

LOLITO P. CRUZ,	)	INTER PARTES CASE NO. 3012
Petitioner,	)	
	)	PETITION FOR CANCELLATION
	)	
	)	Cert. of Regn. No. SR-7893
	)	Issued on : August 5, 1987
- versus -	)	Registrant : Asian Shoes
	)	Mfg. Corporation
	)	Trademark : BEAGLE & DOG DEVICE
	)	Used on : Shoes
	)	
ASIAN SHOES MFG.	)	<u>DECISION NO. 94-25 (TM)</u>
CORPORATION,	)	
Respondent-Registrant.	)	March 7, 1994

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DECISION

This is a Petitioner for Cancellation of Certificate of Registration No. 7893 on the Supplemental Register issued on August 5, 1987 in favor of the Respondent, Asian Shoes Manufacturing Corporation, a corporation duly organized under and by virtue of the laws of the Philippines with principal office at 55 Valley Road, E. Rodriguez, Quezon City, Metro Manila as assignee of the applicant for the trademark, BEAGLE & DOG DEVICE used on shoes.

The Petitioner, Lolito P. Cruz, a Filipino citizen, of legal age and a resident of 64 Bautista Street, Marikina, Metro Manila, believes that he will be damaged by the issuance of the aforementioned registration and therefore files this instant Petition for Cancellation.

The grounds for Petition for Cancellation are as follows:

- "1. That the above Registration Certificate was obtained fraudulently and/or contrary to the provisions of Section 4(d) of Republic Act No. 166, as amended;
- "2. That the above Registration Certificate has caused and will continue to cause great and irreparable damage and injury to Petitioner, as well as to the consuming public;
- "3. That neither the Respondent-Registrant nor its assignor was entitled to register the trademark BEAGLE & DOG DEVICE".

Petitioner relied on the following facts to support this Petition for Cancellation:

- "1. Petitioner is the registered owner of the trademarks HUSH PUPPIES & DOG DEVICE and DOG DEVICE as evidenced by the following Registration Certificates:
  - "a) Registration Certificate No. 1099-B on the Supplemental Register for the trademark HUSH PUPPIES & DOG DEVICE issued on July 17, 1969 for men's shoes. A copy of said Registration Certificate is hereto attached as Annex "A" and made an integral part hereof;
  - "b) Registration Certificate No. 24989-B on the Principal Register for the trademark HUSH PUPPIES & DOG DEVICE issued on September 20, 1977 for men's shoes. A copy of said Registration Certificate is hereto attached as Annex "B" and made an integral part hereof;

“c) Registration Certificate No. 6098-B on the Supplemental Register for the trademark HUSH PUPPIES & DOG DEVICE issued on December 17, 1982 for belts, ladies’ and children’s shoes. A copy of said Registration Certificate is hereto attached as Annex “C” and made an integral part hereof;

“d) Registration Certificate No. 6103 on the Supplemental Register for the trademark DOG DEVICE issued on January 11, 1983 for shirts, t-shirts, blouses, jeans, pants, jogging pants, jackets, sweaters, socks, handkerchiefs, briefs, undershirts, lounging robes. A copy of said Registration Certificate is hereto attached as Annex “D” and made an integral part hereof;

“e) Registration Certificate No. 37659 on the principal register for the trademark DOG DEVICE issued on November 10, 1987 for shirts, t-shirts, blouses, jeans, pants, jogging pants, jackets, sweaters, socks, handkerchiefs, briefs, undershirts, lounging robes. A copy of said Registration Certificate is hereto attached as Annex “E” and made an integral part hereof.

“2. That the above-mentioned registration certificates are all subsisting and in full force and effect;

“3. That the trademarks HUSH PUPPIES & DOG DEVICE and DOG DEVICE have been used by Petitioner and his predecessor-in-interest since May 1, 1965;

“4. That the trademark BEAGLE & DOG DEVICE which was registered by Respondent-Registrant under Registration Certificate No. SR-7893 is identical or confusingly similar to Petitioners registered trademarks;

“5. That the use and registration by Respondent-Registrant of the trademark BEAGLE & DOG DEVICE has caused and will continue to cause great and irreparable damage and injury to Petitioner considering that the Respondent-Registrant is using said trademark BEAGLE & DOG DEVICE on goods identical or similar to the goods, or otherwise belonging to the same class of goods upon which Petitioner is using his registered trademarks;

“6. That the use and registration by Respondent-Registrant of the trademark BEAGLE & DOG DEVICE has caused and will continue to cause confusion or mistake and otherwise deceive the purchasers to think that shoes of Respondent-Registrant bearing subject mark come from Petitioner;

“7. That Respondent-Registrant is not the owner of the trademark BEAGLE & DOG DEVICE and is not otherwise entitled to register the same either at the time its assignor filed its application for the registration thereof or at the time Registration Certificate No. SR-7893 was issued.”

This Office issued the Notice to Answer addressed to Respondent-Registrant on December 17, 1987 however, the same was not served to the same hence, on September 27, 1989, Petitioner through Counsel, filed on Ex-Parte Motion for publication of notice to Answer which this Office granted per Order No. 89-836. However, due to excessive cost of publication, the Notice to Answer has not been published.

On March 5, 1990, Petitioner filed another Motion for Issuance of Alias Notice to Answer which this Office granted.

Pursuant to Section 13, Rule 14 of the Rules of Court, the summons was served upon Thomas Ngo, President of Respondent-Registrant, at his given address at #760 Hidalgo Street, Quiapo, Manila on May 9, 1990. However, Thomas Ngo informed the Office thru the Process

Server, that the Respondent-Registrant's Corporation has already been dissolved three years ago.

A Motion to Declare Respondent-Applicant in Default was filed by Petitioner on May 30, 1990. Respondent was thereafter declared in default, per Order No. 91-74 dated January 30, 1991. Accordingly, Petitioner was allowed to present its evidence ex-parte.

As to the circumstance that the Respondent-Applicant Corporation allegedly has already been dissolved 3 years before the service of the Alias Notice to Answer, this Office finds that:

Section 122 of the Corporation Code provides that:

“Every corporation whose charter expires by its own limitation or is annulled by forfeiture or otherwise, or whose corporate existence for other purpose is terminated in any other manner, shall nevertheless be continued as a body corporate for three (3) years after the time when it would have been dissolved, for the purpose of prosecuting and defending suits by or against it and close its affairs, to dispose of and convey its property and to distribute its assets, but not for the purpose of continuing the business for which it was established.  
(Underscoring supplied)  
xxx”

Moreover, as a general rule, after the three-year winding up and liquidation period, a corporation dissolved can no longer sue or be sued. However, an exception to the said rule is if any litigation was filed by or against it within the period of three years, but which could not be terminated, must necessarily prolong that period. (Pasay Credit and Finance Corp., [C.A.] 48).G. 5528).

Considering that the instant Petition for Cancellation was filed against Respondent-Registrant Corporation on December 2, 1987 which is within three (3) years from the dissolution of the latter, such a case falls under the exception to the general rule.

The Petitioner in this case submitted the Affidavit of Lolito P. Cruz in lieu of his direct testimony pursuant to the Revised Rules of Practice in Trademark Cases and thereafter, formally offered the exhibits of the Petitioner consisting of Exhibits “A” to “H”.

It appearing that the above-mentioned Exhibits were submitted to this Office in accordance with the Rules of Practice as well as the Rules of Court, the exhibits were admitted per Order No. 91-213 dated August 19, 1989.

The only issue to be resolved in this case is whether or not the trademark BEAGLE & DOG DEVICE registered in favor of herein Respondent-Applicant under Certificate of Registration No. 7893 (Exhibit “A”) used on shoes is confusingly similar to the registered trademarks HUSH PUPPIES & DOG DEVICE and DOG DEVICE of Petitioner (Exhibits “B” to “F”) under Certificate of Registration Nos. 1099, 24986, 6098, 6103 and 37659.

As shown by the evidence, the trademark of herein Respondent-Registrant although containing the word BEAGLE (Exhibit “A”) and that of the Petitioner which contains the words HUSH PUPPIES (Exhibit “B” to “F”), both contains almost the same representation of a DOG DEVICE, a comparison of which would clearly show beyond doubt that there is confusing similarity between the two trademarks.

The confusing similarity between BEAGLE & DOG DEVICE of Respondent-Registrant with the registered trademark HUSH PUPPIES & DOG DEVICE of Petitioner is likewise clearly shown by a comparison of the sample of the shoes of the Respondent-Registrant with the trademark BEAGLE embossed on the undersole and DOG DEVICE printed on top thereof

(Exhibit "G") with the shoe manufactured by herein Petitioner bearing his registered trademark HUSH PUPPIES & DOG DEVICE (Exhibit "H").

It cannot therefore be denied that the dominant feature of the Respondent's trademark BEAGLE & DOG DEVICE i.e., DOG DEVICE is confusingly similar to the dominant feature of the Petitioner's trademark HUSH PUPPIES & DOG DEVICE shown in Exhibits "A" to "F".

The question of infringement should be determined by the test of dominancy. The dissimilarity in size, form and color of the label and the place where applied are not conclusive. If the competing label contains the trademark of another, and confusion or deception is likely to result, infringement takes place, regardless of the fact that the accessories are dissimilar. Duplication or exact imitation is not necessary, nor is it necessary that infringing label should suggest an effort to imitate. (Co Tiong Sa vs. Director of Patents, L-17901, October 29, 1965, 95 Phil., 15 SCRA 150).

Moreover, it has been consistently held that in determining whether two marks are confusingly similar or not, the two marks in their entirety must be considered in relation to the goods to which they are attached. Thus, in the case of MEAD JOHNSON and co. vs. N.V.J. Van Dorp. Ltd., SCRA 768, it was held that:

"In determining whether two trademarks are confusingly similar, the two marks in their entirety as they appear in the respective labels must be considered in relation to the goods to which they are attached; the discerning eye of the observer must be focus not only on the predominant words but also on the other features appearing on both labels."

The above ruling was reiterated in the case of Bristol Myers Co. vs. Director of Patents, et.al., 16 SCRA 495 where the Supreme Court held that:

"A practical approach to the problem of similarity or dissimilarity is to go into the whole of the trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of a prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form; style, shape, size, or format; color, ideas connoted by marks; the meaning, spelling, and pronunciation of words used; and the setting in which the words appear may be considered."

Likewise, as held in Co Tiong Sa vs. Director of Patents, 95 Phil. 1, it is sufficient to constitute as cause of action for cancellation of registration of the trademark that the substantive and distinctive part, the main or essential or dominant features of one device or article its copied or initiated in another.

On the basis of the above rulings, this Office finds no difficulty in arriving at the conclusion that the trademark BEAGLE & DOG DEVICE registered in favor of herein Respondent-Registrant under Registration Certificate No. SR-7893 used on shoes (Exhibit "A") is confusingly similar to the registered trademarks HUSH PUPPIES & DOG DEVICE and DOG DEVICE likewise used on shoes among others in favor of Petitioner (Exhibits "B" to "F", inclusive), for it cannot be denied that the "dominant" feature of Respondent-Applicant's trademark BEAGLE & DOG DEVICE namely or particularly the DOG DEVICE, is confusingly similar to the "dominant" feature of Petitioner's registered trademarks HUSH PUPPIES & DOG DEVICE and DOG DEVICE.

Moreover, Section 4(d) of the Trademark Law provides that:

"Section 4. Registration of trademarks, tradenames and service marks on the principal register. - - There is hereby established a register of

trademarks, tradenames and service marks which shall be known as the principal register. The owner of a trademark, tradename or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:

x        x        x

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the Applicant, to cause confusion or mistake or to deceive purchasers." (Underscoring supplied)

Therefore, inasmuch as the trademark BEAGLE & DOG DEVICE registered in favor of Respondent-Registrant under Registration Certificate No. SR-7893 (Exhibit "A") is confusingly similar to the registered trademarks HUSH PUPPIES & DOG DEVICE and DOG DEVICE registered in favor of Petitioner under Exhibits "B" to "F", inclusive, which registrations have been issued as early as July 17, 1969, May 3, 1983 and June 3, 1983 respectively and which have been validly existing and subsisting long before September 18, 1986 when Respondent-Registrant filed its application for registration and even before August 5, 1987 when Registration Certificate No. 7893 was issued in favor of Respondent-Registrant then, clearly, the registration of the trademark BEAGLE & DOG DEVICE in favor of Respondent-Registrant is violative of Section 4(d) of the Trademark Law and should not have been allowed.

WHEREFORE, considering that herein Petitioner has sufficiently established his grounds for Petition for Cancellation, the same is as it is hereby GRANTED. Accordingly, Certificate of Registration No. SR-7893 issued in the name of Adam Ong for the registration of the trademark BEAGLE & DOG DEVICE is, as it is hereby CANCELLED.

Let the filewrapper of this case be forwarded to the Patents, Trademarks Registry and EDP Division for appropriate action in accordance with this Decision. Likewise, let a copy of this Decision be furnished the Trademark Examining Division for information and to update its record.

SO ORDERED.

IGNACIO S. SAPALO  
Director