

DONG-A PHARMACEUTICAL
CO., LTD.,

Petitioner,

-versus-

INTER PARTES CASE NO. 4304

Petition for Cancellation of:

Regn. No. : 62253

Date Issued : March 17, 1993

Trademark : "BACCHUS-F"

KANATSU FIRST INTERNATIONAL
CORP.,

Respondent-Registrant.

x-----x

Decision No. : 2000-08

DECISION

A Petition for Cancellation was filed on 15 April 1997 by herein Petitioner DONG-A PHARMACEUTICAL CO., LTD., against the trademark "BACCHUS-F" which mark is used on health drinks and registered in the name of KANATSU FIRST INTERNATIONAL CORP. in the Principal Register with Certificate of Registration No. 62253 issued on 9 January 1996.

Petitioner is a foreign corporation organized and existing under the laws of the Republic of Korea with principal business address at 252, Yongdu-dong, Dongdaemunku, Seoul, Korea. Petitioner filed the present Petition on the premise that it is lawful owner of the said mark and will be damaged by the continued use and registration of the mark in the name of the herein Respondent.

Respondent-Registrant, on the other hand, is a domestic corporation duly organized under Philippine Laws with principal offices at Rm. 102, CC Bldg., 136 Alfaro St. Buendia Avenue, Makati City.

Petitioner relied on the following grounds for cancellation:

"1. That the registration was obtained fraudulently or contrary to the provisions of Sec. 4, Chapter II-A, Republic Act 166, as amended;

"2. The Petitioner has adopted and used the said trademark since long prior to the respondent-registrant as shown duly authenticated invoices with verified English translation herewith attached as Annex "A" and made integral part hereof;

"3. That Respondent-Registrant is a mere importer and distributor of the goods bearing the mark BACHUS-F & Design, and Petitioner herein is the owner thereof, and pursuant to Sec. 4, Republic Act 166 "The owner of the trademark...used to distinguish his goods...shall have the right to register the same on the Principal Register.

"4. That Petitioner was the original applicant in this case, copy of the trademark application is herewith attached as Annex "B" and made integral part hereof;

"5. That during the course of the examination specifically on June 23, 1995 a Deed of Assignment was submitted wherein a Mr. Kang, Tae-Sik, President of Respondent-Registrant also signed for Petitioner (applicant),

which was executed and notarized in the Philippines at the Office of Legal Affairs, Department of Trade and Industry by Atty. Wenceslao R. Ramiro, copy of the said Deed of Assignment is herewith attached as Annex "C" and made integral part hereof;

"6. That said Mr. Kang, Tae-Sik was not duly authorized by Petitioner to sign said Deed of Assignment as there was no Board Resolution submitted and same was hastily prepared and filed at the Department of Trade and Industry and to this Honorable Office;

"7. That Petitioner is the lawful owner, manufacturer and producer of said energy drink covered by the mark "BACHUS-F & Design", while Respondent-Registrant is a mere importer and distributor of the product as shown by Annex "A" hereinabove attached and already made part hereof;

"8. That under the above circumstances, Respondent-Registrant cannot lawfully acquire the above trademark to the damage and prejudice of herein Petitioner."

On 29 April 1997, this Office issued a Notice to herein Respondent requiring it to file its Answer within fifteen (15) days from receipt of said notice. Almost four (4) months have lapsed, however, and Respondent still has not filed its Answer to the Petition. Hence, it was declared in default per Order No. 97-400 dated 20 August 1997

On 19 September 1997, one Atty. Aguedo L. Gepte III personally appeared before this Office and filed a Notice of Appearance in behalf of respondent and asked that all copies of Notices, orders and other pleadings relative to the above-entitled case be sent to him. He likewise signified that herein Respondent did not receive the Notice to Answer issued by this Office as the same was served in its old business address. On the same day, however, Counsel was given a copy of the Petition for Cancellation and the pertinent documents attached to it. On 23 September 1997, Atty. Gepte filed a Motion for Reconsideration of the Order of Default and prayed that the same be set aside considering the attendant circumstances which justifies the lifting of the same.

In Order No. 97-470 dated 24 September 1997, this Office reconsidered its Order of Default and gave respondent fifteen (15) days from receipt of said Order within which to file its Answer. This Order was personally served to the Office of Counsel for respondent on 26 September 1997 and was received by one Cathy Lagman. However, despite due Notice, no Answer was ever filed in behalf of Respondent. This constrained the Office to issue Order No. 98-133 declaring Respondent in default and setting the hearing for the initial presentation of Petitioner's evidence on May 13, 1998.

Exhibits "A" to "C" and the submarkings therein were offered by herein Petitioner and were duly admitted by this Office for whatever purpose they may be worth in this proceeding.

Section 17, Republic Act No. 166 provides:

"Sec. 17. Grounds for cancellation. – Any person, who believes that he is or will be damaged by the registration of a mark or trade name, may, upon payment of the prescribed fee, apply to cancel said registration upon any of the following grounds:

X X X

(c) That the registration was obtained fraudulently or contrary to the provisions of section four, Chapter II hereof;"

The question of whether or not the registration of a trademark had been obtained through fraud or false representation becomes necessary when there is a finding of similarity between the contesting trademarks. Accordingly, in order that fraud in obtaining registration can produce cancellation, it is necessary that it be coupled with a finding of confusing similarity between the trademarks of the contending parties and that the maintenance of one trademark would work to the detriment of the other.

Exhibit "B-1" is a drawing of the mark Bacchus F applied for by Respondent applicant which is similar to the registered mark subject of cancellation. There is no doubt, then that the issue of commission of fraud can be entertained and resolved by this Office in view of the fact of similarity of the mark of the parties. It may likewise serve to stress that the two marks are not only confusingly similar but are complete replica of each other.

Petitioner's Exhibit "C" clearly shows an indubitable proof of fraud on the part of Respondent-Registrant. Marked as Exhibit "C-1" and Exhibit "C-2" are the signatures of Mr. Kang Tae Sik both as assignee and assignor in the Deed of Assignment. This alone is very questionable act that puts to doubt the validity of the Deed of Assignment. Another damaging evidence presented by the Petitioner are the export declarations, the English translation which is marked Exhibit "G-2" and the Korea declaration shows that the name of the Philippine importer is herein Respondent, Kanatsu First International Corporation.

Basic in the Trademark Law is the fact that only the owner of the mark may apply for and obtain registration of a mark or trade name. consequently, an application for registration of a mark or trade name is subject to an opposition proceeding and, in the event registration was issued in violation of the law, to cancellation. Likewise settled in trademark cases is a rule that a mere importer cannot apply for the registration of a mark in its own name. for having registered the mark Bacchus F with actual fraud and intent to deceive, the present petition for cancellation filed by the rightful owner Dong-A Pharmaceutical Co., Ltd. is availing and proper under the circumstances.

WHEREFORE, premises considered, the instant Petition for Cancellation of the mark "BACCHUS-F" in the name of herein Respondent Kanatsu First International Corporation is, as it is, hereby GRANTED. As it is, the trademark "BACCHUS-F" bearing Cert. of registration No. 62253 issued on March 17, 1993 registered in the name of Respondent is hereby ordered CANCELLED.

Let a copy of this Decision and filewrapper of the mark "BACCHUS-F" subject of this Petition be forwarded to the Administrative, Financial and Human Resource Development Services Bureau for appropriate action in accordance with this Decision with a copy thereof furnished the Bureau of Trademarks for information and update of its record.

17 July 2000

ESTRELLITA BELTRAN-ABELARDO
Director