

ADIDAS FABRIQUE  
CHAUSSURES DE SPORT  
Opposer,

INTER PARTES CASE NO. 1697

OPPOSITION TO:

Application Serial No. 46363  
Filed : October 8, 1981  
Applicant : Lee Hiung Ching  
Trademark : ARENA  
Used on : T-shirts, sandos,  
sportswear

-versus-

LEE HUI CHING,  
Respondent-Applicant.

x-----x  
WILSON CHUA,

INTER PARTES CASE NO. 1946  
OPPOSITION TO:

Application Serial No. 45017  
Filed : May 26, 1981  
Applicant : Adidas Fabrique de  
Chaussures de sport  
Trademark : ARENA  
Used on : Goods falling classes 18,  
25, 28

-versus-

ADIDAS FABRIQUE DE  
CAUSSURES DE SPORT  
Respondent-Applicant.

x-----x

DECISION NO. 89-41 (TM)

June 21, 1989

#### DECISION

This is a consolidation of two (2) opposition cases, namely, INTER PARTES CASE NO. 1697 and INTER PARTES CASE NO. 1946.

Inter Partes Case No. 1697 was lodged on December 20, 1982 by Adidas Fabrique de Chaussures de Sport against the registration of the trademark "ARENA" to be used on T-shirts, sandos, sportswear, such as jogging suits, boxers` suit, shoes, socks, travelling bags, towels, jeans, briefs, swimwear filed on October 8, 1981 by Lee Hui Ching (now transferred to Wilson Chua by assignment) in application Serial No. 4636 published on page 4547 of the Official Gazette, Volume 78, No. 34 dated August 23, 1982 and was officially released on October 1946 was counterlodged on September 6, 1985 by Wilson Chua against the registration of the same trademark "ARENA" for use on the goods enumerated therein under Classes 18, 25, 28 in Application Serial No. 45017 filed on May 28, 1981 by Adidas Fabrique de Chaussures de Sport, published on Page 18 of the Supplement to the Official Gazette, Volume 81, No. 11 which was officially released on August 14, 1985.

Opposer Adidas Fabrique de Chaussures de Sport (Inter Partes Case No. 1697) is a foreign Limited Company organized under the laws of France and doing business at 67490

Landersheim, France; while Respondent-Applicant Lee Hui Ching (Inter Partes Case No. 1697) is a resident of 649 Padre Herrera Street, Tondo, Manila, Philippines.

The pertinent grounds and facts in support of the first opposition (Inter Partes Case No. 1697) are”

“1. The opposer is the owner of the trademark “ARENA” and has used the same in the products covered by International Classes 18, 25, and 28. Said trademark is registered in France, the home country of the opposer under Certificate of Registration No. 1.182.006.

2. The trademark “arena” is well-known in the world and has enjoyed enviable reputation because of the high and superior quality of the products with the said trademark.

3. The registration in France was granted when the opposer filed an application on April 22, 1981. On May 25, 1981, the opposer also filed application for the registration of the trademark Arena. x x x

4. The respondent-applicant’s alleged mark ‘Arena’ is identical to opposer’s mark and the goods covered are the same.”

In his Answer, Respondent-Applicant denied the material allegation made in the Notice of Opposition and raised, among others, the following defense:

“1. The trademark ARENA had been adopted, used and registered by respondent-applicant’s predecessor-in-interest long before any individual or entity in the Philippines or abroad so much so that respondent alone has a valid and legal right to the exclusive thereof.”

This Bureau set the pre-trial conference to June 30, 1983, at which the parties submitted their respective pre-trial Briefs. No amicable settlement was arrived at, nor was there stipulation of facts. Several hearings were conducted for the reception of Opposer’s evidence. On August 29, 1985, Opposer submitted its written Offer of Evidence consisting of Exhibits “A” to “Z” and “AA”.

On September 6, 1985, Wilson Chua, Respondent-Applicant lodged a Notice of Opposition to the registration of the trademark ARENA , identified as Inter Partes Case No. 1697, filed on May 28, 1981 by Adidas Fabrique de Chaussures de Sport used on goods falling under International Classes Nos. 18, 25 and 28 citing, among others, the following grounds:

“1. The oppose is the owner of by assignment of an earlier issued Trademark Certificate of Registration No. 16899 dated October 6, 1971 for the trademark ARENA used for T-shirts and sandos by virtue of which he is now the holder of Supplemental Register No. 5797 dated November 16, 1981 covering goods falling under Classes 18 and 25;

2. The above-identified application subject of this Opposition which is later than Opposer’s registration also covers goods falling under the same classes and/or are related to the goods of the Opposer and in the event that the same is given due course, will result to Opposer’s irreparable damage and prejudice;

3. The Opposer has already invested and spent a considerable amount in the advertising and promotion of the trademark by reason of which the same has gained general acceptance, popularity and goodwill in the market.”

In its Answer, Adidas Fabrique de Chaussures de Sport denied the material allegations of the Notice of Opposition and invoked these defenses:

- (1) That Trademark Certificate of Registration No. 16899 had been cancelled on November 14, 1983 for failure of the registrant to file the Affidavit of Use/Non-Use as required under Section 12 of Republic Act No. 166, as amended;
- (2) That the assignor, Alps Shirt Manufacturing Company, was dissolved as of March 31, 1976.
- (3) That Wilson Chua's Certificate of registration No. SR-5797 in the Supplemental Register does not constitute prima facie evidence of ownership of the mark (Sec. 20, Republic Act 166).

During the pre-trial conference of Wilson Chua's Opposition (Inter Partes Case No. 1946) on December 3, 1985, upon motion of the Opposer and without objection from Respondent, Inter Partes Cases No. 1947 and 1697 were consolidated.

Wilson Chua in due course presented his documentary evidence consisting of Exhibits "1" to "5" and adopted Opposer's Exhibits "A", "B", "C", "D" and "AA".

Wilson Chua adopted Opposer's Exhibit "A" (Opposer's label) to show that Opposer's mark is identical and confusingly similar to his alleged predecessor's previously registered mark; Exhibit "B" (Publication of Respondent Applicant's trademark in the Official Gazette) to show that Respondent-Applicant's trademark has been duly processed, examined and approved by the Philippine Patent Office before it was found allowable for registration; Exhibit "C" (legalized Certified true copy of French Certificate of Registration No. 1.182.006) to show that Opposer's application in its home country came later than application of Wilson Chua's in the Philippines; and Exhibit "D" (certified true copy of Opposer's trademark Application Serial No. 45017) to establish that Wilson Chua's application (Serial No. 46363) in the Philippines likewise was filed later than that of Respondent-Applicant's (Serial No. 45017)

The Above exhibits were admitted for whatever they are worth (Order No. 86-126 dated May 22, 1986). Made part thereof were the objections and comments of the Opposer.

From the foregoing, it is not disputed that Adidas Fabrique de Chaussures de Sport has obtained Certificates of Registration No. 1.182.006 issued in France falling under Classes 18, 25 and 28, the application for which was filed on April 22, 1981 (Exhs. "C" and "D"; and also filed its application in accordance with Section 37 of Republic Act 166, as amended (Exh. "AA") for use in connection with goods falling under Classes 18, 25 and 28.

On the other hand, as early as October 6, 1971, the then Philippine Patent Office had issued Certificate of Registration No. 16899 for T-shirts and sandos in favor of Alps Shirt Manufacturing Company (Exh. "2"). The certificate was later assigned to Wilson Chua on October 26, 1981 (Exh. "4") by Lee Hui Ching, in behalf of Alps Shirt Manufacturing Company. Lee Hui Ching also assigned on September 25, 1981 to Wilson Chua his Application Serial No, 46363, which is being opposed by Adidas Fabrique de Chaussures de Sport in this case, for re-registration of the trademark ARENA.

Opposer Adidas Fabrique de Chaussures de Sport disputed the earlier dates of use claimed by Respondent and submitted evidence showing that Alps Shirt Manufacturing Company, registrant in Certificate of Registration No. 16899 was dissolved by the Securities & Exchange Commission as of March 31, 1976 (Exh. "Z") and Certificate of Registration No. 16899 bearing the trademark 'ARENA' issued in the name of the dissolved partnership was cancelled as of November 14, 1983 (Exh. "Y"). Opposer, thereof, maintains that the said cancellation has the same effect as abandonment (Inter Partes Cases Nos. 813 and 814; Francisco, Sr. vs. Francisco, Jr., CA-G.R. No. SR-05310-11, Sept. 26, 1977).

Which of the two parties is entitled to the registration, ownership or exclusive use of the mark "ARENA"?

The resolution of this issue would depend on whether the claim of Respondent-Applicant that his right is derived from Alps Shirt Manufacturing Company the registrant of Certificate of Registration No. 16899 has legal basis. There are several factors that show that this is not the case.

Firstly, Certificate of Registration No. 16899 has been cancelled for non-filing of the Affidavit of use. Unfortunately, the records of this registration have already been disposed of so that there was no way of obtaining the copy of Cancellation Order No. 131 referred to in the certification that it has been cancelled (Exh. "Y"). Thus, there is no direct evidence to show whether it was the affidavit for the fifth or tenth anniversary of the effective date of registration that was not filed.

Lee Hui Ching, however, by filing on October 8, 1981 the two applications for re-registration of Certificate of Registration No. 16899 above referred to established by clear implication that as of that date Certificate of Registration No. 16899 has already been cancelled or abandoned because of the non-filing of the affidavit of use or non-use within one year from the fifth anniversary of the date of issue - October 6, 1971 - i.e., within one year from October 6, 1976. This is corroborated by the fact that Alps Shirt Manufacturing Company having been dissolved on March 31, 1976 could not have filed such affidavit. It is stressed that no affidavit is accepted for filing by the Bureau earlier than the said period. At the time, thereof, of the execution of the assignment by Lee Hui Ching of Certificate of Registration No. 16899 to Wilson Chua on October 26, 1981, assuming he had the authority to do so, he had nothing to assign.

Secondly, Wilson Chua (the assignee) submitted an affidavit (Exh. "1") where he stated:

"The trademark ARENA for T-shirts and sandos was first adopted and used by Alps Shirt Manufacturing Company on April 21, 1955, applied for registration on January 23, 1968 with Serial No. 15513 and finally registered by said company with the Philippine Patent Office on October 6, 1971 under Certificate of Registration No. 16899 x x x

Alps Shirt Manufacturing Company was a partnership duly organized under the laws of the Philippines with office and business address at 1112 A. Mabini St., Caloocan City and composed of Siy Beng, Lee Hui Ching and Jose Li as partnerships;

Shortly after having filed its application for the registration of its trademark ARENA in 1968, said company started and progressively diversified and broadened the scope of the products it manufactured.

Upon the dissolution of the partnership in 1976, the use and ownership of the mark ARENA as well as the possession and control of the covering registration thereof, Certificate of Registration No. 16899 was continued by Lee Hui Ching as was the understanding with the other surviving partner Jose Li;

In order to extend protection of the mark over the other goods to which it is use has been extended, Lee Hui Ching filed an application for registration thereof under Serial No. 46363 dated October 8, 1981."

Clearly, the allegations of Wilson Chua in his affidavit, particularly that which are quoted above, are hearsay or of which he has no personal knowledge; hence, inadmissible (Sec. 30, Rule 130, Rules of Court). This is was in fact one of the objection cited by the Opposer in its Objections to (Respondent-Applicant`s) Formal Offer of Evidence dated January 29, 1986. These are matters that only Lee Hui Ching would be competent to testify on but failed to do so.

In other words, Lee Hui Ching and Wilson Chua failed to establish that Lee Hui Ching was a partner of Alps Shirt Manufacturing Company, or that if he was, that before or at the dissolution of the partnership that mark 'ARENA' was transferred by Alps Shirt Manufacturing Company to Lee Hui Ching. The Respondent-Applicant, thereof, failed to establish his claim that his right to the trademark ARENA was derived from Alps Shirt Manufacturing Company.

Premised on this, the assignment by Lee Hui Ching of the trademark "ARENA" purportedly in behalf of Alps Shirt Manufacturing Company of the mark under Certificate of Registration No. 16899 on October 26, 1981 was not a valid assignment and the applications of Respondent-Applicant under Serial Nos. 46353 and SR-8510 (in respect of which Certificate of Registration No. SR-5797 in the Supplemental Register has been issued) which were fore re-registration of Certificate of Registration No. 16899 were likewise invalid. Without doubt, therefore, the Opposer is entitled to registration of the mark "ARENA" on the basis of its French Registration No. 1.182.006 (Exh."C").

The records of the Bureau, However, show that Respondent-Applicant's application Serial No. 46363 had been allowed through oversight and assignee of the application, Wilson Chua, was issued Certificate of Registration No. 32966 on January 25, 1984. The issuance of this certificate was clearly a mistake because at the time it was issued the right of Respondent-Applicant was already being contested by the Opposer in this case. Pursuant to the provisions of Rule 178 of the Revised Rules of Practice in Trademark Cases, the Bureau is constrained to cancel the registration and Certificate of Registration No. SR-5797 as well. It is emphasized that this is the inevitable result of the resolution in favor of the Opposer of the issue as to the ownership of the mark, which has been raised and argued extensively in these proceedings.

WHEREFORE, the Opposition is given due course and Certificate of Registration Nos. 32966 and SR-5797 for "ARENA" issued in favor of Respondent-Applicant's Assignee, Wilson Chua, are hereby CANCELLED.

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