

LORENZO ALMORADIE,	}	Inter Partes Case No. 4022
Petitioner,	}	Petition for Cancellation:
	}	
	}	Regn. No.: 47789
	}	
-versus-	}	Date Issued: 04-10-1990
	}	Trademark: "WONDER"
TESTATE ESTATE OF DR.	}	
JOSE R. PEREZ	}	
Respondent-Registrant.	}	
x-----x	}	Decision No. 2002 – 05

DECISION

This pertains to the Petition for Cancellation filed against the registration of the Trademark "WONDER" bearing Reg. No. 47789 issued on April 10, 1990. The registration was the result of the application filed on January 11, 1985 bearing Application Serial No. 55403.

The Respondent-Registrant is the TESTATE ESTATE of DR. JOSE R. PEREZ, represented and administered by EMILIA M. SUMERA of 439 PASO, STA. MARIA, BULACAN.

The grounds relied upon for the petition are as follows:

- "1. That said trademark "WONDER" has been abandoned."
- "2. That the registration was obtained fraudulently and contrary to the provisions of Sec. 4, Chapter 11 of R.A. 166 as amended."

Petitioner relied on the following facts to support his Petition for Cancellation, reserving his right to present other evidence to prove these and other facts, which may appear necessary or expedient in the course of the proceedings upon the evidence to be presented by the Respondent-Registrant:

- "a. Petitioner has been in the manufacture, distribution and sale of beauty soap products under various trademarks including LORENZO ALMORADIE WONDER SOAP, C.Y. GABRIEL BLEACHNG SOAP, DAHLIA, HADJI and others;
- "b. Petitioner and DR. JOSE PEREZ, the deceased owner of subject trademark have been involved in legal controversy before the courts, as well as before the Bureau of Patents, Trademarks and Technology Transfer over the use of the trademark "WONDER" for beauty soaps;
- "c. Before the conflict over the trademark WONDER for beauty soaps could be resolved the prior registration of the trademark WONDER in favor of Dr. Perez was cancelled by operation of law for failure to file the requisite affidavit of use pursuant to the provisions of Section 8 of Republic Act No. 166, as amended.

- “d. Since the death of Dr. Perez in 1972, the manufacture and sale of Dr. Perez Wonder Soap has ceased and the trademark WONDER has been abandoned.
- “e. No beauty soaps under the trademark WONDER have been sold in the open market or through ordinary channels of trade since the death of Dr. Perez.
- “f. Respondent-Registrant secured Registration no. 47789 for the trademark WONDER for soaps through fraud, falsehood and misinterpretation.”

The issues that need to be resolved in this case are:

1. WHETHER OR NOT the Registration of the trademark “wonder” bearing Registration No. 47789 issued in the name of the Testate Estate DR. JOSE PEREZ, was fraudulently obtained before the Bureau of Patents, Trademarks and Technology Transfer, now the Intellectual Property Office (IPO); and
2. WHETHER OR NOT the trademark “WONDER” has been abandoned.

By way of background, the late DR. JOSE PEREZ, has filed with the Philippine Patent Office on February 23, 1961 as application for the Supplemental Register which was subsequently granted and a Certificate of Registration bearing Reg. No. SR-389 was issued on May 11, 1961. This was later cancelled for failure to file affidavit of use. Another application was filed which matured to Registration No. SR-2138 in his favor.

Meanwhile, on October 19, 1962, in Inter Partes Case No. 280, Crisanta Y. Gabriel filed a Petition to Cancel said Certificate of Registration No. SR-389 covering the trademark WONDER for beauty soaps in the name of Dr. Perez. On July 15, 1964, a decision was rendered by then Director of Patents, Tiburcio S. Evalle denying said petition. Her motion for reconsideration thereof having been denied, Gabriel filed a petition for review before the Supreme Court entitled Crisanta Y. Gabriel v. Dr. Jose Perez and Hon. Tiburcio Evalle as Director of Patents, G.R. No.L-24075. The case was thereafter decided in favor of Dr. Perez on the issue of ownership of the trademark WONDER.

The issue of the ownership of the trademark “WONDER” having been settled as pronounced in the above decision, Emilia M. Sumera, in her capacity as special administratrix of the estate of Dr. Jose R. Perez, who died on October 9, 1971, filed on January 31, 1975, with the Philippine Patent Office an application for registration of the trademark “WONDER” for beauty soap in the Principal Register. The application was later amended to change the name of the applicant to “The Testate Estate of the late Dr. Jose R. Perez, represented by Emilia M. Sumera as Special Administratrix.” Crisanta Y. Gabriel opposed anew the application alleging among others that “1) she is the owner of the trademark “WONDER” used for beauty soap and had been using it prior to the alleged date of first use of applicant (Sumera); 2) that the trademark “WONDER” which was created and adopted is well known throughout the Philippines and even abroad, that the use thereof by the applicant (Sumera) would result in confusion in her business to her damage and prejudice.” The Director of Patents dismissed the opposition on the ground of *res judicata*, the issues having been resolved in G.R. No. L-24075. The application was approved and Certificate of Registration No. 25610 in the Principal Register was issued for the trademark “WONDER” in the name of “The testate Estate of Dr. Jose R. Perez.”

The foregoing decision of the Director of Patents was appealed before the Court of Appeals under CA-G.R. SP-07446-R, which decision was affirmed saying that there is identity in the cause of action.

Despite the foregoing, Crisanta Y. Gabriel continued distributing and selling WONDER beauty soaps hence, on December 18, 1979, Sumera filed an action against Gabriel for infringement of Trademark with Damages and a Prayer for Writ of Preliminary Injunction before the Regional Trial Court docketed as Civil Case No. C-8147. In the said case, the Court found Petitioner: Crisanta Y. Gabriel to be infringing the mark "WONDER" owned by the estate of Dr. Jose R. Perez and was permanently enjoined from using the mark.

For purposes of discussion and clarification, be it noted that the present case has been brought for the THIRD TIME before this Office, first when this Office was still known as the Philippine Patent Office and later, as the Bureau of Patents, Trademarks and Technology transfer and now finally, in the Intellectual Property Office (IPO) under the new Intellectual Property Code, R.A. No. 8293, which took effect on January 1, 1998.

Before us now, is the Petition for Cancellation of the same trademark "WONDER", this time registered in the Principal Register under Reg. No. 47789 issued in the name of the TESTATE ESTATE of Dr. JOSE R. PEREZ on April 10, 1990.

In the corresponding application in the Principal Register which was filed on January 11, 1985, bearing Serial No. 55403 and which later matured into Registration No. 47789 subject of the instant case, the claim of first use was indicated as "MARCH 3, 1953" for the product bleaching soap of Class 3 of the international classification of goods.

"A fundamental PRINCIPLE OF THE Philippine trademark Laws particularly R.A. No. 166 as amended is the actual use in commerce in the Philippines is a pre-requisite to the acquisition of ownership over a trademark or tradename.

"When taken with the companion presumption of regularity of performance of official duty, it will be seen that issuance of a Certificates of Registration of a Trademark x x x also gives rise to the presumption that all requirements of Philippine Law necessary for a valid registration (including prior use in Commerce in the Philippines for at least two (2) months were complied with and satisfied) (Philip Morris, Inc. vs. Court of Appeals 224 SCRA 576) (Underscoring supplied)

Parenthetically, almost the same issue was squarely raised in Civil Case No. C-8147 which was an action for infringement of Trademark with Damages filed by Emilia Sumera, in her capacity as Special Administratrix of the Estate of the late Dr. Jose R. Perez against Crisanta Y. Gabriel, wherein Gabriel in her answer alleged that *(1) the registration of the trademark "WONDER" (SR-2138 and Reg. No. 25610 in the name of Dr. Perez were unlawfully, wrongfully, irregularly and fraudulently procured; x x x.*

The Court of Appeals deciding in this wise stated that:

"While we maintain our original position that we should not decide in the case before us who is better entitled to the use of said trademark, we are bound to accord *prima facie validity* to the certificates of registration issued by the Patent office in favor of the petitioner or to private respondent as assignee of Go Hay (the Supreme Court in the same decision ordered the cancellation of the certificate of registration issued to Go Hay which was subsequently assigned to Gabriel for the trademark "Wonder GH", for abandonment and non-use) are annulled or set aside in a proper proceedings."

In addition the Supreme Court said:

“Ultimately, what draws the axe against petitioner is the principle of “*first use*” on which our trademark law is based. Sec. 2 of R.A. 166 states that as a condition precedent to registration the trademark, trade name or service marks should have been in actual use in commerce in Philippines before the time of the filing of the application. A careful perusal of the record shows that although Go Hay, assignor of Gabriel, first registered the trademark “WONDER GH” on October 17, 1958 while the registration of the trademark “WONDER” in the name of Dr. Perez was registered in the Supplemental Register on May 11, 1961 and then at the principal register on Jan 3, 1978, the certificate of registration issued to Go Hay showed that the mark “WONDER” in favor of Dr. Perez was recorded to have been in use since March 3, 1953, or five years prior to Go Hay’s use. Thus, all things being equal, it is then safe to conclude that Dr. Perez had a better right to the mark “WONDER”. (Heirs of Crisanta Y. Gabriel-Almoradie vs. Court of Appeals, 15 SCRA 229, Jan. 24, 1994)

In the case at bar, Petitioner offered no sufficient proof to dispute the fact of the regularity of the issuance of Cert. of Reg. No. 47789 nor was it able to present evidence to prove that herein respondents, specifically Dr. Perez has not been using the mark “WONDER” since March 13, 1953. A careful perusal of the records reveal, and this is one of the most important points to be emphasized, that this application for registration of the mark WONDER had undergone extensive formal and substantive examinations by the Trademark Examiners of the then Bureau of Patents, Trademarks and Technology Transfer before it was allowed publication for opposition purposes and finally issued the Certificate of Registration, there being no opposition filed by any party who believe that he will be damaged or prejudiced by the registration of the mark “WONDER”.

What petitioner did achieve is to further strengthen this Office’s belief that Cert. of Reg. No. 47789 was issued regularly, free from fraud and in accordance with the provisions of Sec. 4, Chapter 11 of R.A. 166 as amended. And as held by our Supreme Court, “x x x Thus, all things equal, it is then safe to conclude that Dr. Perez had a better right to the mark “WONDER”.

Necessarily, the claim of the Petitioner that the registration subject of the cancellation proceedings has been obtained fraudulently and contrary to the provisions of Sec. 4, Chapter 11 of R.A. No. 166 as amended should be ruled in the NEGATIVE.

With respect to the other issue raised by Petitioner that the trademark “WONDER” was abandoned, this Office is fully convinced that such a situation does not exist.

The point to be noted is the fact that the trademark “WONDER” has been originally registered since MAY 11, 1961 and up to the present, the Certificate of Registration bearing Registration No. 47789 for the same mark is still valid and existing. Moreover, in all the cases brought before the different courts of the Philippines involving the trademark “WONDER” including the Supreme Court, there was no mention in their respective determination of the ownership of the mark WONDER that the same has been abandoned. In fact, when Registration No. SR-2138 and Reg. No. 25610 for the trademark “WONDER” were cancelled pursuant to Cancellation Order No. 143, issued on November 16, 1984 by the then Philippine Patent Office for failure to file the required fifth anniversary affidavit of use/non use, the cancellation order only stems from the failure of the registration to file the Affidavit of Use required under Sec. 12 of R.A. 166 but this does not mean that Registrant has already abandoned the use of the mark.

Moreover, the records of Cert. of Registration No. 47789 will show that the requisite FIFTH ANNIVERSARY AFFIDAVIT OF USE of the mark “WONDER” has been duly filed by the registrant on April 10, 1995 (O.R. No. 5883437 issued by the IPO), so was also the AFFIDAVIT OF USE for its 10th year anniversary filed on MARCH 19, 2001 (O.R. No. 3167349). Therefore, it is quite clear that Certificate of Registration No. 47789 issued on April 10, 1990 for the mark “WONDER” in the name of the TESTATE ESTATE of DR. JOSE R. PEREZ, is still valid and existing and subsisting.

To constitute abandonment of a trademark, “the disuse must be permanent and not ephemeral, it must be intentional and voluntary, and not involuntary or even compulsory.” (Callman, Unfair Competition and Trademark 2ded, p. 1341). In line with this theory, it was held in ROMERO vs. MAIDEN FOAM BRASSIERE CO. INC., (10 SCRA 562) that even granting that the appellant Romero used the mark when the appellee stopped using it during the period of time that the Government imposed restrictions on importation of Respondent’s brassiere bearing the trademark in question (“ADAGIO”), such temporary non-use did not affect the rights of the appellee because it was occasioned by government restriction and was not permanent, intentional, voluntary. The court also said that to establish the defense of abandonment, it is necessary to show not only acts indicating a practical abandonment, but on actual intention to abandon citing SAXLEHNER vs. EISENER & MENDELSON, CO., 179 U.S. 19, 21 S. CT. 7, 45 L. ED. 60.

The issuance of Cancellation Order No. 143 dated November 16, 1984 canceling S.R. 2138 and Reg. o. 25610 for the mark “WONDER” for failure of registrant to file the requisite fifth anniversary affidavit of use/non use cannot be considered as abandonment on the part of the registrant as the records reveal that the respondent filed the subject application bearing Ser. No. 55402 on January 11, 1985, roughly almost two (2) months from the issuance of said Cancellation Order, which thereafter, resulted in the issuance on April 10, 1990 of Reg. No. 47789 for the mark “WONDER” in the name of the TESTATE ESTATE of DR. JOSE R. PEREZ. There being an obvious continuity of interest on the part of the registrant to use and appropriate the mark “WONDER” in their behalf, abandonment will not lie, for as stated, *the disuse must be permanent and not ephemeral, it must be intentional and voluntary, and not involuntary or even compulsory.*

In the case of Bata Industries, Ltd. vs. Court of Appeals, (114 SCRA 318) the Supreme Court stated:

“We are satisfied from the evidence that any goodwill generated by the Czechoslovakian product during the Commonwealth years was completely abandoned and lost in more than thirty five (35) years that have passed since the liberation of Manila from the Japanese troops.”

In the case at bar, there was no evidence to prove that the trademark “WONDER” has been abandoned or has not been used by the registrant for a period of at least thirty five years (35) as what the Supreme Court ruled in the BATA case.

There being sufficient compliance with the requirements of the law, re: filing of the Affidavit of Use on the time prescribed, it is crystal clear that the trademark “WONDER” has not been ABANDONED.

Premises considered, the Petition for Cancellation is, as it is hereby DENIED. Consequently, Certificate of Registration No. 47789 for the mark “WONDER” is hereby declared valid and existing unless cancelled by operation of law.

Let the filewrapper subject of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, 28 February 2002.

ESTRELLITA BELTRAN-ABELARDO
Director
Bureau of Legal Affairs