

BESTNET INDUSTRIES, CO., INC.,	)	INTER PARTES CASE NOS. 1984-85
Petitioner,)	
	)	PETITION FOR CANCELLATION
)	
	)	Cert. of Reg. Nos. 35149 &
	)	SR-6390
	)	Issued : January 28, 1986
- versus -	)	Registrant : Conrado Herrera
	)	Trademark : SPARROW
	)	Used on : Mosquito Net
)	
	)	<u>DECISION NO. 94-37 (TM)</u>
)	
GOLDEN HERRERA	)	October 24, 1994
Respondent-Registrant.)	
x-----x)	

DECISION

Captioned cases pertain to petitions filed by Bestnet Industries Company, Inc., seeking the cancellation of Certificates of Registration Nos. 35149 and SR-6390 issued on July 28, 1986 for the trademark SPARROW used on mosquito nets, in favor of Conrado Herrera.

Records show that herein petitioner, Bestnet Industries Co., Inc. is a domestic corporation while herein respondent-registrant, Conrado Herrera is a Filipino citizen doing business under the name and style of ROS-CON Industries which is duly registered with the Bureau of Domestic Trade.

Petitioner through Counsel originally filed a combined petition for cancellation seeking the cancellation of the aforementioned certificates of registration on May 7, 1986. The same petitions were later amended by petitioner when it filed two separate Amended Petitions for Cancellation for each of the questioned registration on May 26, 1986. The said petitions were then separately docketed as Inter Partes Case No. 1984 for the Amended Petition for Cancellation of Certificate of Registration No. 35149 and Inter Partes Case No. 1985 for the Amended Petition for Cancellation of Certificate of Registration No. SR-6390.

Both amended petitions for cancellation commonly alleged that the ground for cancellation is, "that the registrant was not entitled to register the trademark at the time of its application for registration."

Petitioner, without prejudice to submitting other relevant facts and materials, presented the following facts to support its petition.

"1. Petitioner, through a valid assignment in its favor, is the original owner of the trademark SPARROW with registration No. 16111 and SR-2730 which was issued/filed on January 29, 1971 and by virtue of an assignment executed by Bestnet Industries Company in favor of Petitioner contained in a notice of change of name dated April 28, 1978 filed with this Office.

"2. By virtue of long and continued use on the goods covered by the trademark has become well-known and enjoys widespread reputation and valuable goodwill among consumers in many places in the Philippines.

"3. Petitioner's products on which the trademark is used has been in the market since 1963 and continues to be sold and advertised throughout the Philippines.

"4. Petitioner, lately has found out that through oversight and simple negligence, the aforesaid trademark has been cancelled for failure to file the affidavit of use required under Sec. 37 of Republic Act 166 as amended and immediately filed a new application, a re-registration of the said trademark hoping that petitioner still enjoys a priority to retain and use the trademark as the sole, lawful and exclusive owner of the trademark.

"5. Petitioner has no intent to abandon the said trademark and only through simple oversight, of which we, humans, are prone to commit that the affidavit of use was not filed on time.

Immediately upon receipt of the amended petition for cancellation, this Office sent two separate Notices to Answer in Inter Partes Cases 1984 and 1985, which notices required respondent-registrant Conrado U. Herrera to file his Answer thereto within fifteen (15) days from receipt thereof, otherwise these cases will proceed as in the case of default.

On June 16, 1986, Atty. Florencio Z. Sioson filed his Appearance as Counsel for Respondent-Registrant at the same time filed his motion for extension of thirty (30) days from June 16, 1986 within which to file his answer, which was then granted by this Office under an Order dated June 25, 1986.

Respondent through Counsel thereafter filed its separate answers in Inter Partes Cases Nos. 1984 and 1985 on July 7, 1986 admitting the fact of issuance of the questioned certificates of registration and his personal circumstances as alleged in the petition but specifically denying the sole ground for cancellation as well as the facts to support the petition and by way of affirmative and/or special defenses, alleged the following:

"4. That he incorporates by reference all the materials, pertinent and relevant allegations contained in the preceding paragraphs;

"5. That petitioner has no valid legal cause of action against respondent-registrant;

"6. That respondent-registrant is the sole and lawful owner of the trademark SPARROW for mosquito net as he was the first to adopt and use in lawful commerce in the Philippines said mark;

"7. That petitioner has no right to the trademark SPARROW or if it did have, it had lost the name irretrievably;

"8. That the registration of the trademark SPARROW in favor of respondent-registrant conforms, with the provisions of Republic Act No. 166, as amended;

"9. That the adoption and use, as well as the registration of the trademark SPARROW for mosquito net by respondent-registrant was all done in good faith;

"10. That under the principle of estoppel, laches and/or acquiescence, petitioner cannot now question the adoption and use by respondent-registrant of the trademark SPARROW for mosquito net, as well as his ownership and registration thereof in his name."

The issues having been joined, this Office set the cases for pre-trial conference on July 31, 1986.

On July 31, 1986 Respondent-Registrant through Counsel submitted his pre-trial brief stating therein a brief statement of his claim, suggestion for simplification of issues and a list of documentary exhibits while Petitioner through Counsel submitted its pre-trial brief likewise containing its claim, issues submitted for resolution and a list of documentary and testimonial evidence on August 4, 1986.

The pre-trial conference was reset to August 8, 1986 and thereafter was terminated. The two cases were thereafter set for trial on the merits to August 27, 1987 and September 3, 1986 both at 2:00p.m.

Meanwhile, petitioner in Inter Partes Case No. 1985 moved in open court that Inter Partes Case No. 1984 on the ground that the two cases have the same issues, the same parties and the same subject matter.

There being no opposition to the above motion on the part of Counsel for Respondent-Patentee, the motion to consolidate was granted and the hearing on the merits of the two cases was initially set for August 27, 1986 and September 2, 1986 respectively as contained in Order No. 86-219 issued by this Office on August 25, 1986.

Petitioner started presenting its evidence on August 27, 1986. As testimonial evidences, Petitioner presented two witnesses namely, Mr. Buenaventura Uy and Ms. Francisca Mendoza. After cross-examination of the witnesses, petitioner formally offered the following documentary evidences:

Exhibit "A"	=	Affidavit of FRANCISCA MENDOZA
"B"		
"B-1" to		
"B-9"	=	Booklet of invoices
"C"	=	Certificate of registration No. 16111 issued in favor of Hypernette Industrial Corporation
"D"	=	Assignment of mark
"E"	=	Application of Bestnet Industries Company
"E-1"	=	Affidavit of use filed by Bestnet Industries Co.
"F"	=	Refers to the late application filed sometime in February 1986
"F-1"	=	Trademark Application of Opposer
"F-2"	=	Official Receipt No. 7056645
"F-3"	=	Examiner's official action
"G"	=	Sparrow label
"H"	=	Ledger of Account
"H-1"	=	The figure in the ledger amounting to P9, 181.00
"H-2"	=	The figure lumping together in sales invoice numbers 1154 and 1155
"I"	=	First page of Exhibit "H" with stamp marked by BIR
"J"	=	Smaller label of Sparrow
"K"	=	Affidavit of Buenaventura Uy

Counsel for Respondent-Registrant objected to the admission of said exhibits in open court. After the said offer was submitted for resolution, this Office ruled that the same be admitted for whatever they are worth. Respondent-registrant's objections were noted and made part of records of the case to be considered in the final determination of the case.

For its part, Respondent-Registrant presented Conrado U. Herrera himself as its lone witness.

Before respondent could offer his evidence however, both parties decided to once again thresh out and settle their differences extrajudicially and to give them enough opportunity to talk and discuss things among themselves, the hearing of the cases were temporarily held in abeyance.

Finally, on September 11, 1987, the scheduled bearing of the two cases, both counsels informed this Office that the respondent has already assigned the questioned trademark to petitioner, hence, the latter is no longer interested in prosecuting the cases. Accordingly, it will file the appropriate pleadings in due time.

On November 4, 1987, Petitioner through Counsel filed a Motion to Withdraw Petitions which states, among others, that:

“Respondent had already assigned subject trademark “SPARROW” in favor of Buenaventura Uy. Hence, the above petitions have become moot and academic.

IN VIEW OF THE FOREGOING, it is prayed that these petitions be withdrawn without pronouncement as to costs.”

Due to the fact however, that Mr. Buenaventura Uy, although the President of herein petitioner and assignee of the questioned trademarks has a separate and distinct personality from petitioner which is a domestic corporation, this Office required Counsel for Petitioner to submit a Resolution of the Board of Directors of herein petitioner to the effect that it is no longer interested in the prosecution of these two cases due to the aforementioned assignment of the questioned trademarks to its President Buenaventura Uy, in its Order No. 88-63 dated February 26, 1988, to which Counsel for petitioner complied by submitting the same on April 4, 1988.

WHEREFORE, in view of the foregoing premises and considering that the motion to withdraw petitions filed by petitioner is in order, the same is, as it is hereby GRANTED. Accordingly, these cases are now considered WITHDRAWN/DISMISSED for having become moot and academic as the assignment of subject trademark registrations by Mr. Buenaventura Uy to herein Petitioner Bestnet Industries Co., Inc., has already been recorded in Nook I, Page 15, of the Book of Assignments of this Office.

SO ORDERED.

IGNACIO S. SAPALO
Director