

Republic of the Philippines
SUPREME COURT
Manila

THIRD DIVISION

MATTEL, INC.
Petitioner,

G.R. No. 166886

- versus -

EMMA FRANCISCO, Director-General
of the Intellectual Property Office,
HON. ESTRELLITA B. ABELARDO,
Director of the Bureau of Legal Affairs
(IPO), and JIMMY UY,
Respondents.²

Promulgated: July 30, 2008

AUSTRIA-MARTINEZ, J.:

Before the Court is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision ^[1] dated June 11, 2004 of the Court of Appeals (CA) in CA-G.R. SP No. 80480 and the CA Resolution ^[2] dated January 19, 2005 which denied petitioner's Motion for Reconsideration.

The factual background of the case is as follows:

On November 14, 1991, Jimmy A. Uy (Uy) filed a trademark application Serial No. 78543^[3] with the Bureau of Patents, Trademarks and Technology Transfer (BPTTT) for registration of the trademark "BARBIE" for use on confectionary products, such as milk, chocolate, candies, milkbar and chocolate candies in Class 30 of the International Classification of Goods. The trademark application was published in the March-April 1993 issue of the BPTTT Official Gazette, Vol. VI, No. 2, which was released for circulation on May 31, 1993.

On July 19, 1993, Mattel, Inc. (Mattel), a corporation organized under the laws of the State of Delaware, United States of America, filed a Notice of Opposition ^[4] against Uy's "Barbie" trademark as the latter was confusingly similar to its trademark on dolls, doll clothes and doll accessories, toys and other similar commercial products. It was docketed as Inter Partes Case No. 3898.

On August 26, 1993, Uy filed his Answer ^[5] to the Notice of Opposition, denying the allegations therein and claiming that there is no similarity between the two goods.

While the case was pending, Republic Act (R.A.) No. 8293, otherwise known as the Intellectual Property Code of the Philippines was enacted and took effect on January 1, 1998. The BPTTT was abolished and its functions transferred to the newly created Intellectual Property Office (IPO).

On May 18, 2000, public respondent Estrellita B. Abelardo, the Director of the Bureau of Legal Affairs, IPO, rendered a Decision ^[6] dismissing Mattel's opposition and giving due course to Uy's application for the registration of the trademark "Barbie" used on confectionary products. The Director held that there was no confusing similarity between the two competing marks because the goods were non-competing or unrelated.

On June 5, 2000, Mattel filed a Motion for Reconsideration.^[7] On May 27, 2002, the Director of the Bureau of Legal Affairs, IPO issued a Resolution ^[8] denying Mattel's Motion for Reconsideration.

On June 24, 2002, Mattel filed an Appeal Memorandum ^[9] with the Office of the Director General, IPO. Despite due notice, no comment was submitted by Uy. Thus, in an Order ^[10] dated October 7, 2002, Uy was deemed to have waived his right to file a comment on the appeal.

On September 3, 2003, public respondent Emma C. Francisco, the Director General, rendered a Decision^[11] denying the appeal on the ground that there was no proof on record that Mattel had ventured into the production of chocolates and confectionary products under the trademark "Barbie" to enable it to prevent Uy from using an identical "Barbie" trademark on said goods; that the records were bereft of the fact that the Director of the Bureau of Trademarks (BOT) had already declared the subject trademark application abandoned due to the non-filing of the Declaration of Actual Use (DAU) by Uy.

On September 12, 2003, Mattel filed a Motion for New Trial^[12] on the ground of newly discovered evidence -- *i.e.*, Mattel's Trademark Application Serial No. 4-1997-124327 for registration of the trademark "Barbie" for use on "confectionaries, sweets and chewing gum, none being medicated, sweetmeats included in Class 30, chocolate, popcorn, chocolate biscuits (other than biscuits for animals), pastries, preparations for cereals for food for human consumption, ices, ice creams" under Class 30 of the International Classification of Goods -- was unopposed after publication in Vol. VI No. 3 of the IPO Official Gazette which was released on June 20, 2003.

On October 22, 2003, the Director General issued an Order^[13] denying the motion for new trial.

On November 12, 2003, Mattel filed a Petition for Review^[14] with the CA. Again, despite due notice, no comment on the petition was filed by Uy. Thus, in a Resolution^[15] dated April 20, 2004, the CA resolved to dispense with the filing of the comment and considered the petition submitted for resolution/decision sans comment.

On June 11, 2004, the CA rendered a Decision^[16] affirming the decision of the Director General.

On July 15, 2004, Mattel filed a Motion for Reconsideration^[17] but it was denied by the CA in a Resolution^[18] dated January 19, 2005.

Hence, the present petition raising the following issues:

I.

WHETHER OR NOT IT IS GRAVE ERROR ON THE PART OF THE HON. COURT OF APPEALS TO RULE THAT "Dolls, Doll Clothes, and Doll Accessories, Costumes, Toys and other similar commercial products" VIS-À-VIS "Confectionery products, namely, milk chocolate, candies, milkbar, and chocolate candies" ARE UNRELATED SUCH THAT USE OF IDENTICAL TRADEMARKS IS UNLIKELY TO CAUSE CONFUSION IN THE MINDS OF THE PURCHASING PUBLIC.

II.

WHETHER OR NOT IT IS GRAVE ERROR ON THE PART OF THE HON. COURT OF APPEALS TO SUSTAIN THE FINDINGS OF THE DIRECTOR GENERAL OF THE INTELLECTUAL PROPERTY OFFICE (IPO) THAT IT IS PREMATURE TO CONCLUDE THAT APPLICATION SERIAL NO. 78543 BE DEEMED WITHDRAWN FOR FAILURE TO FILE THE DECLARATION OF ACTUAL USE (DAU), CONSIDERING THAT SUCH DECLARATION IS THE PREROGATIVE OF THE DIRECTOR OF TRADEMARKS.

III.

WHETHER OR NOT PRIVATE-RESPONDENT SHOULD BE PRESUMED TO HAVE INTENDED TO CASH-IN AND RIDE ON THE GOODWILL AND WIDESPREAD RECOGNITION OF THE PETITIONER'S MARK CONSIDERING THAT PRIVATE RESPONDENT ADOPTED A MARK THAT IS EXACTLY IDENTICAL TO PETITIONER'S MARK IN SPELLING AND STYLE.

IV.

WHETHER OR NOT TRADEMARK APPLICATION NO. 4-1997-124327 SHOULD BE CONSIDERED "NEWLY-DISCOVERED EVIDENCE."^[19]

Mattel argues that its products are items related to Uy's products; hence, identical trademarks should not be used where the possibility of confusion as to source or origin of the product is certain; that the Director General of the IPO has the power to act on a pending trademark application considered as "withdrawn" for failure to file the DAU; that by adopting an exactly identical mark, in spelling and style, Uy should be presumed to have intended to cash in or ride on the goodwill and widespread recognition enjoyed by Mattel's mark; that Mattel should be allowed to introduce Trademark Application Serial No. 4-1997-124327 as "newly discovered evidence."

On the other hand, Uy submits that the case has become moot and academic since the records of the IPO will show that no DAU was filed on or before December 1, 2001; thus, he is deemed to have abandoned his trademark application for failure to comply with the mandatory filing of the DAU.

For its part, the OSG contends that the petition primarily raised factual issues which are not proper subject of a petition for review under Rule 45 of the Rules of Court and that, at any rate, Mattel failed to establish any grave error on the part of respondent public officials which will warrant the grant of the present petition. It submits that confectionary products, namely: milk chocolate, candies, milkbar and chocolate candies, on the one hand; and dolls, doll clothes and doll accessories, costumes, toys and other similar commercial products, on the other hand, are products which are completely unrelated to one another; that withdrawal of pending application for failure to file a DAU must first be the subject of an administrative proceeding before the Director of Trademarks; that Mattel's Trademark Application Serial No. 4-1997-124327 cannot be considered as newly discovered evidence since said trademark application was filed only on September 3, 1997, or more than two years after the case had been deemed submitted for decision.

The instant case has been rendered moot and academic.

Uy's declaration in his Comment and Memorandum before this Court that he has not filed the DAU as mandated by pertinent provisions of R.A. No. 8293 is a judicial admission that he has effectively abandoned or withdrawn any right or interest in his trademark.

Section 124.2 of R.A. No. 8293 provides:

The applicant or the registrant shall file a declaration of actual use of the mark with evidence to that effect, as prescribed by the Regulations within three (3) years from the filing date of the application. Otherwise, the applicant shall be refused or the marks shall be removed from the Register by the Director. (Emphasis supplied)

Moreover, Rule 204 of the Rules and Regulations on Trademarks provides:

Declaration of Actual Use. The Office will not require any proof of use in commerce in the processing of trademark applications. However, without need of any notice from the Office, all applicants or registrants, shall file a declaration of actual use of the mark with evidence to that effect within three years, without possibility of extension, from the filing date of the application. Otherwise, the application shall be refused or the mark shall be removed from the register by the Director *motu proprio*. (Emphasis supplied)

Meanwhile, Memorandum Circular No. BT 2K1-3-04 dated March 29, 2001^[20] of the IPO provides:

2. For pending applications prosecuted under R.A. 166 we distinguish as follows:
 - 2.1. Based on use – must submit DAU and evidence of use on or before December 1, 2001, subject to a single six (6) month extension. (Sec. 3.2, Final Provisions of the Trademark Regulations, R.A. 8293, IPO Fee Structure and MC. No. BT Y2K-8-02)

x x x^[21]

Uy's admission in his Comment and Memorandum of non-compliance with the foregoing requirements is a judicial admission and an admission against interest^[22] combined. A judicial admission binds the person who makes the same.^[23] In the same vein, an admission against interest is the best evidence which affords the greatest certainty of the facts in dispute.^[24] The rationale for the rule is based on the presumption that no man would declare anything against himself unless such declaration is true.^[25] Thus, it is fair to presume that the declaration corresponds with the truth, and it is his fault if it does not.^[26]

In the present case, Mattel is seeking a ruling on whether Uy's "Barbie" trademark is confusingly similar to it's (Mattel's) "Barbie" trademark. Given Uy's admission that he has effectively abandoned or withdrawn any rights or interest in his trademark by his non-filing of the required DAU, there is no more actual controversy, or no useful purpose will be served in passing upon the merits of the case. It would be unnecessary to rule on the trademark conflict between the parties. A ruling on the matter would practically partake of a mere advisory opinion, which falls beyond the realm of judicial review. The exercise of the power of judicial review is limited to actual cases and controversies. Courts have no authority to pass upon issues through advisory opinions or to resolve hypothetical or feigned problems.^[27]

It cannot be gainsaid that for a court to exercise its power of adjudication, there must be an actual case or controversy — one which involves a conflict of legal rights, an assertion of opposite legal claims susceptible of judicial resolution; the case must not be moot or academic or based on extra-legal or other similar considerations not cognizable by a court of justice.^[28] Where the issue has become moot and academic, there is no justiciable controversy, and an adjudication thereof would be of no practical use or value as courts do not sit to adjudicate mere academic questions to satisfy scholarly interest, however intellectually challenging.^[29]

Admittedly, there were occasions in the past when the Court passed upon issues although supervening events had rendered those petitions moot and academic. After all, the "moot and academic" principle is not a magical formula that can automatically dissuade the courts from resolving a case. Courts will decide cases, otherwise moot and academic, if: *first*, there is a grave violation of the Constitution; *second*, the exceptional character of the situation and the paramount public interest is involved; *third*, when the constitutional issue raised requires formulation of controlling principles to guide the bench, the bar, and the public; and *fourth*, the case is capable of repetition yet evading review.^[30]

Thus, in *Constantino v. Sandiganbayan (First Division)*,^[31] Constantino, a public officer, and his co-accused, Lindong, a private citizen, filed separate appeals from their conviction by the *Sandiganbayan* for violation of Section 3(e) of Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act. While Constantino died during the pendency of his appeal, the Court still ruled on the merits thereof, considering the exceptional character of the appeals of Constantino and Lindong in relation to each other; that is, the two petitions were so intertwined that the absolution of the deceased Constantino was determinative of the absolution of his co-accused Lindong.

In *Public Interest Center, Inc. v. Elma*,^[32] the petition sought to declare as null and void the concurrent appointments of Magdangal B. Elma as Chairman of the Presidential Commission on Good Government (PCGG) and as Chief Presidential Legal Counsel (CPLC) for being contrary to Section 13, Article VII and Section 7, par. 2, Article IX-B of the 1987 Constitution. While Elma ceased to hold the two offices during the pendency of the case, the Court still ruled on the merits thereof, considering that the question of whether the PCGG Chairman could concurrently hold the position of CPLC was one capable of repetition.

In *David v. Arroyo*,^[33] seven petitions for *certiorari* and prohibition were filed assailing the constitutionality of the declaration of a state of national emergency by President Gloria Macapagal-Arroyo. While the declaration of a state of national emergency was already lifted during the pendency of the suits, this Court still resolved the merits of the petitions, considering that the issues involved a grave violation of the Constitution and affected the public interest. The Court also affirmed its duty to formulate guiding and controlling constitutional precepts, doctrines or rules, and recognized that the contested actions were capable of repetition.

In *Pimentel, Jr. v. Eremite*,^[34] the petition questioned the constitutionality of President Gloria Macapagal-Arroyo's appointment of acting secretaries without the consent of the Commission on

Appointments while Congress was in session. While the President extended *ad interim* appointments to her appointees immediately after the recess of Congress, the Court still resolved the petition, noting that the question of the constitutionality of the President's appointment of department secretaries in acting capacities while Congress was in session was one capable of repetition.

In *Atienza v. Villarosa*,^[35] the petitioners, as Governor and Vice-Governor, sought for clarification of the scope of the powers of the Governor and Vice-Governor under the pertinent provisions of the Local Government Code of 1991. While the terms of office of the petitioners expired during the pendency of the petition, the Court still resolved the issues presented to formulate controlling principles to guide the bench, bar and the public.

In *Gayo v. Verceles*,^[36] the petition assailing the dismissal of the petition for *quo warranto* filed by Gayo to declare void the proclamation of Verceles as Mayor of the Municipality of Tubao, La Union during the May 14, 2001 elections, became moot upon the expiration on June 30, 2004 of the contested term of office of Verceles. Nonetheless, the Court resolved the petition since the question involving the one-year residency requirement for those running for public office was one capable of repetition.

In *Albaña v. Commission on Elections*,^[37] the petitioners therein assailed the annulment by the Commission on Elections of their proclamation as municipal officers in the May 14, 2001 elections. When a new set of municipal officers was elected and proclaimed after the May 10, 2004 elections, the petition was mooted but the Court resolved the issues raised in the petition in order to prevent a repetition thereof and to enhance free, orderly, and peaceful elections.

The instant case does not fall within the category of any of these exceptional cases in which the Court was persuaded to resolve moot and academic issues to formulate guiding and controlling constitutional principles, precepts, doctrines or rules for future guidance of both bench and bar. The issues in the present case call for an appraisal of factual considerations which are peculiar only to the transactions and parties involved in this controversy. The issues raised in this petition do not call for a clarification of any constitutional principle. Perforce, the Court dispenses with the need to adjudicate the instant case.

WHEREFORE, the petition is DISMISSED for being moot and academic.

No pronouncement as to costs.

SO ORDERED.

MA. ALICIA AUSTRIA-MARTINEZ
Associate Justice

WE CONCUR:

LEONARDO A. QUISUMBING
Associate Justice

CONSUELO YNARES-SANTIAGO
Associate Justice
Chairperson

MINITA V. CHICO-NAZARIO
Associate Justice

RUBEN T. REYES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

CONSUELO YNARES-SANTIAGO
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

REYNATO S. PUNO
Chief Justice

- 1 In lieu of Justice Antonio Eduardo B. Nachura, per Raffle dated May 19, 2008.
2 The Court of Appeals is deleted from the title per Section 4, Rule 45 of the Rules of Court.
3 Penned by Associate Justice Conrado M. Vasquez, Jr. (now Presiding Justice) and concurred in by Associate Justices Rebecca
4 De Guia-Salvador and Jose C. Reyes, Jr., CA *rollo*, p. 437.
5 CA *rollo*, p. 495.
6 *Rollo*, p. 70.
7 *Rollo*, p. 73.
8 *Id.* at 78.
9 CA *rollo*, p. 55.
10 CA *rollo*, p. 63.
11 *Id.* at 86.
12 *Id.* at 90.
13 *Id.* at 389.
14 *Id.* at 393.
15 *Id.* at 417.
16 CA *rollo*, p. 427.
17 *Id.* at 2.
18 *Id.* at 437.
19 *Id.* at 439.
20 *Id.* at 451.
21 *Id.* at 495.
22 CA *rollo*, p. 29.
23 *Rollo*, p. 3489.
24 *Id.*
25 Section 26, Rule 130 of the Rules of Court provides: "The act, declaration or omission of a party as to a relevant fact may be given in
26 evidence against him."
27 *Rufina Patis Factory v. Alusitain*, 478 Phil. 544, 558 (2004); *Noda v. Cruz-Arnaldo*, No. L-57322, June 22, 1987, 151 SCRA 227, 232.
28 *Heirs of Miguel Franco v. Court of Appeals*, 463 Phil. 417, 428 (2003); *Yulionsiu v. PNB*, 130 Phil. 575, 580 (1968).
29 *Republic v. Bautista*, G.R. No. 169801, September 11, 2007, 532 SCRA 598, 609; *Bon v. People*, G.R. No. 152160, January 13,
30 2004, 419 SCRA 101, 111.
31 *Rufina Patis Factory v. Alusitain*, *supra*, note 23; Part I, VII V. Francisco, *The Revised Rules of Court in the Philippines*, p. 305 (1997).
32 *Sec. Guingona, Jr. v. Court of Appeals*, 354 Phil. 415, 426 (1998).
33 *Republic v. Tan*, G.R. No. 145255, March 30, 2004, 426 SCRA 485, 492-493.
34 *Id.*
35 *Constantino v. Sandiganbayan (First Division)*, G.R. Nos. 140655 & 154482, September 13, 2007, 533 SCRA 205, 219-220; *David*
36 *v. Macapagal-Arroyo*, G.R. Nos. 171396, 171409, 171485, 171483, 171400, 171489 & 171424, May 3, 2006, 489 SCRA 160, 213-214.
37 *Supra*.
38 G.R. No. 138965, June 30, 2006, 494 SCRA 53.
39 G.R. Nos. 171396, 171409, 171485, 171483, 171400, 171489 & 171424, May 3, 2006, 489 SCRA 160.
40 G.R. No. 164978, October 13, 2005, 472 SCRA 587.
41 G.R. No. 161081, May 10, 2005, 458 SCRA 385.
42 G.R. No. 150477, February 28, 2005, 452 SCRA 504.
43 G.R. No. 163302, July 23, 2004, 435 SCRA 98.