

A. TESTONI S.p.A.,
Petitioner,

INTER PARTES CASE NOS.
3387 & 3388

CANCELLATION OF:

- 1) Cert. of Regn No.: 37829
Issued: January 11, 1988
Registrant: Nelson Chan
Trademark: "a. testoni"
Used On: Shoes, pants, slacks,
etc.

- versus -

- and -

- 2) Cert. of Regn No.: SR-7526
Issued: October 14, 1988
Registrant: Nelson Chan
Trademark: "a. testoni"
Used On: Shoes, pants, slacks,
etc.

NELSON CHAN, doing business in the name
And style "Elvin Cottage Industry",
Respondent-Registrant.

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DECISION NO. 90-7 (TM)
February 14, 1990

DECISION

This is a consolidation of two (2) inter partes cases, namely:

- (1) Inter Partes Case No. 3387 re: Petition filed by Testoni S.p.A. on May 30, 1989 for the cancellation of Trademark Registration No. 37829 (Principal Register) bearing the mark "a. testoni" used on shoes, jeans, pants, slacks, polos, T-shirts, jackets, shorts, jogging suits, belts, wallets, handkerchief, briefs and socks issued on January 11, 1988 in the name of Nelson Chan; and
- (2) Inter Partes Case No. 3388 re: Petition filed by the same petitioner, Testoni, S.p.A. on the same date (May 30, 1989) for the cancellation of Trademark Registration No. SR- 7526 (Supplemental Register) bearing also the same mark "a. testoni" used on same goods as above, issued in the name of the same Respondent-Registrant, Nelson Chan, on October 14, 1986.

Petitioner in both cases is a foreign corporation organized under the laws of Italy, with principal office and place of business at Via Gallera Nord, 171, 40018 San Pietro, Casale-Bologna, Italy, while Respondent-Registrant in both cases is a Filipino citizen doing business under the name and style "Elvin Cottage Industry", with business address at 562 P. Herrera Street, Tondo, Manila, Philippines.

The common grounds alleged in both petitions are:

"a) The registration of the trademark 'a.testoni' in the name of respondent will mislead the purchasing public and make it convenient for respondent to pass off its goods particularly shoes, jeans, pants, slacks, polos, T-shirts, jackets, shorts, jogging

suits, belts, wallets, handkerchiefs, briefs and socks which are identical to the goods of the petitioner, as those of the latter, resulting in damage to both the public and petitioner;

b) The trademark 'a.testoni' is, if not identical, so confusingly similar to the trademark 'a. testoni and shield device' owned and being used by the petitioner such that registration of the trademark 'a.testoni' in the name of the respondent runs counter to Article 6bis of the Paris Convention for the Protection of Industrial Property of which Italy, petitioner's national country, is a member and to which convention the Philippines has acceded as of September 27, 1965 x x x;

c) The registration of the trademark 'a.testoni' in the name of respondent is likewise contrary to Article 8 of the Paris Convention aforecited when gives protection to a tradename in all countries of the Union without the obligation of filing of registration whether or not it forms part of a trademark;

d) The registration of the trademark 'a.testoni' in the name of respondent will violate the proprietary interests of the petitioner over its trademark 'a. testoni and shield device' and will therefore cause great and irreparable injury to the latter."

On June 13, 1989, Respondent-Registrant was notified of this petition and was required to file its Answer thereto within fifteen (15) days from receipt of the notice.

In its Answers, Respondent-Registrant denied the material allegations made in both petitions and commonly alleged in both answers the following special and affirmative defenses:

"7. Petitioner has no valid lawful cause of action against respondent-registrant. Petitioner has no reason or ground to complain about the registration of the trademark 'a.testoni' in favor of respondent-registrant in as much as, in addition to its admission that it is not licensed to do business in the Philippines, petitioner has neither registered nor used in lawful commerce in the Philippines its alleged trademark 'a testoni and shield device';

8. Petitioner cannot now ask for the cancellation of Registration Certificate No. 37829 on the ground of the equitable principles of laches, estoppel and acquiescence."

Issued joined, the pre-trial conference was scheduled to August 25, 1989 where the parties in open court agreed for the consolidation of Inter Partes Cases 3387 and 3338. The parties jointly asked for more time within which to explore possibilities of settling amicably these cases.

On February 6, 1990, after several resettings, the parties jointly submitted a Compromise Agreement which provides:

"1. In the spirit of mutual goodwill and to avoid inconvenience attendant to litigation, the parties hereto have agreed to submit this Compromise Agreement under the following terms, to wit:

- a) Petitioner will no longer prosecute the instant cases and agrees to the assignment of Certificate of Registration No. 37829 (Principal Register) and Certification of Registration SR-7528 (Supplemental Register) in its favor, by virtue of which respondent assigns unto petitioner all his rights accruing from said registrations for good and valuable consideration, receipt of which is hereby acknowledged by respondent;
- b) In consideration of the foregoing, respondent undertakes to sign all documents and to do all acts necessary to effect the transfer of said registration in the name of petitioner;

- c) Respondent likewise undertakes not to engage in the sale of any goods bearing the trademark 'a.testoni' or otherwise represent himself to be the owner of the trademark 'a. testoni';
- d) In the event that respondent fails or otherwise refuses to execute the required documents to effect the transfer of the above-mentioned registrations in the name of petitioner in this Honorable Office after execution of this Compromise Agreement, the outright cancellation of said registrations in the name of respondent shall be ordered by this Office at the instance of petitioner herein;
- e) Respondent also undertakes to refrain from registering or using or representing himself to be the owner of petitioner's other marks, such as 't & shield device'. 'a.testoni & shield device' in stylized writing, 't' device. 'Dinamico' (word mark meaning 'dynamic' in English) and 'a. testoni & circle device'.
- f) Likewise, in the event that respondent violates his undertakings as provided for under subparagraphs (b), (c), and (e), the same shall give rise to petitioner's right to file an action for damages against the respondent in a regular court."

Said Compromise Agreement was signed before the Hearing Officer by the parties through their respective counsels and the terms thereof being fair, equitable and not contrary to law and office policies, the same is hereby approved as basis for the settlement and termination of these cases.

WHEREFORE, these Petitions for Cancellation are DISMISSED for having become moot. As agreed in the aforecited Compromise Agreement, the transfer of the contested Certificate of Registration No. 37829 and SR-7528 in favor of the herein Petitioner shall be effected as soon as the corresponding Deed of Assignments are filed with this Bureau.

Let the records of these cases be forwarded to the Patent/ Trademark Registry & EDP Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO
Director