

DEMETRIA DOMANAIS,  
Junior Party-Applicant/  
Opposer,

INTER PARTES CASES NOS. 2046 & 2048

INTERFERENCE AND OPPOSITION

Application Serial No. 55286  
Filed: December 18, 1984  
Applicant: Chuanchow Soy &  
Canning Co., Inc.  
Trademark: FUJI & REP. OF A  
VOLCANO  
Used on: Soy sauce

- versus -

- and -

Application Serial No. 58904  
Filed: May 9, 1Q86  
Applicant: Demetria Domanais  
Trademark: FUJI  
Used on: Soy sauce

CHUANCHOW SOY & CANNING  
CO., INC.,  
Senior Party-Applicant/  
Respondent-Applicant.

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DECISION NO. 90-37 (TM)  
September 6, 1990

DECISION

This is a consolidated opposition (Inter Partes Case No. 2048) and interference (Inter Partes Case No. 2046) case. Chuanchow Soy & Canning Co., Inc., Respondent-Applicant in Inter Partes Case No. 2048 and Senior-Applicant in Inter Partes Case No. 2046, is a corporation organized and existing under the laws of the Philippines, with office address at 3-D Monte Pino Building corner Amorsolo and Gamboa Streets, Legaspi Village, Makati, Metro Manila, while Demetria Domanais, Opposer in Inter Partes Case No. 2048 and Junior Applicant in Inter Partes Case No. 2046, is a Filipina doing business under the name and style "Demetria Food Products", a single proprietorship, with business address at Prieto Diaz, Sorsogon. The following antecedents led to the declaration of interference (Inter Partes Case No. 2046) and the opposition filed by Demetria Domanais (Inter Partes Case No. 2048).

On December 15, 1978, Demetria Domanais filed an application for registration of the trademark "FUJI" for soy sauce, Serial No. 37057 (Exh. "G"), stating in the application December 14, 1977 as the date she first used "FUJI" in commerce in the Philippines. This application was, however, considered abandoned by the then Philippine Patent Office (PPO) as of March, 1980. Applying the rules of the office of Records Management the Philippine Patent Office to save on storage space set a policy to dispose of records of applications abandoned five (5) years hence. Thus, the records of Application Serial No. 37057 were disposed of on October 16, 1986. Consequently, the reason for the abandonment cannot be determined.

On December 18, 1984, Marianito L. Santos filed for the trademark application Serial No. 55286 for the trademark "FUJI & REP. OF A VOLCANO" used on soy sauce. Claimed in his application is October 15, 1984 as date of first use of the mark in commerce in the Philippines. In a letter dated August 15, 1985 addressed to the Philippine Patent Office (which is on file with the

records of the application in the custody of the 'Philippine Patent Office'), Chuanchow Soy & Canning Co., Inc., with the conformity of Santos, requested that it be substituted as applicant because Marianito L. Santos signed the application Serial No. 55286 in his capacity as Brand Manager of Chuanchow. The letter refers to a "Secretary's Certificate" as an enclosure, copy of which is on file. The Corporate Secretary certified that on December 4, 1984, Chuanchow's Board of Directors passed a resolution creating the position of Brand Manager and appointing Marianito Santos thereto.

Chuanchow's August 15, 1987 letter was received by the Philippine Patent Office on August 21, 1985. There are indications, however, the Secretary's Certificate abovementioned was not yet enclosed when the letter was received on August 21, 1985 by the Philippine Patent Office. The Secretary's Certificate shows on its face that it was received by the law firm of Ponce Enrile, et al., Chuanchow's lawyers, on October 16, 1985 which only means that the Patent Office received the same earlier than Chuanchow's lawyers. Furthermore, the Secretary's Certificate was notarized on August 29, 1985, or eight days after the August 15, 1985 letter was received by the Patent Office. There is also an apparent intercalation of the phrase "(enclosed authority per Board resolution)" at the end of the first paragraph of the August 15 Chuanchow letter. Part of this phrase -- "enclosed authority per" -- was aligned with the preceding sentence but the alignment is not exact as it appears a shade lower. For lack of space, the portion -- "Board resolution" -- was typed in the next line below but the space separating it and the line above it is narrower than the space between the other lines of the letter. These Observations are relevant in the resolution of the issues in this case as shall be apparent in the later part of this Decision.

Chuanchow's application was, however, allowed on November 12, 1985. Domanais filed her opposition to Chuanchow's application on March 6, 1987.

Prior to this, Domanais on May 9, 1986 refiled her application for registration of "FUJI", which was identified as Serial No. 58904 (Exh. "I"), also for soy sauce, wherein she reiterated what she stated in her 1978 application that she first used the mark "FUJI" in commerce on December 14, 1977. It was allowed on August 27, 1986 and published in the BPTTT Official Gazette on July 28, 1988.

Despite having been filed later than that of Chuanchow, the date of first use claimed by Domanais (December 14, 1977) is earlier than the date of first use (October 15, 1984) claimed by Chuanchow. The Bureau, therefore, declared interference pursuant to Section 10-A of Republic Act 166.

On motion of Chuanchow, the Bureau consolidated the opposition and interference cases.

The issue to be resolved is which of the parties owns the mark or, stated otherwise, who adopted and used the mark ahead of the other. It must be noted that Section 2-A of Republic Act 166 provides as follows:

"SEC. 2-A. Ownership of trade-marks, trade-names and service marks; how acquired. - Anyone who lawfully produces or deals in merchandise of any kind 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, a trade-name, or a service mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or service of others. x x x"

Chuanchow, through its Treasurer Mario Chua, sought to establish that it used the trademark "FUJI & REP. OF A VOLCANO" since 1974 up to the present. Mr. Chua submitted sales invoices of the company to establish this fact. On cross-examination, however, he stated that his functions as Treasurer were to receive and disburse money of the company and

disclaimed any participation in its other operations such as in the distribution and sale of the products of the company. Nor did he at any time issue sales invoices. A fact that did not escape attention was his not having met or known Marianito Santos or learned about his application for trademark registration of "FUJI & REP. OF A VOLCANO". No other witness was presented by Chuanchow. Left unexplained were the claim in the application of Chuanchow that its date of first use of the mark "FUJI & REP. OF A VOLCANO" was October 19, 1984, and why the December 4, 1984 Chuanchow's Board resolution creating the position of Brand Manager and appointing Marianito Santos thereto, indicated as one of his functions "the creation, design and other artistic manifestations of label production for the company's products", clearly suggesting that it was only in December 1984 that Chuanchow used "FUJI" as its mark for soy sauce. Chuanchow clearly failed to establish the fact that it started using the mark "FUJI & REP. OF A VOLCANO" since 1974 up to the present. The sales invoices (Exhs. "4", "4-A" to "4-QQ") that were annexed to the affidavit of Chua cannot be admitted as evidence because Chua was not competent to prove their due execution and authenticity (Secs. 21. Rule 132 of the Rules of Court).

There is no other evidence submitted or in the custody submitted of the Patent Office that would indicate with certainty when Chuanchow really started using, the mark "FUJI". The testimony of Chua was characterized by reticence, vacillations and inconsistencies which undermined his credibility. As Treasurer, receiving and disbursing money of the company which he claims was his only function, it was very unlikely for him not to know of the appointment of Marianito Santos as Brand Manager of Chuanchow because disbursements of funds to Santos would have been inevitable for him to perform his functions. Unless no such appointment was made! Just the same, some weight may be given to his testimony that Elizalde International Philippines, Inc. could have started distributing "FUJI" soy sauce since the 1980's. This should corroborate the claim in Chuanchow's application claiming October 15, 1984 as the date of first use of the mark "FUJI" in commerce in the Philippines. Other documentary exhibits of Chuanchow, such as invoices (Exhs. "7", "7-A" to "7-F") showing payment for the advertisement and promotion in 1085 of "FUJI" corroborate this fact.

On the basis of the findings elsewhere stated of apparent tampering of Chuanchow August 15, 1985 letter by way of intercalation of a reference to the resolution passed by the Board of Chuanchow appointing Marianito Santos as Brand Manager, there is doubt as to whether the appointment was really made or, if made, when it was done. The testimony of Chua that he never knew Santos confirms these suspicions. Whatever the truth may be, the fact of intercalation is clear and this reveals the cavalier attitude of Chuanchow on observance or respect of the law and regulations.

Whether or not Marianito Santos was duly appointed, Brand Manager of Chuanchow, and in that capacity filed the application, is not however determinative of the issue of, ownership of the mark "FUJI". Ownership of a mark is acquired through lawful use in commerce in the Philippines. The apparent intercalation, however, together with the lack of credibility of Chua contribute to the ambiguity as to when exactly Chuanchow started using "FUJI & REP. OF A VOLCANO" on soy sauce.

There is less difficulty in determining when Domanais started using "FUJI" for the same product. Her witness, Tiong Kong, Eng, submitted sales invoices to show sale of "FUJI" soy sauce in 1979, 1981 and 1982. In the trademark application she filed with the Philippine Patent Office sometime in 1978, claimed as the date of first use of "FUJI" on soy sauce was December 14, 1977. She also submitted Food & Drug Administration Report of Analysis of her "FUJI" soy sauce product dated May 26, 1980 and June 5, 1980. Judicial notice is taken of the fact that the rules and regulations of the Food & Drug Administration, now known as the Bureau of Food and Drug, registration of food products in BEAD is not a pre-requisite for the sale thereof to the public. Furthermore, Tiong Kong Eng, being the sales agent of Domanais, was competent to testify on the sale and distribution of "FUJI" soy sauce. Domanais presented two corroborative witnesses. David Quintano, a Philtranco bus inspector, confirmed the sale by Domanais of "FUJI" soy sauce since 1977. Marilen Arceo, a sari-sari store operator, testified that she was buying and selling Domanais' "FUJI" soy sauce as early as 1981.

That the Patent Office considered as abandoned the 1978 trademark application of Domanais is of no moment because she had submitted sufficient evidence to show that there was continuous sale of "FUJI" soy sauce in 1980 and subsequent years. She in fact refiled her application on May 9, 1986 right after she learned that her 1978 application was declared abandoned by the Patent Office.

Since abandonment results in a forfeiture of rights, the courts are reluctant to find an abandonment. Evidence of abandonment must be clear and convincing (*Mathy vs. Republic Metalwear Co.* /1910/, 35 App CD 151; *McFarland vs. Bender* /1931/, 18 Cust & Pat App /pat/.

The Philippine Supreme Court, in the case of *Bata Industries, Ltd. vs. Court of Appeals*, No. L-53672, May 31, 1982, had occasion to rule on the issue of abandonment. It stated that a slight goodwill generated by a foreign company can be considered abandoned after more than 35 years of non-use.

It is clear that Domanais has shown use of "FUJI" on soy sauce since 1977. This was earlier than Chuanchow's date of first use of "FUJI & REP. OF A VOLCANO" which, at best, was ambiguous: according to Chua, it was in the 1980's.

WHEREFORE, the opposition is hereby given due course the interference case resolved in favor of Junior Party-Applicant. Let the corresponding certificate of registration issue in favor of Demetria Domanais.

The records of these consolidated cases are hereby remanded to the Application, Issuance and Publication Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO  
Director