



OFFICE OF THE DIRECTOR GENERAL

CARLOS NGOSIOK, Appellant,

APPEAL NO. 14-07-38  
IPC No. 12-2005-00045  
Petition for Cancellation:

-versus-

I.D. Reg. No. 3-2002-000186  
Date Issued: 20 April 2004  
Title: MACHINE FORMED AND  
STEAMED COOKED BIHON  
NOODLES

MARY LOU L. WONG, Appellee.

X-----X

NOTICE OF DECISION

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APR 22 2009  
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ESTRELLITA BELTRAN-ABELARDO  
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GREETINGS:

Please be informed that on 17 April 2009, the Office of the Director General rendered a Decision in the above-titled case (copy attached).

Makati City, 17 April 2009.

Very truly yours,

[Signature]  
ATTY. NATHANIEL S. AREVALO  
Attorney VI/Head, Office of Legal Counsel  
Office of the Director General

CERTIFIED TRUE COPY:

[Signature]  
Robert M. Samson  
Office of the Director General



**OFFICE OF THE DIRECTOR GENERAL**

**CARLOS NGOSIOK,**  
Appellant,

-versus-

**MARY LOU L. WONG,**  
Appellee.  
X-----X

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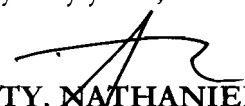
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Appellant,

-versus-

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DECISION

CARLOS NGOSIOK ("Appellant") appeals Decision No. 2006-50 of the Director of the Bureau of Legal Affairs ("Director"), dated 03 July 2006, granting the petition filed by Mary Lou L. Wong ("Appellee") for the cancellation of the Appellant's Industrial Design ("ID") Reg. No. 3-2002-000186 titled "MACHINE FORMED AND STEAMED COOKED BIHON NOODLES."

Records show that on 09 May 2005, the Appellee filed her petition alleging the following:

1. The subject matter of the industrial design is not new, not registrable and very much similar if not identical to the existing design of noodle products in the market and/or in public use at the time the application therefor was filed;
2. If ever there are variations between the prior art and the subject design, these do not involve a protected design;
3. The curling of noodles exists as a common phenomenon in its preparation; and
4. The description is vague as to, and the Appellant is not the designer of, the "invention" defined/covered by the registration.

The Appellant filed a motion for bill of particulars on 26 May 2005 alleging that the petition is not averred with sufficient definiteness or particularity to enable him to intelligently prepare his responsive pleading. The Appellee filed a manifestation on 07 June 2005 stating that one of the designs of noodle products existing in the market and in public use earlier than the year 2002 and identical to the design of noodles covered by the subject ID registration is the product described in the brochure of Mifentiao Shengchan Jishu ("Mifentiao"), dated 1999. On 27 June 2005, the Appellant filed his answer alleging the following:

1. The subject matter of the ID is new and different from the existing designs of noodle products in the market and/or in public use at the time he filed his application;

2. The ID is an ornamental design for bihon noodles which imparts an aesthetic appearance to bihon noodles, unlike the other designs of bihon products, his product design is uniformly cut and angular in shape to make it pleasing to the eye; and further, his bihon strands are curled or wavy shaped and densely packed together to form a flattened and hard rectangular block, looking like a big yellow biscuit that is inviting and mouthwatering;
3. The manufacturing process and machines for use in the process were designed precisely to produce the desired result in the product design;
4. There was a conscious effort to create a new bihon products design which will be preferred by consumers over all other existing bihon designs in the market;
5. Today, the particular bihon product design of the registrant is sought after by consumers;
6. The bihon noodles subject of Reg. No. 3-2002-000186 is novel, there was no prior art at the time of the filing of the registration; and
7. He is the designer of the ID, the book of Mifentiao, dated 1999, is not a brochure and a cursory reading of it, all in Chinese characters, shows that the noodle products covered by the brochure are entirely different from his bihon.

After the appropriate proceedings, the Director ordered the cancellation of ID Reg. No. 3-2002-000186. The Appellant filed on 26 July 2006 a MOTION FOR RECONSIDERATION which the Director denied in her Resolution No. 2007-16(D), dated 19 June 2007. On 19 July 2007, the Appellant filed the instant appeal alleging that:

I. THE CASE SHOULD HAVE BEEN DISMISSED AS THE PETITIONER ENGAGED IN FORUM-SHOPPING.

II. THE APPELLANT'S INDUSTRIAL DESIGN IS NOVEL AND THERE IS NO PRIOR ART."

The Appellant claims that there is identity of parties, cause of action, and relief sought in this case and in the Cebu infringement case. He claims that Komeya merely used the Appellee as a tool for it to escape forum-shopping charges. According to the Appellant,

1. all of the Appellee's evidence came from Komeya;
2. it was always Komeya representative who attended the hearings and the Appellee never appeared before the BLA;
3. the Appellee is the exclusive distributor of Komeya products, which make her bond with Komeya strong; and
4. Komeya would be benefited by the cancellation of the Appellant's ID registration.

The Appellant also asserts that his ID is novel. According to him:

1. An ordinary observer will easily differentiate waves which are from side-to-side (the Appellant's design) and waves which move up and down (the Mifentiao product) and

will also readily notice the difference between bihon strands that stick together (the Appellant's design) and those where the strands are fluffy (the Mifentiao product);

2. It is erroneous to conclude that ordinary observers would assume that all rectangular and wavy noodles are the same; this is rather uncalled for underestimation of the capability of ordinary consumers to distinguish the differences between *plantsado* bihon designs;
3. As an analogy, the lines ruled paper are horizontal, and if turned, the lines in ruled paper will now be vertical, which is also the case of the Appellant's design vis-a-vis the Mifentiao product - the waves of the Appellant's design are horizontal as they move from side to side, while the waves of the Mifentiao product are vertical as they move up and down; and
4. Evidently, the differences in the wave designs are not merely minor and non-essential, but rather significant which were placed in the drawing not merely to change the effect in the eye but precisely to illustrate the novelty of the ID;
5. The BLA misinterpreted the contents of the affidavit of the bihon expert witness he presented, concluding that the wave designs are the same-even if they obviously are not the same and the affidavit categorically states so; and
6. The BLA erred in ruling that the arguments on the processes are of no moment as the subject of this case is not a process patent; when in fact, he was merely pointing out that since the processes are different, the resulting products are also different.

On 31 July 2007 this Office issued an Order requiring the Appellee to file her comment to the appeal within thirty (30) days from receipt of the Order. The Appellee did not file her comment within the required period. Thus, this Office issued an Order on 26 September 2007 stating that the case is deemed submitted for decision.

The issues to be resolved in this appeal are:

1. Whether the Appellee in filing the instant petition for cancellation is guilty of forum shopping, and
2. Whether the subject ID is not novel.

On the first issue, this Office concurs with the Director's finding that the Appellant failed to substantiate his allegation that the Appellee had engaged in forum-shopping. The Appellee was not the same party – Komeya - that is involved in the court cases.

Sec. 120 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

Sec. 120. 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 the terms of Sections 112 and 113;
- (b) If the subject matter is not new; or
- (c) If the subject matter of the industrial design extends beyond the content of the application as originally filed.

120.2. Where the grounds for cancellation relate to a part of the industrial design, cancellation may be effected to such extent only. The restriction may be effected in the form of an alteration of the effected features of the design.

Corollary thereto, Sec. 1 of Rule 5 of the *Inter Partes* Regulations provides that:

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

- (a) that the industrial design does not give a special appearance to and can not serve as pattern for an industrial product or handicraft;
- (b) that the industrial design is not new or original;
- (c) that the industrial design is dictated essentially by technical or functional consideration to obtain a technical result;
- (d) that the industrial design is contrary to public order, health or morals; or
- (e) that the subject matter of the industrial design extends beyond the content of the application as originally filed.

Thus, it is not inconceivable that the Appellee filed the instant petition for cancellation because she believes that the subject ID is not novel. As correctly observed by the Director:

The fact that Petitioner is the exclusive distributor of Komeya Food Corporation and that all her evidence came from Komeya are not sufficient to prove that forum shopping since the Petitioner has also real interest in the cancellation of Respondent's industrial design model registration, she being engaged in the business of buying and selling noodle products in addition to her plan of producing her own noodle products.

Considering that the registration of IDs is imbued with public interest, any person in fact can file a petition to cancel an ID registration.

Going now to the second issue, Sec. 113.1 of the IP Code provides:

Sec. 113. Substantive Conditions for Protection.- 113.1. Only industrial designs that are new or original shall benefit from protection under this Act.

Corollary thereto, the pertinent provisions of the Utility Model and Industrial Design Regulations state:

RULE 300. *Definition of Industrial Design.* — An industrial design is any composition of lines or colors or any three-dimensional form, whether or not associated with lines or colors: Provided that, such composition or form should give a special appearance to and can serve as pattern for an industrial product or handicraft that are new or original.

RULE 301. *Requisites for Registrability of Industrial Design.* — In order to be registrable, an

industrial design must be any new or original creation relating to the ornamental features of shape, configuration, form, or combination thereof, of an article of manufacture, whether or not associated with lines, patterns or colors, which imparts an aesthetic and pleasing appearance to the article. The design which is embodied in any composition of lines, patterns or colors must be inseparable from the article and cannot exist alone merely as a scheme of surface ornamentation.

An article of manufacture is defined as anything which belongs to the useful or practical art, or any part thereof, which can be made and sold separately.

Industrial designs that are dictated essentially by technical or functional considerations to obtain a technical result or those that are contrary to public order, health or morals, are not registrable." [As amended by Office Order No. 09 (2000)]

RULE 301.1. *Requisites for Registrability Explained.* — The object of the statute is to encourage the decorative arts and a design, which merely pleases the eye, is a proper subject matter for a design registration. That is to say, a registrable design must not only be new or original, but ornamental as well. Ornamentation implies beauty, the giving of a pleasing appearance to an object or article. Registrable design must therefore show a variance which enhances the aesthetic beauty and attractive appearance of the article and which significantly differs from known design features or combination of known design features.

RULE 302. *Degree of Novelty Required.* — The standard of novelty established by Sections 23 (Novelty) and 25 (Non-prejudicial disclosure) of the IP Code applies to industrial designs: provided that the period of twelve (12) months specified in Section 25 shall be six (6) months in the case of designs.

An industrial design shall not be considered new if it differs from prior designs only in minor respects that it can be mistaken as such prior designs by an ordinary observer.

Sec. 24 of the IP Code defines prior art, as follows:<sup>1</sup>

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.

In this regard, the "SPECIFICATION" of the Appellant's ID application<sup>2</sup> stated:

The characteristic features of the present bihon noodles are as follow:

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<sup>1</sup> Also see Rule 401 of the Rules and Regulations on Utility Models and Industrial Designs.

<sup>2</sup> Exhibit "6".

1. The bihon is produced using continuous extrusion machine with rectangular die extruded unto endless conveyor. The bihon is thereby continuously formed and conveyed into a steam tunnel where cooking takes place with the use of steam vapor.

2. The bihon may either be extruded as a single line, extruded separately forming a continuous lines of bihon using a divided rectangular die, or extruded as a briad sheet of bihon and machine cut longitudinally into separate lines of bihon. Either way, the bihon is subsequently machine cut transversely to form a generally rectangular body or individual piece of bihon. These processes of extrusion and cutting result in two-three-or four sided-cut.

3. The bihon has a plurality of wavy strands forming the slightly bulging flattned (sic) bottom portion.

I CLAIM:

The ornamental design for bihon noodles substantially as shown and described.

Unlike the grant of letters patent for inventions, there is no substantive examination in the registration of an ID. Nevertheless, prior to the registration or denial or refusal of the application for registration, the issue of novelty is touched upon under Rule 314.1 of the Regulations, to wit:

*RULE 314.1 Adverse Information. Effects.* Within two (2) months from publication of the industrial design application, any interested party may request the Director for a registrability report and/or furnish the Director information, evidence or data in writing and under oath, showing that the industrial design is not new. The Director may require such third party to submit relevant and collateral facts or data to substantiate the furnished information. *[As amended Office Order No. 61(2001)]*

Within two (2) months from receipt of the request and/or adverse information, the Director shall decide whether or not to register the industrial design and shall issue the registrability report, if one has been requested. The Director may also issue a registrability report *motu proprio* within the same two (2)-month period. *[As amended Office Order No. 61(2001)]*

x x x

If the Director receives no adverse information within the 2-month period, he shall certify to that effect and direct the preparation and issuance of the certificate of registration with effect as of the date of publication of the industrial design application. *[As amended Office Order No. 61(2001)]*

There is nothing in the records that would show that an adverse information was filed by any party, including the Appellee, against the Appellant's ID application. Thus, the registration of the Appellant's ID means that it is presumed to be novel. The Appellant, in fact, submitted as evidence the Registrability Report<sup>3</sup> issued by the Bureau of Patents. The report does not state nor cite any document indicating that the subject ID is not novel. Accordingly, the burden is on the Appellee to prove that the subject ID is not novel and therefore should be cancelled.

In ordering the cancellation of the Appellant's ID registration, the Director held:

Petitioner submitted in evidence a book entitled Mifentiao Shengchan Jishu marked as Exhibit "C"(D) with the pertinent pages marked Annex A of the Petitioner's Position Paper. It appears from the copyright page of the book marked as Annex A-I that the book was copyrighted in 1999. The existence of said book since 1999 was not denied by the Respondent. In fact, Respondent even presented in evidence a Certification of one of the co-authors of the book marked as Exhibit "5-C" who in fact, enumerated the similarities as well as the alleged

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<sup>3</sup> Exhibit "5-E".



differences of the design of their instant rice vermicelli from the design of the bihon of Carlos Ngosiok subject of the disputed industrial design registration.

Comparing Respondent's design for bihon noodles specifically marked as Exhibit "4-K" to the design of the instant rice vermicelli appearing at the front cover, and that appearing on pages 1 and 2 of the Mifentiao sengchan Jishu book done in 1999 marked Exhibit "C"(D), this bureau finds that they are very similar, in fact almost identical to the design of the bihon noodles covered by the disputed Industrial Design Registration 3-2002-000186 issued to Carlos Ngosiok, filed on March 25, 2002.

The above findings was (sic) also made by Respondent's own witness, the co-author of the Mifentiao Shengchan Jishu when he stated in his Certification (Exhibit "5-C") that-

"x x x

"3. The finished product of the instant rice vermicelli as mentioned in Chapter 6 of our book is very similar to that of instant noddles although the color is dirty white in contrast to the yellowish color instant noodles that is made of wheat flour.

x x x"

The "Ordinary Observer Tests" measure the similarity of design through the eyes of men generally, of observers of ordinary acuteness, bringing to the examination of the article upon which the design has been placed the degree of observation which men of ordinary intelligence give. (GORHAM CO, vs. WHITE 81` U.S. (14 Wall.) 511, 528 (1871). 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 differences in detail and in non-essential matters. (SAGANDORTH VS. HUGER 95 FED. 478)

Moreover, the differences that the same witness of Respondent enumerated in his Certification marked Exhibit "5-C" as to the color. Ingredient size, that the design moves up and down while the other is from side to side and the number of cuts are different (sic) are minor details or slight variances in configuration which is (sic) no-essential and therefore, not sufficient to destroy the substantial identity of the disputed industrial design with respect to the prior arts submitted in evidence by the Petitioner.

In comparing the design, it must be judged form the overall visual appearance of the design, not from emphasis upon or pre-occupation with any of its individual elements. It must be the sameness in appearance, and mere difference in lines in the drawing of the sketch, a greater of smaller lines or slight variances in configuration, if insufficient to change the effect in the eye, will not destroy the substantial identity. (JESSIE G. CHING VS. WILLIAM L. SALINAS, JR. IPC DECISION NO. 2003-39, DECEMBER 23, 2003).

The Director relied on the affidavit of Engr. Joven Gertes<sup>4</sup>, a former Examiner in the Bureau of Patents, the relevant portions of which states:

5.1 Moreover, the book above (Mifentiao Sheng Chan Jishu) refers to a book/catalogue where on one of the pages thereon reads 1999.

x x x

7.0 Based on the law, and by comparing the industrial design depicted in the registration in issue on one hand and the above enumerated documents and evidence, it is very clear that the designs involved are identical which provides for a form that gives a special appearance and serves as a pattern form an industrial product, in this case bihon. The special appearance as

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<sup>4</sup> Exhibit "C".

shown in the design registration and the prior arts above show a bihon product cut to a square or rectangular shape containing plurality of bihon strands where one or two ends thereof are curled.

7.1 It should be considered that a design is that characteristics of a physical substance which, by means of lines, images, configuration and the like, taken as a whole, makes an impression through the eye upon the mind of the observer. The essence of a design resides, not in the elements individually, nor in their method of arrangement, but in their tout ensemble, in that indefinable whole that awakens, some sensation in the observers mind.

7.2 On the other hand, TOUT ENSEMBLE (too tan san bl) (French) means 1) all together, 2) the general effect, as a work of art or a costume, regarded as a whole. Likewise, The New International Webster's Collegiate Dictionary defined TOUT ENSEMBLE (too tan san bl) as: French All in all; everything considered.

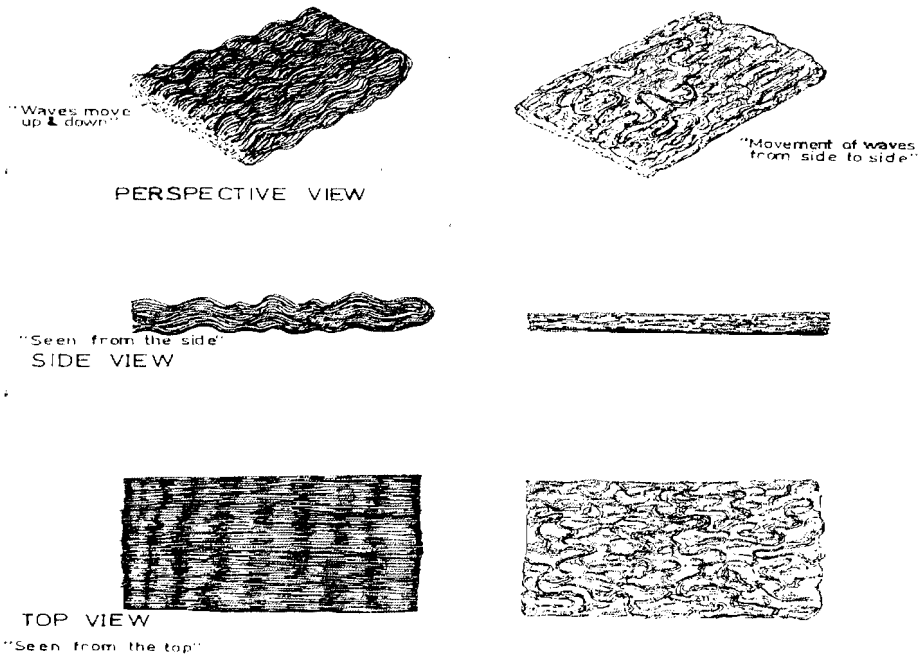
x x x

7.4 In as much as the tout ensemble in the designs in question, i.e. Ngo Siok design registration on one hand and the prior arts upon the other hand are the same (a bihon product cut to a square or rectangular shape containing plurality of bihon strands where one or two ends thereof are curled) then the Ngo Siok Design should be considered as identical to the prior arts. In as much as the prior arts are existing prior to the date of application of the Ngo Siok registration, then the design of Ngo Siok is not new as defined by the law on patents.

The noodle "design" that Engr. Gertes claims to be a prior art with respect to the subject ID can hardly be seen from the pages of the Mifentiao book submitted as evidence<sup>5</sup>. The Appellant, however, gave a comparative illustrations of the aforementioned noodle design and that of his ID<sup>6</sup>:

*Noodle design in the Mifentiao*

*Appellant's Bihon design*



This Office finds that the Appellant's design complies with Rule 301.1 of the Regulations.

<sup>5</sup> Exhibit "C(E)".

<sup>6</sup> See Appellant's Motion for Reconsideration filed in the BLA (p. 4), and Appellant's Memorandum (p. 8).

To an ordinary observer, the visual differences between the wave designs, which are utilized or serve as ornamentation, are obvious. One can easily distinguish the Appellant's bihon product design from that of the noodle product.

This Office does not agree with the Director's finding that the differences in the design of the waves and in the cuts are minor details. To follow this reasoning is tantamount to say that all wave designs are the same, thus, any ID which has wave design cannot now be registered although the design may be strikingly different from the others. In this instance, the Appellant's bihon's wave design shows variance from the noodle's wave design such that the overall appearances of the two are distinguishable from one another as viewed from any angle. This variance in the wave designs definitely has an effect on the eyes.

The Appellant ably explained in his Position Paper why his ID is registrable, to wit:

*Industrial design registration is a "picture patent." What is shown is what is protected while supplemental thereto is a clear description of the subject industrial design.*

*Engr. Ngosiok's bihon design is not like any existing designs of bihon noodle products in the market and/or public use anywhere in the world at the time the application therefor was filed.*

*Engr. Ngosiok's bihon design is a protected design and there was no prior art at the time of the filing of its application and the flattening and curling of bihon is not a common phenomom but purposely designed using a particular process and equipment.*

There are at least twelve (12) other bihon products existing in the market at the time Engr. Ngosiok filed his industrial design application. Each product is substantially different in look from the unique "golden biscuit-like" bihon product of Engr. Ngosiok, which is covered by Industrial Design Registration No. 3-2002-000186. This fact is readily apparent after a simple visual comparison of the actual products. Since industrial design is a "picture patent," for this Honorable Office to ascertain the differences of the designs, actual samples of the said twelve (12) bihon products (save for one), which are enumerated below, were submitted as Exhibits "4" to "4-J". (To further demonstrate the differences between these bihon designs, marked also as Exhibits "4" to "4-J.") Also submitted as Exhibit "4-K" is an actual sample of Engr. Ngosiok's bihon. (Also attached herewith are photographs of Engr. Ngosiok's bihon also marked as Exhibit "4-K").

1. Traditional pure rice vermicelli (in pale white color) gelatinized in steam and manually formed into loosely bound relative *straight* bihon with folded ends (*Exhibit "4"*).
2. Traditional pure rice vermicelli (in pale white color) that is of the "quick cooking" variety, gelatinized in steam and *manually formed into relatively straight and loosely bound strands* of bihon with folded ends (*Exhibit "4-A"*).

3. Traditional pure rice vermicelli (in off-white color), gelatinized in steam and manually formed into curled strands that are loosely bound into a round, square or rectangular package (*Exhibit "4-B"*);
4. Traditional pure rice vermicelli that is of the "quick cooking" variety, gelatinized in steam and manually formed into curled strands that are loosely bound into a round, square or rectangular package (*Exhibit "4-C"*);
5. Traditional pure rice vermicelli, gelatinized in steam and automatically formed into *straight sticks* of bihon (*Exhibit "4-D"*);
6. Traditional pure rice vermicelli, gelatinized in boiling water and manually formed into long and relatively *straight strands* of bihon (*Exhibit "4-e"*);
7. Rice vermicelli made of *cornstarch* (in brilliant white color), gelatinized in steam and manually formed into relatively straight loose strands of bihon with folded ends (*Exhibit "4-F"*);
8. Rice vermicelli made of *cornstarch*, gelatinized in steam and manually formed into *curled strands* that are loosely bound into a round or rectangular package (*Exhibit "4-G"*);
9. Rice vermicelli made of *cornstarch* that is of the "quick cooking" variety, gelatinized in steam and manually formed into curled strands that are loosely bound into a round or rectangular package (*Exhibit "4-h"*);
10. Rice vermicelli made of *cornstarch*, (in brilliant white color) gelatinized in steam and manually formed to *curled strands* that are loosely bound with folded ends (*Exhibit "4-I"*);
11. Rice vermicelli made of *cornstarch*, gelatinized in steam and automatically formed into *straight sticks* of bihon; and
12. Rice vermicelli made of *cornstarch*, gelatinized in boiling water and manually formed into *irregular pillow-shape* (*Exhibit "4-J"*).

Notably, all of the above-mentioned varieties of bihon products are manually formed except for the straight sticks (Item numbers 5 and 11), which are automatically formed as a mere natural consequence of and by reason of its simple straight shape. It is only Engr. Ngosiok's bihon product that is machine-formed to the desired shape (and is not "straight sticks"). This will partly explain why the other bihon products are different from those of Engr. Ngosiok's, which has the noodle strands sticking to each other, in a rectangular and angularly-cut flattened compact ("plantsado") biscuit-like appearance.

It should also be noted that throughout the noodle and vermicelli-eating population of Asia, the looks and appearance of the bihon and noodle products are likewise different from those of Engr. Ngosiok's "golden biscuit-like" product. Please refer to as the registrant's Exhibit "2" to "2-EE" for the pictures of various bihon and noodle (including other kinds of vermicelli) products in Asia as taken from the Internet. Further, original copies of the certifications from foreign industry associations and entities were submitted as Exhibits "5" to "5-B" attesting to the fact that Engr. Ngosiok's "golden biscuit-like" product is not found in their respective countries (the places stated in the certifications are Taiwan, Malaysia, Singapore, Thailand,

Hong Kong and China). Further, a bihon expert from China who co-authored the Chinese book "Mifentiao Shengchan Jishu" on bihon history and development with ISBN-7-5082-0921-4 certified that Engr. Ngosiok's design is not like the bihon product developed in China. Said Certification dated November 2, 2005 mentions the stark differences between the instant rice vermicelli as described in the said book and the Super Q Gloden Bihon of Engr. Ngosiok.

The Certification is quoted in full as follows:

"CERTIFICATION

I, (Chinese characters), do hereby depose and state that:

1. I am one of the authors of the book entitled MIFENTIAO SHENGCHAN JISHU with ISBN 7-5082-0921-4 written in Chinese.
2. I am a certified engineer and is an assistant director of the Jianxi Cereal and Oil Research and Development Center of Jiangxi Province.
3. The finished product of the instant rice vermicelli as mentioned in Chapter 6 of our book is very similar to that of the instant noodles although the color is dirty white in contrast to the yellowish color of instant noodles that is made of wheat flour.
4. Upon comparison of the rice vermicelli that is produced by the process and machinery as mentioned in our book and that of Ngosiok Marketing with the Super Q Brand, the following differences are very apparent:
  - a. Raw Ingredient – Rice grounded to form a flour for local product, cornstarch for Super Q Golden Bihon.
  - b. Color-Dirty white for local rice vermicelli; Super Q is light yellow  
x x x

This Office agrees with the Appellant that the Director misinterpreted the statement in the Certification of the co-author of Mifentiao, specifically, that the

finished product of the instant rice vermicelli as mentioned in Chapter 6 of our book is very similar to that of instant noodles although the color is dirty white in contrast to the yellowish color of instant noodle that is made of wheat flour.

The statement referred to instant noodles in general to which the co-author compares their products. The part of the certification that discusses the Appellant's ID is as follows:

4. Upon comparison of the rice vermicelli that is produced by the process and machinery as mentioned in our book and that of Ngosiok Marketing with the Super Q brand, the following differences are very apparent:
  - a) Raw ingredient – Rice ground for form a flour for local product; cornstarch for Super Q Golden Bihon.
  - b) Color- Dirty white for local rice vermicelli; Super Q is light yellow.
  - c) Size – Our rice vermicelli is much smaller than that of Super Q.

- d) Design- the wave of our product moves up and down and can be seen from the side; The waves of Super Q Golden Bihon can be seen from the top as the movement of the waves is from side to side; (Underscoring supplied)
- e) Process of forming- We use a sloping horizontal forming device/plate while the Super Q Golden Bihon is the result of free fall from the extrudetr to the conveyor screen.
- f) Number of cuts – Ours have two cuts as we divide the extruded vermicelli into lines with the use of vertical guide attachjed to the forming plate and using the die perforated into groups; Super Q Golden Bihon has three to four cuts.

Considering that the Appellee claims that the subject ID is not novel because it is supposedly look similar to the Mifentiao product design, such certification from a co-author of the Mifentiao book himself - the authenticity of such certification the Appellee did not contest nor dispute – is significant. That the co-author of the book Mifentiao Shengchan Jishu is a bihon expert and not an “ordinary observer” is of no consequence. As discussed above, to an ordinary observer, the Appellant's bihon design can easily be distinguished from the Mifentiao products. It is illogical then to insists that the Appellant's bihon design is similar to the Mifentiao's when a co-author of the Mifentiao book himself says otherwise.

The Director also held, thus:

Another ground for cancellation of subject industrial design registration is the existence of the machine purchased by Komeya from Fan Seng Engineering Works sometime in June 2001 as evidenced by the shipping documents presented with the Affidavit of Carolyn Medina, General Manager of Komeya Food Product Corporation marked as Exhibit “B(4.0) to “B”(4.3).

In this regard in par. 4.d) of the Certification of the co-author of Mifentiao Shengchan Jishu presented by Repondent as Exhibit “5-C”, one of the differences that he mentioned is-

“Process of forming – We use a sloping horizontal forming deviceplate while Supr Q Golden Bihon is the result of the free fall from the extruder to the conveyor screen.”

The machine showing production of bihon products of Komeya particularly the cutting assembly was presented as. The resulting bihon noodles produced by the said machine is a design identical to the design covered by the industrial design of Ngosiok. This was confirmed by Engr. Joven Gertes, the Appellee's expert witness, when he mentioned in his affidavit marked Exhibit “C” that the products produced by Komeya is the same as that of the Ngosiok registration with respect to the wave design.

*The Ngosiok machine as prior art*

This Bureau takes notice of the fact that in Exhibit “C(D)” of Inter Partes Case No. 12-2005-00042 the machine which consist of An Assembly for Automatic Forming and Cooking of Bihon, was found by this Bureau to be part of prior art, hence no longer novel. The output of this machine are bihon noodles transferred to a screen conveyor and as shown by Annex D of Petitioner's Position Paper, it is very clear that the “wave” design claimed by Respondent was created through the free fall of the noodles and part of the operation of said machine.

It is likewise noted that the source of the above mentioned machine was Fan Seng Engineering Works of Singapore and that the machine was bought by Ngosiok in 1989 based on a catalogue, as testified to by Respondent's own witness, the proprietor and publisher of Fan Seng brochure, Mr. Teo Kim Seng (See Exhibit "9").

Likewise, in paragraph C of his Affidavit marked Exhibit "9", Mr. Teo Kim Seng mentioned that-

"Mr. Ngosiok ordered his first machine in 1989 based on my catalogue with the heading 'a copy of which is attached instant rice vermicelli (beehon) Main Equipment,' herewith and made an integral part hereof as Annex 'A'. He ordered a complete set of machinery as described in my quotation for Vermicelli Making Machinery dated September 26, 1989. A copy of said quotation is herein attached as Annex 'B'. The whole set of machinery includes rice grinder, Stainless steel wetrile flour pump, conveyor mixer, upper and lower mixture compressor set, movable heating cabinet, conveyor unit, manufacturing plant, auto control cutter and support unit, and heating cabinet. The automatic dryer as shown in the catalogue was subsequently ordered."

This Bureau agrees with the Petitioner's expert witness who is a Registered Mechanical Engineer and whose expertise in the examination of invention, utility model and industrial design cannot be questioned as he has been a Patent Examiner for more than thirty five years in the former Philippine Patent Office changed to Bureau of Patents, Trademarks and Technology Transfer, now the Intellectual Property Office and who has attended several trainings and seminars in the field of patent examination of invention, utility model and industrial design, when he mentioned that the special appearance as shown in the disputed industrial design registration and the prior arts discussed earlier, namely, design of bihon noodles shown in the Mifentiao Shengchan Jishu Book existing since 1999, the machineries shown in the catalogue of Fan Seng Engineering (sic) Works since 1989 and the Komeya Machine bihon products as a result of using the machinery, i.e. Main manufacturing plant (extruder), movable heating cabinet and the auto control electric cutter all bought by Komeya Food Product Corporation from Fan Seng in 2001, show a bihon product cut to a square or rectangular shape containing plurality of bihon strands where one or two ends thereof are curled which is the same design covered by the disputed industrial design registration.

The Director's assumption would have been correct if: *first*, the machinery that appears in the pictures submitted by the Appellee is the same machinery that was bought by Komeya from Fan Seng Engineering Works in 2001, and *second*, if the Appellant's machinery that produces the bihon design subject of the ID registration is also the same machinery that he bought in 1989 also from Fan Seng. The Appellee, however, has the burden of proof regarding these matters more so in the light of the Appellant's claim that the machines shown in the pictures are not the machines Komeya bought in 2001. According to the Appellant, those machines used by Komeya as shown in the pictures were copied from his registered utility models, hence, the reason why the machines produce bihon designs similar to his:

The photographs (presented by the petitioner as Exhibit "C(D)" of equipment allegedly similar to the registrant's were taken only recently – not in 2001. Therefore, it proves nothing more than the fact that Komeya is infringing upon the intellectual property rights of the respondent. The key consideration in the issue of anticipation is time. It should be proven that a particular utility model is made public prior to the date of application. In here, the photographs were taken on November 26, 2005, which is more than three years after the date of application of the respondent. How can the present photographs be used as evidence to show the existence of

prior art five years ago?

To reiterate, the Fan Seng brochure shows photographs of a different equipment altogether. This again proves that in 2001, Komeya was not using the equipment represented in the recently taken photographs. It purchased a different equipment then and was using the traditional manufacturing process.

The dates of alleged prior art should be established. Mere photographs are inadequate to show the detailed construction of the prior art machines for comparison with the elements of the registrant's utility model.<sup>7</sup>

Also, while the Appellant in fact bought machinery from Fan Seng, there is no proof that these are the same machines which produce his present bihon design. Teo Kim Seng's affidavit<sup>8</sup> even reveals that it supports the Appellant's claims, to wit:

C. Mr Ngosiok ordered his first machine in 1989 based on my catalogue with the heading "instant rice vermicelli (beehon) Main Equipment" a copy of which is attached herewith and made an integral part hereof as Annex "A". He ordered a complete set of machinery as described in my quotation for Vermicelli Making Machinery dated September 26, 1989. A copy of said quotation is herein attached as Annex "B". The whole set of machinery includes rice grinder, stainless steel wetrice flour pump, conveyor mixer, upper and lower mixture compressor set, movable heating cabinet, conveyor unit, main manufacturing plant, auto control cutter and support unit, and heating cabinet. The automatic dryer as shown in the catalogue was subsequently ordered.

D. The machine that he originally ordered used rice as raw ingredient. The end product is a loosed manually-formed bihon product still produced and marketed here in Singapore.

E. Since then he had made several orders up to the present for some of the machines that formed part of his original orders to increase his production capacity, as spare parts for the machines he previously ordered from me or for the purpose of improving the old machines or making new machines. (Emphasis supplied)

This Office likewise noticed Engr. Joven Gertes<sup>9</sup> statement in his affidavit, to wit:

5. I was informed that the machinery depicted in the pictures (ANNEX "D" series) are machines presently used by Komeya for its production of bihon products. Said machinery, as I was informed, became operational since the year 2001. According to the said set-up, the finished product will end up with a noodle product as shown in the sample product which were being sold since 2001. In as much as the machines existed and are in operation since 2001 and the products are sold since 2001, I shall consider in this affidavit the product of the said machines as a prior art.

Hence, it appears that the Director gave credence to the opinion of Engr. Gertes which is based on the "information" given to him. Engr. Gertes, has no personal knowledge of, and thus, not a reliable resource person or witness regarding the matters stated in par. 5 of his affidavit. Moreover, there was nothing in the affidavit that would say that he conducted a thorough and comparative technical examination of the machineries of Komeya and the Appellant.

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<sup>7</sup> Position Paper, pp. 43-44.

<sup>8</sup> Exhibits "9".

<sup>9</sup> Exhibit "C".



The documents submitted by the Appellee do not establish that the machinery used by Komeya as appearing in the pictures submitted by the Appellee as evidence was the same machinery it actually bought from Fan Seng in 2001. The importation or shipping documents that supposedly show that Komeya bought the machine as appearing in the pictures taken in 2005 from Fan Seng in 2001 are the following:

1. Fan Seng's Invoice No. 1455, dated "6-4-2001"<sup>10</sup>;
2. Packing List of Fan Seng<sup>11</sup>;
3. Bill of Lading No. MNL 89253-01<sup>12</sup>;
4. Import Entry and Internal Revenue Declaration<sup>13</sup>;
5. Statement of Account No. 1757, issued by BCBC BARASO Customs Brokerage Corp. on 27 April 2001<sup>14</sup>;
6. Sales Invoice No. 13595, dated 16 April 2001, of Asian Consolidation Int'l Services, Inc.<sup>15</sup>;
7. Philippine Ports Authority O.R. 792525, dated "2001-04-20"<sup>16</sup>; and
8. Fan Seng's Brochure<sup>17</sup>.

In her affidavit, Carolyn Medina stated in par. 5.1<sup>18</sup> that: "The choice and purchase of some of our machinery was based on the brochure distributed by Fan Seng Engineering Works of Singapore which we got hold of sometime in the year 2000".

The Fan Seng's Invoice No. 1455, dated "6-4-2001", the Packing List of Fan Seng, the Bill of Lading No. MNL 89253-01, and the Import Entry and Internal Revenue Declaration, show that Komeya imported from Fan Seng one unit each of "Main Manufacturing Plant", "Auto Control Vermicelli Dryer", "Auto Control Electric Cutter & Support", "Stainless Steel Conveyor Heating Cabinet", and 4000 pieces of aluminum rods, in 2001. But except for the titles of the machines and general description of the physical dimensions and weight of the machines, there is nothing therein that could be used, with respect to these machine's technical details on elements, components and functions, as basis to determine whether one of these machines is the same as the machine used by Komeya as appearing in the pictures taken in 2005. The Appellee did not even bother to present or point out the features of the machine pictured in 2005 that would correspond to the information in the importation documents that would bolster her claim. The Appellant correctly argued in his Position Paper, thus:

*Komeya's present machines are different from what it allegedly imported from Fan Seng Engineering Works in 2001.*

In her affidavit, Ms. Medina claims that the machines that Komeya is presently using in its

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<sup>10</sup> Exhibit "B(4.0)".

<sup>11</sup> Exhibit "B(4.1)".

<sup>12</sup> Exhibit "B(4.2)".

<sup>13</sup> Exhibit "B(4.3)".

<sup>14</sup> Exhibit "B(4.4)".

<sup>15</sup> Exhibit "B(4.5)".

<sup>16</sup> Exhibit "B(4.6)".

<sup>17</sup> Exhibit "B(4.7)". (Also Exhibit "8" for the Appellant).

<sup>18</sup> Exhibit "B".

manufacturing plant are the machines that it imported from Fan Seng Engineering Works ("Fan Seng") in 2001. Attached as Exhibit "B(4.7)" to Ms. Medina's affidavit is a brochure of Fan Seng that features the 2001 Fan Seng machines. This brochure is the same one mentioned above and marked as Exhibit "8" for the registrant. However, a simple comparison of the picture of Komeya's pelletizer [part of the petitioner's Exhibit "C(D)] and the pelletizer on the 2001 Fan Seng brochure would show that the two machines are different. This only means that Komeya's present pelletizer was not the one imported from Fan Seng in 2001.

Komeya claims that the equipment it purchased in 2001 from Fan Seng are of the same kind as that of the respondent. It presented a set of shipping and transfer documents involving a "Main Manufacturing Plant", an "Auto Control Vermicelli Dryer", an "Auto Control Electric Cutter & Support," "Stainless Steel Conveyor Heating Cabinet" and 4000 pieces of "Aluminum Rods". However, there are no specifications or technical drawings of these equipment. There is no way of knowing, with sufficient detail and disclosure, the particular kind, make and construction of these manufacturing plant, dryer, cutter and heating cabinet because the documents only indicate the **generic category of the machines**. Therefore, it could well refer to any kind, make, model and construction of the equipment. Needless to say, there are numerous kinds and constructions, and much more variations, modifications, fabrications and innovations on these kinds of machines.

Knowing very well that the shipping and transfer documents do not prove anything, Komeya presents the Fan Seng brochure and claims that the purchased equipment refer to the products in the said brochure. However, as explained earlier (kindly see the discussions on pages 8 and 9 herein), the machines in the brochure are not the equipment covered by the respondent's registrations. In fact, these are the equipment used for the traditional manufacturing process.

It should be pointed out that in the traditional bihon manufacturing process, the bihon strands are hung on aluminum rods for cutting (please see Process Step No. 6 of page 9 herein). The shipping and transfer documents indicated that Komeya purchased 4,000 pieces of aluminum rods. What use are the aluminum rods, when, in the new process, the bihon strands are cut by rotating spring blades? The fact of the matter is Engr. Ngosiok's new process and equipment have rendered the aluminum rods obsolete. Thus, Komeya's purchase of the aluminum rods – 4,000 pieces at that – clearly evinces that Komeya was still using the traditional process in 2001.

During the implementation of the writ of search and seizure on Komeya's plant in Bulacan, it was noticed that Komeya had a total of four manufacturing lines: three out of the four manufacturing lines infringe on the registrant's utility models while only one manufacturing line is composed of the 2001 Fan Seng equipment. These three manufacturing lines are those which produce bihon products that infringe on the registrant's industrial design. This could only mean that while Komeya bought the 2001 Fan Seng line, it also subsequently purchased three other lines that infringe on the registrant's utility models. These infringing lines are obviously the newer lines copied from the manufacturing line of the registrant after 2001, which are the subject of an infringement suit filed by the registrant against Komeya before the Special Commercial Court of Cebu City (Branch 11).

Moreover, the shipping documents presented by Komeya show that the machines that Komeya imported were placed inside only two (2) forty(40)-foot container vans. Two (2) forty (40)-foot container vans are barely enough to accommodate even one (1) manufacturing line. The fact that Komeya has four manufacturing lines proves that its newer manufacturing lines were not imported in 2001, but after 2001.<sup>19</sup>

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<sup>19</sup> Pages 16-18

One can also easily observe the differences in the appearances of the machines as pictured in 2005 and the machines in the Fan Seng brochure. As succinctly pointed out by the Appellant in his Position Paper<sup>20</sup>, Komeya's manufacturing process as laid down by Ms. Medina in her affidavit is different from Fan Seng's.

Accordingly, it is well-established that the standard of substantial evidence required in administrative proceedings is more than a mere *scintilla*. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. While rules of evidence prevailing in courts of law and equity shall not be controlling, the obvious purpose being to free administrative boards from the compulsion of technical rules so that the mere admission of matter which would be deemed incompetent in judicial proceedings would not invalidate the administrative order, this assurance of a desirable flexibility in administrative procedure does not go so far as to justify orders without basis in evidence having rational probative force.<sup>21</sup>

Reviewing the records and evidence, this Office finds that the Director's erred in cancelling the subject ID registration. The quantum of evidence required - substantial evidence - was not met to overcome the presumption of the novelty and registrability of the Appellant's design. Relevant is the Supreme Court's pronouncement, to wit:

Where the evidence on an issue of fact is in equipoise or there is any doubt on which the evidence preponderates the party having the burden of proof falls upon that issue, that is to say, if the evidence touching on disputed facts is equally balanced, or if it does not produce a just, rational belief of its existence, or it leaves the mind in a state of perplexity the party holding the affirmative as to such fact must fail. (23 C.J. 11-12).<sup>22</sup>

The Director should have been more cautious and judicious in her conclusions. The Director should satisfy a hunger for facts and not to resort on speculations. Although Office Order No. 79, series of 2005 amended the Regulations on Inter Partes Proceedings by providing a "summary rules", the Director is not without any recourse to ascertain facts based on the evidence submitted by the parties. Rule 2, Section 5 of the Regulations states:

"Section 5. *Rules of Procedure to be followed in the conduct of hearing of Inter Partes cases.*- The rules of procedure herein contained primarily apply in the conduct of hearing of *Inter Partes* cases. The Rules of Court may be applied suppletorily. The Bureau shall not be bound by strict technical rules of procedure and evidence but may adopt, in the absence of any applicable rule herein, such mode of proceedings which is consistent with the requirements of fair play and conducive to the just, speedy and inexpensive disposition of cases, and which will give the Bureau the greatest possibility to focus on the contentious issues before it."

Wherefore, premises considered, the instant appeal is hereby GRANTED. The appealed decision of the Director is hereby REVERSED and SET ASIDE. Let a copy of this Decision and the records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Directors of the Bureau of Trademarks and the Library of the Documentation,

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<sup>20</sup> Page 18.

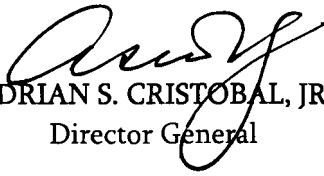
<sup>21</sup> See *Spouses Wilfredo Boyboy and Lydia Boyboy v. Atty. Victoriano R. Yabut, Jr.*, A.C. 5225, 29 Apr. 2003 (citing *Ang Tibay v. The Court of Industrial Relations*, 69 Phil. 635 (1940).

<sup>22</sup> *Pilar Development Corp. v. IAC*, No. L-72283, 12 Dec. 12 1986, 146 SCRA 215.

Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

APR 17 2009, Makati City.

  
ADRIAN S. CRISTOBAL, JR.  
Director General