



e) That respondent-applicant is not and can not be the owner of the trademark it has applied for, the fact being that respondent-applicant is an inactive corporation, not having any factory of its own, nor perhaps even a license to operate either before November 6, or after said date.”

The Respondent filed its Answer on 29 August 1989 alleging among others that it is a sister company of Super Hercules Co., the original registrant of the trademark Certificate of Registration No. 16052 issued on 04 January 1971. However, the transfer of rights over the said trademark, effected by the aforesaid Deed of Assignment from the original registrant Super Hercules to Supreme Hercules was fraudulently executed considering that the person signing in behalf of Super Hercules, namely John de la Cruz, had no authority to do so.

Under such circumstances, the Respondent-Applicant moved to cancel the aforesaid assignment registered under Book XIII, Page 82 dated 12 March 1982 of this Office.

Considering that the issues have been joined, this Office set the case for pre-trial conference. Consequently, both parties submitted their pre-trial brief.

Subsequently, the Respondent-Applicant moved to dismiss this case on the ground that the Deed of Assignment is null and void. The Opposer has no basis to pursue this opposition.

On 09 January 1990, the Respondent-Applicant filed a supplemental Motion to Dismiss alleging that John de la Cruz Young, the President of the Opposer Corporation, has no authority to file this Opposition proceeding. Attached to the said pleading is an alleged verified resolution of the Opposer Corporation signed by its alleged “partners” divesting the authority of John de la Cruz Young to represent the Opposer in any court, tribunal or agency.

Considering that the rules provide that a motion to dismiss is not to be countenanced in inter partes cases, this Office issued an order on 16 January 1990 that the Resolution on the Motion to Dismiss will be held in abeyance and shall be considered on the decision on the merits.

Due to non-appearance of the Respondent-Applicant on the hearing scheduled on 28 September 1990, and 08 November 1990 and 06 December 1990 despite due notice and without any explanation, this Office allowed the Opposer to present its evidence ex-parte.

On 06 December 1990, Opposer presented its lone witness in the person of Mr. John de la Cruz Young who claims to be the President and Gen. Manager of the Opposer. He presented a copy of Certificate of Trademark Registration No. 16052 dated 04 January 1971 for the trademark Eastern Zenith issued in the name of Super Hercules Manufacturing Co. (Exhibit “B”). Likewise, he presented a copy of the Deed of Assignment of the said mark from Super Hercules Manufacturing Co. to Supreme Hercules Manufacturing Corporation, the herein Opposer (Exhibit “C”).

The issues in this case are:

1. Whether the Deed of Assignment in issue was validly executed?
2. Whether Mr. John de la Cruz Young could validly represent the Opposer in this case.
3. Who has the better right over the trademark in question – the Opposer or the Respondent-Applicant?

Regarding the first issue, the same has been the subject of Inter Partes Case No. 1258 where it was resolved that this Bureau has no jurisdiction to decide on the merits of a cancellation of a Deed of Assignment.

Consequently, the same shall be valid and subsisting public record until a tribunal, Court or agency having jurisdiction thereof should find it void. Hence, the text of the subsequent findings and observation in this decision shall be based on such legal presumption.

The second issue refers to the alleged withdrawal of authority given to Mr. John de la Cruz Young to represent the Opposer in this Inter Partes proceedings. Thus, it was also moved of this Office that the Opposition filed by the Opposer should be withdrawn. This raises likewise the validity of the assignment to Mr. Young which as abovestated is presumed valid by this office.

The third issue to be resolved is who between the parties has the better right to the trademark in question.

The objects of a trademark are to point out distinctly the origin or ownership of the goods to which it is affixed, to serve to him, who has been instrumental in bringing into the market a superior article of a merchandise, the fruit of his industry and skill, to assure that they are procuring the genuine article (*Etepha vs. Director of Patents*, 16 SCRA 495).

On the other hand, the ownership of a trademark is acquired by its adoption and use in trade and commerce in the Philippines (*Gabriel vs. Perez*, 55 SCRA 406). Since a mark is acquired by adoption and use, it belongs to the person who first used and gave it value in the Philippines. (*Chung Te vs. Ng Kian Gials*, 18 SCRA 747). The person who has established prior adoption and use in the Philippines is entitled to register it in Bureau to the exclusion of others. Thus, Section 4(d) of Republic Act No. 166 provides that:

*Sec. 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:

xxx

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or 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 service of the applicant, to cause confusion or mistake or to deceive purchasers”.

Inasmuch as both parties failed to prove the date of their respective first use of the mark in question, this Office will have to rely on the provision of rule 173 which provides:

“Rule 173. *Allegations in the application not evidence on behalf of the applicant.* – In all inter partes proceedings, the allegations of date of use in the application for registration of the applicant or of the registrant cannot be used as evidence in behalf of the party making the same. In case no testimony is taken as to the date of use, the party will be limited to the filing date of the application as the date of his first use.”

With respect to the Respondent-Applicant, its application will show that it filed the application in question on 16 November 1981. on the part of Opposer, and there being a presumption of a valid assignment, the Opposer Assignee stands in the shoes of the Assignor – Super Hercules Manufacturing Co. and succeeds to all his rights and priorities (*J.C. Hall Co. vs. Hallmark Cards, Inc.*, 144 USPQ 435). The opposer would then benefit from the filing date of the assigned mark which the records show as 29 October 1968.

WHEREFORE, premises considered, this Opposition is hereby SUSTAINED and Application Serial No. 46749 is hereby REJECTED.

Let the filewrapper of this case be forwarded to the Trademark Examining Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO  
Director