

CRISPINA MACAGBA, et. al.,	}	Inter Partes Case No. 485
Opposer,	}	Opposition to:
	}	
-versus-	}	Serial No. : 14963
	}	Date Filed : September 08, 1967
	}	Trademark : "LORENZANA
	}	& DEVICE"
	}	Used on : Patis, bagoong fish and
	}	other native products
	}	
GODOFREDO L. LORENZANA, SR.	}	
Respondent-Applicant. }	}	DECISION NO. 2000-12
x-----x		

DECISION

This pertains to the opposition filed by Crispana L. Macagba, Solomon L. Lorenzana, Cristeta L. Alvarez, Gabriel L. Lorenzana, Antonia L. Camins and Sostences L. Lorenzana, all of legal ages, and six (6) of the ten (10) brothers and sisters of herein Respondent-Applicant, Godofredo L. Lorenzana, Sr., against the application for registration in the Principal Register of the trademark "Lorenzana and Device" used on patis, bagoong, fish and other marine products, filed on September 08, 1967 under Serial No. 14963.

The herein Respondent-Applicant, Godofredo Lorenzana, Sr., assigned the trademark "Lorenzana and Device" to LORENZANA INDUSTRIES, INC., a manufacturer and exporter of bagoong and patis located at 1575 Velasquez Street, Tondo, Manila.

From the various testimonies of Opposers, the grounds for the opposition were synchronized as follows:

- "1. That Respondent-Applicant is not entitled to register the mark "Lorenzana" for its exclusive use inasmuch as the mark was part of the inheritance given to the heirs (children of Felipe), by the deceased "Lorenzana". Thus, the trademark "LORENZANA" should be owner and used in common by the children of Felipe Lorenzana;
- "2. That the marks Lorenzana has been used in the Philippines by the late Felipe Lorenzana long before the application for registration by Respondent-Applicant of the same;
- "3. That to allow registration by Respondent-Applicant of the mark will violate Sections 2-A and other provisions of R.A. No. 166, as amended."

To support this Opposition, Opposers relied on the following facts:

- "1. That Opposers are all of legal ages with residence and postal address as follows:

Crispana L. Macagba-	San Fernando, La Union
Solomon L. Lorenzana-	1340 Quirino Avenue Ext., Parañaque, Rizal
Cristeta L. S. Alvarez-	207 C.M. Recto, San Juan, Rizal
Gabriel L. Lorenzana-	908 Oregon, Manila

Antonia L. Camins- No. 20 Matapang Central, Q.C.

Sostenes L. Lorenzana- Tagudin, Ilocos Sur

- “2. That herein oppositors, as well as the applicant Godofredo L. Lorenzana, Sr. are among the eleven children of the late Felipe Lorenzana and Eugenia Lardizabal;
- “3. That since 1923 or thereabouts up to 1943, the late Felipe Lorenzana (father of applicant and oppositors) had exclusively owned, used and adopted a trademark for bagoong and patis which was originally known as Bagoong Ilocano ni Felipe Lorenzana and which trademark was later on modified and simply known as Lorenzana;
- “4. That “upon the death of Felipe Lorenzana in 1943, his said trademark became the common property of all his heirs by virtue of succession;”
- “5. That sometime in 1946, the heirs of Felipe Lorenzana (Eugenia Lardizabal and the eleven children of Felipe Lorenzana) formed a corporation known as the Felipe Lorenzana Sons, Inc. and continued using and adopting the LORENZANA trademark for its bagoong and patis products;
- “6. That the Applicant Godofredo Lorenzana has no legal right whatsoever to claim exclusive ownership and use of the trademark LORENZANA for the reason that as already stated, said trademark belongs to all the heirs of the late Felipe Lorenzana;
- “7. That the registration in the Principal Register of the trademark Lorenzana would cause great damage to herein Oppositors and the other heirs of the late Felipe Lorenzana who have much right to use and adopt said trademark, being co-owners thereof;
- “8. That as a matter of fact, the Applicant Godofredo Lorenzana has registered the late Felipe Lorenzana’s ownership of the said trademark and the (Applicant) is therefore in estoppel to claim exclusive ownership thereof.”

On June 19, 1988, Godofredo Lorenzana Sr. assignor Lorenzana Industries Inc., filed his answer denying the material allegations in the opposition.

The main issues have been joined pre-trial conference ensued. However, after failing to reach amicable settlement in the pre-trial conference the parties proceeded to trial, adduced testimonial and documentary evidence and, together with their respective memoranda, finally submitted the case for decision. This proceeding spanned for almost thirty (30) years due to questions regarding the propriety of the filing of this case on the ground of res judicata, several postponements and raising of incidental issues.

The applicable provisions in relation to the issue raised are Sections 2, and 2-A of R.A. No. 166 as amended.

Republic Act No. 166, as amended, otherwise known as the Trademark Law, provides:

“Section 2. *What are registrable-* Trade-marks, trade-names and service marks owned by persons, corporations, partnerships or associations domiciled in the Philippines and by persons, corporations, partnerships or associations domiciled in any foreign country may be registered in accordance with the provisions of this Act; *Provided*, That said trade-marks, trade-names, or service-marks, are actually in use

in commerce and services not less than two months in the Philippines before the time applications for registration are filed; x x x.”

x x x

“Section 2-A. *Ownership of trade-marks, trade-names and service-marks; how acquired.* -Anyone who lawfully produces or deals in merchandise of any kinds or who engages in any lawful business or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business and in the service rendered, may appropriate to his exclusive use a trade-mark, trade-name, or a service-mark not so appropriated by another, to distinguish his merchandise business or services from the merchandise, business or service of others. The ownership and possession of a trade-mark, trade-name, or a service-mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property right known to the laws. (As inserted by Section 1 of R.A. 638)”
(emphasis ours)

Upon examination of the evidence adduced by the respective parties, this Office is of the conclusion that Respondent-Applicant can rightly adopt, own and use the mark “Lorenzana” to the exclusion of herein Opposers.

The pieces of evidence presented by Opposer in the case at bar, ranging from the different testimonies of Opposers (Exhs. “A”, “D”, “S”) as wells as witness Sotero Segui (Exh. “T”), documents such as catalog of “LORENZANA” products (Exh. “B” inclusive of submarkings), and various labels bearing the name “LORENZANA” (Exh. “E” inclusive of submarkings “F”, “G”, “H”, “I”, “J”, “K”, “L”, “M”, “N”, “O”, “P”, “Q”, “R”, “S”)- all intended to prove that the mark “Lorenzana” was acquired and adopted for commercial use by their late father Felipe, and to which all children should jointly adopt and use by way of inheritance ARE NOT SUFFICIENT PROOF THAT OPPOSERS’ FATHER, FELIPE LORENZANA, HAD USED THE SUBJECT TRADEMARK DURING HIS LIFETIME.

It should be noted that the actual use contemplated by law is commercial use of which means that there must be evidence to show that a person has generated income/profits out of the sale of goods bearing the subject mark. Unfortunately for Opposers, their sworn statements were uncorroborated by documentary evidence of actual use. Labels and product catalogs were non-income generating evidence that are not enough to satisfy the requirement of “actual use”.

In *Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft et. al.* (27 SCRA 1214-1237 [1969]), THE Supreme Court had the opportunity to elucidate on the term “actual use”, to wit:

“xxx

“xxx(A)doption alone of a trademark would not give exclusive right thereto. Such right ‘grows out of their actual use. Adoption is not use. One may make advertisements, issue circulars, give out price lists on certain goods; but these alone would not give exclusive right of use. For trademark is a creation of use. The underlying reason for all of these is that purchasers have come to understand the mark as indicating the origin of the wares. Flowing from this is the traders’ right to protection in the trade he has built up and the goodwill he has

accumulated from the use of the trademark. xxx" (Underscoring provided)

In the latter case of *Converse Rubber Corp. v. Universal Rubber Products Inc.* (147 SCRA 154-166 [1987]), the high Tribunal eloquently ruled, thus: "(S)ales invoices provide the best proof that there were actual sales of petitioner's products in the country and that there was actual use for a protracted period of petitioner's trademark, or part thereof through these sales. "The most convincing proof of use of a mark in commerce is testimony of such witnesses as costumers, or the orders of buyers during certain periods."

For Opposer's failure to produce evidence of actual use, e.g. sales invoices, sales receipts, purchase orders, vouchers, etc., the only logical conclusion that may be derived thereat is that their late father Felipe, from which they have gotten their alleged right to the subject mark, never used the mark "Lorenzana" in his business.

In contrast, Respondent-Applicant was able to procure Certificate of Registration No. SR-275 (Exh. "1") from this Office and even registered the mark "Lorenzana" in the U.S. under Registration No. 135 3144 (Exh. "2") in the name of Godofredo Lorenzana Sr. Although it was held that registration in the Supplemental Register is not prima facie evidence of the validity of registration, or the registrant's ownership of the mark (*La Chemise La Coste, S.A. vs. Fernandez, et.al.* G.R. Nos. 63796-77, May 21, 1984), nonetheless, registration in the supplemental register is already proof of actual use of the trademark and notice that the registrant has used or appropriated it. (*Del Monte Corp vs. Court of Appeals*, G.R. 78325, January 20, 1990; *Lorenzana et. al. vs. Macagba, et. al.* L-33773, October 22, 1987)

As cited herein-above, the law (Secs. 2 and 2-A, R.A. 166) requires PROOF OF ACTUAL USE by applicant before he can be granted trademark registration. Thus, the mere fact that this Office, in the previous case (*Inter Partes Case No. 263*), in its Decision No. 443 issued on June 26, 1967 had allowed herein Respondent-Applicant to register the trademark "LORENZANA" in the supplemental register is in itself an explicit recognition that Respondent-Applicant had ACTUAL USE of the subject mark. By such grant, it would be easier for Respondent-Applicant to apply for registration in the principal register which if approved would give notice, albeit constructively, of his trademark ownership.

In addition, Mrs. Anita V. Lorenzana's claim in her affidavit (Exh. "D") that it was her husband Sotero who first registered the mark "LORENZANA" in the U.S. was not corroborated by documentary evidence. Besides, there are factual bases to show that Sotero L. Lorenzana used the mark "SELECTA" for his products and not "LORENZANA" (Exh. "D").

Likewise, this Office noted the non-production by herein Opposers of any proof that the mark "LORENZANA" was included in the intestate of deceased Felipe. If it was true as claimed by Opposers that "upon the death of Felipe Lorenzana in 1943, his said trademark became the common property of all his heirs by virtue of succession and that they have the right to co-own and co-use the mark by way of succession," they could have presented evidence to the effect that the mark is part of the decedent's estate so that they would inherit the same as a matter of right. The law provides that "the children of deceased shall always inherit from him in their own right, dividing the inheritance in equal shares (Art. 980, Civil Code). This law presupposes if there are proprietary rights belonging to the decedent which the descendants would inherit. But if there are none, as in this case with regard to the mark LORENZANA naturally, the children will inherit nothing.

Moreover, Decision No. 443, dated June 26 1967 rendered by the Director of Patents in *Inter Partes Case No. 263* entitled "*Solomon L. Lorenzana vs. Godofredo L. Lorenzana*", which is a petition for cancellation of the trademark "Lorenzana & Design" in the supplemental register and marked as Exh. "3" in the instant case, is, persuasive. It practically resolved the issues raised by herein Opposers in their evidence presented in this case, more particularly on the argument of prior use by their late father Felipe Lorenzana, and on the proposition of co-

ownership of the trademark "LORENZANA" among the heirs of the deceased Felipe. Hence, it is relevant to cite some segments of his obiter, which are as follows:

To the issue of prior use of trademark Lorenzana by their late father, the former Director opined to wit:

"Nothing can be inferred from Petitioner's evidence that the trademark "Lorenzana Bagoong" had been in existence long before the parties' father's death. An analysis of one proof offered by Petitioner consisting of press releases sent for publication by Mr. Mauro Baradi in the Manila Bulletin (Exh. "NN") and the Tribune (Exh. "NN-1") both dated January 14, 1927 results in the non finding of what exactly was the trademark registered in the Bureau of Commerce in favor of Felipe Lorenzana. What can be read therein is the nature of his business consisting Respondent's claim that the word was once part of a label described as "Bagoong Ilocano:"

And to the issue of co-ownership by the brothers and sisters of the mark "Lorenzana", the Director opined, thus:

"I impart credence to the testimony of Respondent, corroborated by his witness, that he pioneered way back in 1940 in the repacking of bagoong "into empty milk tins cans, affixing thereto the trademark "Lorenzana Bagoong", and selling them to the public. This is supported by Petitioner's Exhibit "A", the alleged catalogue of Felipe Lorenzana wherein it is depicted a stocked of tinned "bagoong". This was adopted by the Respondent as his own exhibit (Exh. "30") which he explained as containing also his products, as his tinned "bagoong" where advertised and sold through his father's establishment which the Respondent was then using as his outlet for his own goods since he had then no business of his own, although he had started the same. This was corroborated by one of the parties' sisters, Filomena Lorenzana who confirmed, as cashier of their father, having prepared some invoices showing sales in 1939 of "F.L" "Bagoong" to Godofredo for the latter's repacking business (see Exh. "50" to "56") During that time, the petitioner had no business of his own, but was employed by his father as Manager.

"Proven also was the fact that the Respondent was engaged in the same business since 1948 as shown by the permits (Exhs. "47" and "48") issued to him by the City Treasurer of Manila and by his sales activities. x x x"

"x x x

"If it really true that Petitioner was using the same trademark, why is it that he has adopted another trademark called "Selecta"? If it is true that "Lorenzana Bagoong" is very popular and was made so by his late father, why did he not persist in using the mark instead of using another ("SELECTA") when it would have been more profitable to use "LORENZANA BAGOONG"? The reasoning of Petitioner that he used "SELECTA" for cheap bagoong to cater to his Muslin customers does not answer the foregoing questions. It can only be

surmised that because of the growing popularity of his brother's trademark, he had come to realize that a petition to cancel was necessary so that he himself could use the same trademark."

x x x"

it should be observed that Solomon L. Lorenzana (one of the Opposers in the instant case) was the only Petitioner in that case (IPC No. 263), but the issue in Inter Partes Case No. 263 vis-à-vis in the instant case are identical. Thus, it naturally follows that the parties in the present case may offer evidence that have been submitted in IPC No. 263. Moreover, nowhere did the Supreme Court in Lorenzana vs. Macagba et. al. L33773, October 22, 1987 proscribe the parties to introduce the same evidences submitted in IPC No. 263 to the case at bar (IPC No. 485)

The above-quoted decision was appealed t the Supreme Court by then Petitioner Solomon Lorenzana on September 23, 1967 but was dismissed by the High Court in its Resolution dated March 19, 1968 (Exh. "3") for having been filed out of time, the Supreme Court Resolution, inter alia stated thus:

x x x

"(5.) That the Rules of Court being applicable to proceedings in inter partes case before the Director of Patents appeal from the decision of the Director of Patents filed by the petitioner on August 21, 1967 was really filed at the time when the decision of the Director of Patent was already final, because the notice of appeal was filed after the lapse of the thirty (30) day period from the time the petitioner received a copy of the decision and the motion for reconsideration that he filed on July 19, 1967 did not interrupt the running of thirty (30) day period within which to appeal;

The Court Resolved: To dismissed the instant petition for review and because it involves an appeal from the decision of the Director of Patents which was not perfected on time.
(underscoring supplied)

x x x

With all the foregoing, it may safely be concluded that the non-inclusion of the subject mark "LORENZANA" in Felipe Lorenzana's business, and subsequently, in his estate strengthened our resolve that Felipe Lorenzana did not acquire, adopt and use the mark in his lifetime. Hence Opposer's claim of co-ownership and co-use of the mark by virtue of succession appears to be GROUNDLESS and ILLUSORY.

Finally, Opposer's all-out effort to stop registration of the subject mark is more evident when they filed a Manifestation dated June 24, 1995 claiming that LORENZANA INDUSTRIES had abandoned the mark LORENZANA by reason of sale of its factory site. However, this contention must LIKEWISE FAIL considering that the alleged abandonment does not pertain to trademark use but on the abandonment of factory site. Under settled jurisprudence, to constitute abandonment the disuse must be permanent and intentional (Romero vs. Meriden Brassieres Co., L-182-89, March 31, 1964). Ironically, the sale of factory site while international and voluntary is not per se indicative of one's desire to abandon use of trademark. To constitute abandonment, it must be expressly manifested that one really intends to abandon use of trademark and cannot be inferred from overt acts which are totally alien to trademark use.

WHEREFORE, on the bases of the foregoing facts and evidence, the Notice of Opposition filed by herein Opposers is, as it is hereby, DENIED. Accordingly, the application for the registration of the trademark "LORENZANA" bearing Application Serial No. 14963 filed on September 08, 1967 is, hereby GIVEN DUE COURSE.

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

SO ORDERED.

Makati City, September 04, 2000.

ESTRELLITA BELTRAN-ABELARDO
Director