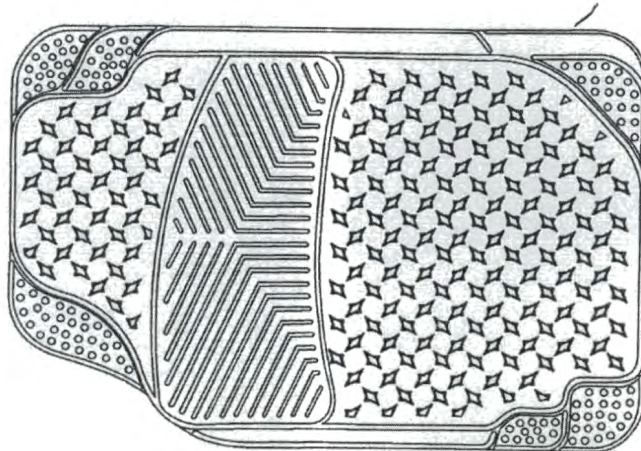
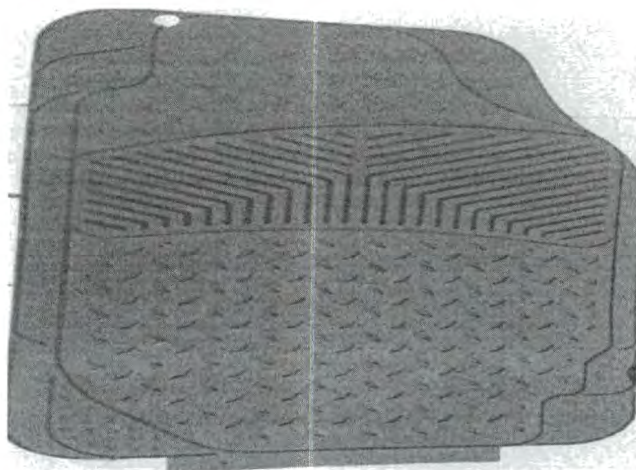


FIG. 4

The Petitioner argues that the subject industrial design is no longer new because it had already imported and sold car mats with designs similar to the Respondent-Registrant's Industrial Design Registration No. 3/2014/001210 before Respondent-Registrant's filing date of 27 November 2014. In support of its contention, it submitted pictures⁵ of actual car mats with a design similar to that of Respondent-Registrant's car mat, as seen below:



⁵ Exhibit "G"



The Petitioner explains that it has placed orders for car mats from its supplier in China, Shejiang Sanmen Viair Industry Co., Ltd. It submitted a Proforma Invoice indicating that it purchased from its supplier, through a VIAIR CAR MATS product catalog, design no. CG-14-CM-5PVC-3006, a design which is similar to Respondent-Registrant's industrial design registration.

In determining whether an invention is new or novel, the invention must not form part of prior art. The pertinent provisions of the IP Code state:

Section 23. *Novelty*. - An invention shall not be considered new if it forms part of a prior art.

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 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.

A perusal of the front page of VIAIR CAR MATS product catalog⁶ reveal that it is undated. Since the catalogue does not indicate the date of its publication, it cannot be verified whether it has been printed prior to the filing date of 27 November 2014 of the Industrial Design

⁶ Exhibit "H"

Registration No. 3/2014/001210. Furthermore, a cursory examination of the mats⁷ fail to yield any marking showing its production or manufacturing date. Without the dates, these cannot serve to anticipate Respondent-Registrant's design. The Supreme Court in *Angelita Manzano v. Court of Appeals*⁸ illustrates:

Thus the Director of Patents explained his reasons for the denial of the petition to cancel private respondent's patent —

Even assuming *gratia arguendi* that the aforesaid brochures do depict clearly on all fours each and every element of the patented gas burner device so that the prior art and the said patented device become identical, although in truth they are not, they cannot serve as anticipatory bars for the reason that they are undated. The dates when they were distributed to the public were not indicated and, therefore, they are useless prior art references.

xxx Another factor working against the Petitioner's claims is that an examination of Exh. "L" would disclose that there is no indication of the time or date it was manufactured. This Office, thus has no way of determining whether Exh. "L" was really manufactured before the filing of the aforesaid application which matured into Letters Patent No. UM-4609, subject matter of the cancellation proceeding.

Even if a representative Proforma Invoices and delivery receipts dated 2014 were submitted showing a particular item, "design no. CG-14-CM-5PVC-3006", these being mere photocopies, the evidence is insufficient to prove that this item code corresponds to the actual design in the undated Viair car catalog⁹ or the actual mat¹⁰.

On the other hand, the Respondent-Registrant requested a Registrability Report¹¹ which findings did not point to any document of particular relevance in determining novelty. This implies that the examiner conducting the search did not find on record any information that destroyed the design's newness and originality. "This is a matter which is properly within the competence of the Patent Office the official action of which has the presumption of correctness and may not be interfered with in the absence of new evidence carrying thorough conviction that the Office has erred. Since the Patent Office is an expert body preeminently qualified to determine questions of patentability, its findings must be accepted if they are consistent with the evidence, with doubts as to patentability resolved in favor of the Patent Office."¹² The Supreme Court has held:

Where, however, the plaintiff introduces the patent in evidence, if it is in due form, it affords a *prima facie* presumption of its correctness and validity. The

⁷ Exhibit "G", "G-1"

⁸ G.R. No. 113388, 5 September 1997

⁹ Exhibit "H"

¹⁰ Exhibit "G"

¹¹ Exhibit "5"

¹² Note 8

decision of the Commissioner of Patents in granting the patent is always presumed to be correct.¹³

Finally, the Petitioner asserts that Respondent-Registrant's admission that as early as 2 September 2013, he already ordered and paid for the production of a mould of the subject car mat from *Allied Flourish* SDN BHD constitute a prejudicial disclosure to third persons, which renders this registration void for lack of novelty. Section 125 of the IP Code states:

Section 25. Non-Prejudicial Disclosure. . - 25.1. The disclosure of information contained in the application during the twelve (12) months preceding the filing date or the priority date of the application shall not prejudice the applicant on the ground of lack of novelty if such disclosure was made by:


- (a) The inventor;
- (b) A patent office and the information was contained (a) in another application filed by the inventor and should not have been disclosed by the office, or (b) in an application filed without the knowledge or consent of the inventor by a third party which obtained the information directly or indirectly from the inventor; or
- (c) A third party which obtained the information directly or indirectly from the inventor.

Considering that the filing date is 27 November 2014, any disclosure beyond the twelve month period prior to the filing date, or any disclosure before 27 November 2013, will be detrimental to the Respondent-Registrant. His act of purchasing a mould for his car mat design on 1 September 2013, is not tantamount to a prejudicial disclosure because the mould is merely a prelude or preparatory to making the article bearing the new industrial design. The records are bereft of any evidence that Respondent's car mat was disclosed, known to the public or sold more than twelve months before the filing date of 27 November 2014. Therefore, at the time of the application, the design has not been anticipated by any prior art.

WHEREFORE, premises considered, the Petition for Cancellation is, as it is hereby DENIED. Let the file wrapper of Industrial Design Registration No. 3-2014-001210 together with a copy of the DECISION be returned to the Bureau of Patents (BOP) for appropriate action.

SO ORDERED.

Taguig City, 14 SEP 2016


ADORACION U. ZARE
Adjudication Officer
Bureau of Legal Affairs

¹³ Vargas v. F.M. Yaptico, G.R. No. 14101, 24 September 1919