

NENA S. TAN ,	}	INTER PARTES CASE No. 4071 & 4072
Petitioner,	}	Petition for Cancellation:
	}	Registration No.: 35504-A & SR-8874
-versus-	}	Date issued: 2/23/94; 11/03/93
	}	
	}	Trademark: "Pagoda" and Device;
VIOLETA DUJUNCO,	}	"Pagoda" Label
Respondent-Registrant.	}	
	}	Decision No. 2001-19
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DECISION

Inter Partes Case No.4072 is a petition to cancel from the Principal Register the mark "Pagoda" and device covered by Certificate of Registration No. 35504-A in the name of Respondent Violeta Dujunco as assignee of Felicidad Dujunco. The file wrapper of the subject mark shows that on June 4, 1980, Felicidad Dujunco filed with the then Philippine Patent Office (PPO) her application for registration of the trademark "Pagoda" and device for use on noodles or *bihon* in Class 30 of the International Classification of Goods, claiming first use of the mark in the Philippines on September 9, 1978. On September 18, 1981, then Philippine Patent Office (PPO) recommended the allowance of the subject application after finding that the mark adopted primarily to authenticate origin or ownership of the goods". After publication of the application in the Official Gazette, the Philippine Patent Office (PPO) issued on March 21, 1986 Certificate of Registration No. 35504 in favor of Felicidad Dujunco.

On December 13, 1991, Felicidad Dujunco assigned all her rights and interests on said mark Violeta Co Dujunco (hereafter "Respondent") by way of a Deed of Assignment that was duly recorded in the Book of Assignments of registered trademarks. On February 23, 1994, the Bureau of Patents, Trademarks and Technology Transfer issued Certificate of Registration No. 35504-A in the name of the Respondent, and valid for the unexpired portion of the twenty (20) year term of the mark beginning on March 21, 1986 when the original certificate was issued to Felicidad Dujunco.

On August 8, 1994, Nena S. Tan (hereafter "Petitioner") filed a Petition to Cancel Certificate of Registration No. 35504-A based on the following grounds:

"(1) The registered trademark of respondent-registrant is identical and/or confusingly similar to the trademark Pagoda & Device of herein Petitioner which had been much earlier adopted and used by her predecessor-in-interest and is now being used by her for various kinds of noodles.

(2) The trademark Pagoda and Device of respondent-registrant so resembles the trademark Pagoda and Device of Petitioner as to be likely when applied to or used in connection with the goods of respondent-registrant, namely, BIHON, a kind of noodles made from rice, cause confusion or mistake or deceive purchasers.

(3) Petitioner has spent much for the advertisement and promotion of the trademark Pagoda and Device for use on various kinds of noodles and her business will clearly be damaged and will suffer irreparable injury with the continued existence of Certificate of Registration No. 35504-A.

(4) The registration of the mark Pagoda and Device in the name of respondent-registrant was obtained by means of fraud or misrepresentation.”

On October 20, 1994, the BPTTT declared Respondent in default for her failure to file an Answer within the allowed period. Respondent moved for a reconsideration of said order on the ground that she did not receive the notices and orders issued by the BPTTT. Finding meritorious grounds therein, the BPTTT set aside its previous order and allowed Respondent to file her Answer to the Petition for Cancellation.

In her Answer dated January 25, 1995, Respondent denied the material allegations of the Petition and interposed the following special and affirmative defenses:

“(7.1) That respondent-registrant filed a complaint for infringement of trademark against the China National, Shandong Branch, referred to for brevity as “Ceroilfood Shandong” and its distributor, Lorenzo Tan, which complaint is pending before the Regional Trial Court of Manila, Branch 44. Respondent-registrant is praying for the issuance of an injunction which incident is presently pending before said court.

“(7.2) That in the course of the proceedings, the defendant Ceroilfood Shandong, subpoenaed the records of this Office, claiming that its application for the registration of the trademarks Pagoda was allowed based on Sec. 37 of the trademark law, but submitting the assigned trademark registration from the U.S.A. and not from its country of origin, which is the People’s Republic of China. Upon being informed, the undersigned counsel, immediately informed the Director of Patents to recall and hold the publication not only of the application for the trademark Pagoda but likewise for the two-dragon design under the alleged trademark Lungkow Vermicelli. Due to the timely objection to the registration of the already registered trademark Pagoda which, incidentally, also bears the copyrighted two-dragon design of another registrant who had earlier applied for the registration thereof under another trademark, the publication of the registration of Ceroilfood Shandong was withheld and recalled.

“(7.3) That out of the blue, the instant petition came into being and the technical maneuvers of the counsel for the petitioner who, it has been reliably learned is a close friend of one of its associates of one of the lawyers of one of the defendants in the RTC case, respondent-registrant was almost declared in default because although she was never furnished a copy of the Petition, the same having been mailed to her previous lawyer who initially handled her predecessor in interest’s application. While this fact does not necessarily deprive a lawyer to represent a client, nevertheless, the coincidence where an associate of one of the lawyers of one of the defendants in the RTC case suddenly comes up with this petition raises up some suspicion that the instant petitioner were filed precisely to “offset” the said case and to further harass the respondent-registrant.

“(7.4) That recent incidents involving an identical case involving the same parties and the same trademark have confirmed this matter.

“(7.5) That the Director of Patents has been made aware of the machinations resorted to by the defendants in the RTC case for the “speedy” registration of the trademark Pagoda with two-dragon design, although it was only filed last July 7, 1994 – a rather unusual ever since undersigned has knowledge that applications which go through the “natural and usual course” are not acted upon as fact as the said application.

“(7.6) That at the outset, the instant Petition should have been dismissed since there is no specific date on which the petition for cancellation is based. A petition for complaint must contain facts. Where there are no facts to speak of what is there to answer. It is unfortunate that Motions to Dismiss are not allowed before this Office. Definitely, the instant Petition as well as the other corollary petition docketed as IPC No. 4071 have no basis in fact and in law and are utterly deprived of any meritorious cause of action.

“(7.7) That the instant petition is nothing but a sham and is merely intended to deviate from the fact that no such brand has been used by the petitioner in her hometown in Ilocos since she has not been specifically engaged in selling noodles.

“(7.8) That the verification is improper since it was not made by the petitioner herself who has not made any appearance. Her husband (petitioner is Nena Tan) bears a different surname and regardless of the authority given him, the circular of Supreme Court clearly specifies that it must be petitioner who must make the proper verification and certification.”

In Inter Partes Case No. 4071 for the Petition seeking the cancellation from the Supplemental Register the “Pagoda” label covered by Certificate of Registration No. SR-8874 also in the name of the Respondent Violeta Co Dujunco, the file wrapper of the mark indicates that Respondent filed her application for registration in the Supplemental Register of the “Pagoda” label for use on “*bihon*” rice noodles in Class 30 of the International Classification of goods on October 28, 1991 and again claimed that she first used the mark in the Philippines on September 9, 1978.

On April 29, 1992, the Bureau of Patents, Trademarks and Technology Transfer sent applicant a letter advising her to give the English translation of the Chinese characters in the label and to disclaim all unregistrable matters in the mark. The same letter also contained a note that the mark was confusingly similar with two (2) other previously registered marks, hence, registration was proscribed under Sec. 4 (d) of Rep. Act No. 166.

On July 7, 1992, Respondent replied that she was disclaiming the words “bihon rice noodles and its Chinese characters equivalent”. As regards the two (2) previously registered marks, Respondent claimed that the first previously registered mark was already cancelled while the second cited mark was already assigned to the same applicant.

On July 26, 1993, the Bureau of Patents, Trademarks and Technology Transfer recommended the allowance of the subject application after finding that the subject mark was registrable in the Supplemental Register. And on November 3, 1993, the Bureau of Patents, Trademarks and Technology Transfer issued Certificate of Registration No. SR-8874 in the name of Respondent.

On August 8, 1994, Petitioner filed a Petition to cancel from the Supplemental Register Certificate of Registration No. SR-8874, raising several grounds as follows:

“(1) Respondent-registrant was not entitled to register the Pagoda label at the time of her application for registration thereof.

“(2) The Pagoda label of respondent-registrant is identical and/or confusingly similar to the trademark Pagoda and device as well as the label thereof, of herein Petitioner which had been much earlier adopted and used by her predecessor-in-interest and is now being used by her for various kinds of noodles.

“(3) The Pagoda label of respondent-registrant so resembles the trademark and label Pagoda and Device of petitioner as to be likely when applied to or used in connection with the goods of respondent-registrant, namely, Bihon rice noodles, cause confusion or mistake or deceive purchasers.

“(4) The registration of the mark Pagoda and Device in the name of the respondent-registrant was obtained by means of fraud and misrepresentation.

In her Amended Answer dated March 6, 1995, Respondent denied the material allegations in the Petition and brought up the following special and affirmative defenses:

“(10.1) That respondent-registrant filed a complaint for infringement of trademark against the China National, Shandong Branch, referred to for brevity as “Ceroilfood Shandong” and its distributor, Lorenzo Tan, which complaint is pending before the Regional Trial Court of Manila, Branch 44. Respondent-registrant is praying for issuance of a writ of preliminary injunction which incident is presently being heard and pending before said court.

“(10.2) That in the course of the proceedings, the defendant Ceroilfood Shandong, subpoenaed the records of this Office, claiming that its application for the registration of the trademark Pagoda originally filed pursuant to Sec. 4 of the Trademark law but later amended to make it appear that as a foreign registrant, it was availing of the provisions of Sec. 37 of R.A. 166. Initially, it was allowed by the Director of Patents and already about to be published until the attention of the Honorable Director was called to the fact that the said trademark was long registered to the respondent-registrant since March 1986 with prior use since 1978. The attention of the Honorable Director was further called to the fact that the home certificate of registration presented by Ceroilfood Shandong, a corporation allegedly organized in the People’s Republic of China, was actually a certificate of registration in the United States of America Trademark Office to another party from Taiwan who merely “assigned” the same to Ceroilfood Shandong. Undersigned has been informed that the “publication” of this rather anomalous allowance recommended by the Trademark Registration office has been withheld. Respondent-registrant hopes that the said fraudulent application will be outrightly rejected in view of respondent-registrant’s prior registration in both the Principal and Supplemental registers of the office considering the unusual circumstances surrounding such application.

“(10.3) The instant petition not stating any specific date as date of first use must be outrightly rejected and dismissed in the same manner that applications for registration of trademarks must specify date of first use to enable this office to determine whether applicant thereof has a right to the registration of the trademark applied for. In a number of cases, it has been jurisprudentially held that “actual use” of the trademark must be the criteria of yardstick which eventually determines who, among two registrants, is entitled to the registration of the mark. In the instant case, how can this Office determine whether petitioner has a better

right than the respondent-registrant when petitioner does not even state any particular date when she allegedly used the trademark Pagoda (also for noodles at that). In truth and in fact, is submitted that the instant Petition should have been dismissed upon its filing. The entire Petition should have been dismissed upon its filing. The entire Petition is one whole "fishing expedition" which this Office should not tolerate, much less take cognition of. Otherwise, the rights of legitimate registered trademark owners would be subjected to harassment suits intended solely to create "confusion" for this Office when no such confusion is actually existing because petitioner has no legal right to the trademark and cannot even state with any certainty the specific date of actual use.

"(10.4) The instant petition is intended purely to harass the respondent-registrant and/or delay the proceedings before the trial court. The Honorable Director of Patents can take judicial notice of the NO DATE allegation in this petition for which reason the instant petition as well as the Petition docketed as Inter Partes Case No. 4072 involving the same parties, the same identical trademark, the same issues and represented by the same lawyers.

"(10.5) The instant petition is purely a sham and the petitioner, whose existence appears doubtful as she refuses even to sign the verification for the petition. If only for this reason, the instant petition should be dismissed for failure to state any cause of action and/or ultimate facts which would justify a petition for cancellation, pursuant to the provisions of Rule 194 of the Rules of Practice.

"(10.6) In addition to the argument already presented, it is clear that Rule 195 of the Rules of Practice has likewise not been complied with since the verification of the petition was not done by the petitioner herself but by an attorney-in-fact of the supposed "petitioner"."

After joinder of issued, the pre-trial conference was conducted, but as the parties failed to arrive at an amicable settlement, the cases went to trial on the merits. Since the two cases involve the same parties, same issued and the same trademarks, the proceedings were consolidated in accordance with Order No. 95-274 dated May 10, 1995.

During trial, Petitioner presented testimonial evidence consisting of the testimony of her husband, Eng Bin So, and documentary evidence consisting of Exhibits "A" to "CCC" which were admitted in evidence under Order No. 2000-657 dated December 6, 2000.

Respondent, on the other hand, requested for several postponements of trial but ultimately failed to present any evidence despite proper service and receipt of notices issued by this Office. Upon motion of Petitioner, Respondent was subsequently declared as having waived her right to present evidence in accordance with Order No. 2001-687 dated November 5, 2001, hence, this decision based on the evidence of Petitioner.

There is no dispute that the marks of Respondent and Petitioner are similar to each other, and are used on similar goods, namely, *bihon* or noodles in Class 30. In particular, the mark of Respondent is being used as a trademark, while the mark of Petitioner is being used both as a trademark and trade name.

It is also undisputed that Respondent's trademark "Pagoda" and device is covered by Certificate of Registration No. 35504-A issued on March 21, 1986 in the Principal Register, having been derived from Certificate of Registration No. 35504 originally issued in the name of Felicidad Dujunco. In addition to the mark's registration in the Principal Register, Respondent's "Pagoda" label is also covered by Certificate of Registration No. SR-8874 issued on November 3, 1993 in the Supplemental Register. These certificates remain in force and are presently being used by Respondent as confirmed by the following: the affidavit of use filed by Respondent on May 23, 1996 for the tenth-year anniversary of the mark registered in the Principal Register and

the affidavit of use filed on December 20, 1998 for the fifth-year anniversary of the mark registered in the Supplemental Register.

On the other hand, Petitioner has neither a certificate of registration nor a pending application in her name. thus, to be entitled to the relief prayed for, Petitioner must be able to show that she had been using the mark prior to September 9, 1978 (the date of first use indicated in the certificate of registration and trademark application of Respondent), and/or that the registration of the mark of Respondent was obtained fraudulently. [*Rules 192 (c) & 193 (a) of the Rules of Practice in Trademark Cases in relation to Section 4 (d) of Rep. Act No. 166*].

To prove these allegations, Petitioner's husband Eng Bin So, declared in his affidavit (Exhibit "A") that his brother-in-law, Jose Tan, started the business of manufacturing and selling various kinds of noodles such as *pansit canton*, *pansit molo*, etc. in 1976 under the trade name Pagoda Enterprises, using the same name as trademark for the said goods. Jose Tan later assigned all his right in the business to the witness and his wife (the Petitioner) through a Deed of Assignment (Exhibit "C-1) executed by the parties in 1985. thereafter, the witness and the Petitioner continued the business under the name "Benna's Enterprises" and to this day have kept using the "Pagoda" mark on the labels and packages of the *bihon* products they manufacture and sell.

In his affidavit, Eng Bin So made reference to numerous documents such as business permits and licenses issued by the municipality of Candon, Ilocos Sur, official receipts for payment of municipal fees, confirmation receipt of tax payment, license to operate issued by the BFAD, Certificate of Registration with the National Cottage Industries Development Authority, application for registration of a business name, and certifications from several government agencies. But after evaluating the foregoing documents, we find the Petitioner has failed to present clear and convincing evidence of adoption and use of the contested mark on a date earlier than September 9, 1978.

Petitioner claims that she is entitled to the mark "Pagoda" in view of the earlier adoption and use of the mark in 1976 by her predecessor-in-interest, Jose Tan. But other than the bare allegation of this fact in the affidavit of the witness, Eng Bin So, who is the husband of Petitioner, the records are deprived of adequate evidence to support this contention. While Petitioner was able to show that it was actually using the mark as a trade name, she failed to present evidence that she used the mark prior to September 9, 1978 which is the date of first use indicated in certificates of registration in the name of Respondent.

A basic rule in trademark law is that a certificate of registration on the Principal Register of a mark or trade name is *prima facie* evidence of the validity of registration, the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein. [*Section 20 of Republic Act No. 166; Rule 113 of the Rules of Practice in Trademark Cases*]. This rule has been interpreted to mean that the registration of a mark constitutes *prima facie* evidence of the registrant's ownership of the mark, the dates of appropriation and the validity of other pertinent facts stated therein. [*Amigo Manufacturing, Inc. v. Cluett Peabody Co., Inc., G.R. No. 139300, March 14, 2001*]. Accordingly, Respondent's claim of first use of the mark on September 9, 1978 as appearing in the certificate is presumed valid.

To be able to rebut the presumption and in order to establish first use at an earlier date, Petitioner must present clear and convincing evidence of adoption and use as of that earlier date. [*Chung Te v. Ng Kian Giab, G.R. No. L-23791, November 23, 1966*]. An examination of the records reveals however, that there is no single documentary evidence proving that Jose Tan started the business in 1976 using the mark "Pagoda" as trade name or trademark. The available documents bearing the earliest date consist of Official Receipt No. 4865072 dated November 26, 1979 (Exhibit "EE") indicating payment by Pagoda Enterprises of license and permit fee, Permit No. 476 dated December 17, 1979 (Exhibit "EE-1") issued by the Municipality of Candon, Confirmation Receipt No. A-1015034 dated November 16, 1979 (Exhibit "EE-2") issued by the

Central Bank showing payment of taxes, and application for registration of a firm name or business name dated December 14, 1979 (Exhibit "N"). the payment of license fees and taxes for income earned by the enterprise all point to the existence of some commercial activity on the part of Jose Tan, but the conduct business for the manufacture and sale of Pagoda noodles could not only be taken to commerce towards the end of 1979, and not in 1976 as plainly alleged in the affidavit of Petitioner's witness. For this reason, we hold that Petitioner was not able to establish by clear and convincing evidence its claim of earlier use of the mark than Respondent.

Petitioner also alleged that the registration of Respondent was obtained by means of fraud and misrepresentation, but the records do not show any evidence supporting such contention. As previously discussed, the evidence of Petitioner consisted mostly of permits, licenses, official receipts and certifications from various government agencies. Not one of these documents shows any fraudulent conduct or false representation on the part of Respondent in obtaining her certificates of registration for the "Pagoda" mark. Neither was there any reference of similar conduct in the affidavit-testimony of Petitioner's lone witness.

In view of the foregoing, the subject Petitions are hereby DENIED, and the registrations in favor of Respondent Violeta Dujunco, namely, Certificates of Registration No. 35504-A in the Principal Register and No. SR-8874 in the Supplemental Register are hereby declared VALID and SUBSISTING for the duration of its term unless cancelled by operation of law.

Let the file wrappers of the mark subject matter of the instant cases be forwarded to the Administrative, Financial, and Human Resources Development Service Bureau for appropriate action in accordance with this Decision with a copy thereof to be furnished the bureau of Trademarks for information and update of its record.

SO ORDERED.

Makati City, December 5, 2001.

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office