

Republic of the Philippines
SUPREME COURT
Manila

SECOND DIVISION

G.R. No. L-33773 October 22, 1987

GODOFREDO L. LORENZANA and TIBURCIO E. EVALLE, in his capacity as Director of Patents,
petitioners-appellants,

vs.

CRISPINA L. MACAGBA, SOLOMON L. LORENZANA, CRISTETA L. ALVAREZ, GABRIEL L.
LORENZANA, ANTONIA L. CAMINS and SOSTENES L. LORENZANA, respondents-appellee.

PADILLA, J.:

Petition for review on certiorari of a Court of Appeals decision * in CA-G.R. No. 43346-R entitled *Crispina L. Macagba, et. al., Opposers-Appellants vs. Godofredo L. Lorenzana, et. al., Respondents-Applicants-Appellees*, which set aside the decision of the Director of Patents (Decision No. 516) dated 14 February 1969 and reinstated opposition proceedings in Inter Partes Case No. 485 with the Phil. Patent Office, for hearing on the merits.

On 3 August 1956, petitioner Godofredo L. Lorenzana filed an application with the Phil. Patent Office for registration in the Supplemental Register of the trademark "LORENZANA & DESIGN" which he had allegedly been using in his *bagoong* and *patis* business since 1940. After summary proceedings, a Certificate of Registration (No. SR-275) was issued in his name on 3 September 1959. ¹

On 21 (26, in the Court of Appeals decision) March 1962, Godofredo's brother Solomon, one of the private respondents herein, asked for the cancellation of Certificate of Registration No. SR-275 in a petition docketed as Inter Partes Case No. 263. Solomon alleged that the trademark *LORENZANA & DESIGN* formed part of the estate of the late Felipe Lorenzana, his and Godofredo's father, who had been in the fish products and other derivatives business since 1925 or thereabouts, and that therefore, Godofredo cannot have the trademark registered in his name. ²

After protracted hearings which lasted for over five (5) years, the Director of Patents held Godofredo (herein petitioner) as entitled to registration of the questioned trademark in the Supplemental Register, in Decision No. 443, dated 26 June 1967, This decision was appealed by private respondent Solomon L. Lorenzana in a petition for review with this Court but the petition was dismissed for having been filed one day late. ³

On 8 September 1967, petitioner again filed with the Phil. Patent Office an application for the registration of the trademark "LORENZANA," this time in the Principal Register. This was opposed on 21 August 1968 by private respondents Crispina L. Macagba, Solomon L.

Lorenzana, Cristeta L. Alvarez, Gabriel L. Lorenzana, Antonio L. Camins and Sostenes L. Lorenzana, six (6) of the eleven (11) children of the late Felipe Lorenzana, and petitioner's brothers and sisters, in Inter Partes Case No. 485. Petitioner moved to dismiss the opposition on the ground of *res judicata*. On 14 February 1969, the opposition was dismissed by the Director of Patents in Decision No. 516.⁴

Private respondents appealed the dismissal of their opposition to the Court of Appeals. On 18 May 1971, the Court of Appeals promulgated its decision, ruling thus:

We find the appeal to be meritorious. The Director of Patents erred in dismissing the opposition on the ground of *res judicata*.

There is no Identity of subject matter and cause of action between Inter Partes Case No. 263 and Inter Partes Case No. 485. It is true that case trademark is involved but the nature and object of the proceedings in both cases are different.

Inter Partes Case No. 263 was for the cancellation of a registration in the supplemental register; while Inter Partes Case No. 485 involves a registration in the principal register.

Registration in the principal register is governed by Sec. 4, Republic Act No. 166, as amended. ... [while registration in] the supplemental register [is] pursuant to Section 19-A of Rep. Act No. 166 as amended...

An analytical comparison of the ... provisions reveal that (a) the applicant for registration on the principal register must be the owner; (b) the trademarks to be registered in the supplemental register are those not registerable in the principal register; (c) the proceedings for registration in the supplemental register are summary in nature; (d) that trademarks for the supplemental register shall not be published for or be subject to opposition, but shall be published on registration in the Official Gazette; (e) that the certificates of registration for marks and tradenames registered on the supplemental register shall be conspicuously different from certificates issued for marks and tradenames registered on the principal register; and (f) the registration on the principal register is *prima facie* evidence of the validity of the registration as expressly provided in Rule 113, Revised Rules of Practice in the Philippines Patent Office which reads:

According to the law, a certificate of registration on the Principal Register of a mark or trade name is *prima facie* evidence of validity of registration, the registrant's ownership of the mark or trade name, and of 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. (Rule 113, *Ibid*; Sec. 20, Rep. Act No. 166).

while registration on the supplemental register is not *prima facie* evidence of the validity of registration and cannot be filed with effect, with the Bureau of Customs in order to exclude from the Philippines, foreign goods bearing infringing marks or trade names according to Rule 124 of the aforementioned Rules which provides:

According to the law, a certificate of registration on the Supplemental Register is not *prima facie* evidence of the validity of registration, of the registrant's exclusive right to use the same in connection with the goods, business, or services specified in the certificate. Such a certificate of registration cannot be filed, with effect, with the Bureau of Customs in order to exclude from the Philippines, foreign goods bearing infringing marks or trade names (Rule 124, *ibid*).

With the exception of Solomon L. Lorenzana and Godofredo L. Lorenzana, there is no Identity of parties between Inter Partes Cases Nos. 263 and 485. The parties are brothers and sisters, being the children of the late Felipe Lorenzana who, according to the appellants, was the original owner of the trademark in question. The appellants claim co-ownership of the trademarks as heirs of Felipe Lorenzana. The co-opposers are not privies of Solomon L. Lorenzana, the petitioner in Inter Partes Case No. 263, because the former do not derive their claim or title to the trademark "LORENZANA & DESIGN" from the latter. Such is a co-owner in his own right by inheritance.

In view of the foregoing, this Court holds that the decision in Inter Partes Case No. 263 is not a bar to the institution and prosecution of the instant case, Inter Partes Case No. 435 [should be No. 485] on the ground of *res adjudicata*.

WHEREFORE, the decision appealed from is set aside. Inter Partes Case No. 435 [should be No. 485] is hereby ordered reinstated and the record thereof is returned to the Philippines Patent Office for hearing on the merits, without pronouncement as to costs.⁵

From the above decision of the Court of Appeals, petitioner has come to this Court on a petition for review on certiorari. Petitioner contends that the Court of Appeals decision has disregarded the rule of *res judicata*, so that a remand of Inter Partes Case No. 485 to the Phil. Patent Office would merely be a replay of the five-year hearing in Inter Partes Case No. 263. He also argues that the other respondents are privies of Solomon L. Lorenzana and, hence, bound by the decision in Inter Partes Case No. 263 in which registration of petitioner's trademark in the Supplemental Register had already been ordered.

Petitioner's contentions are without merit.

It is a settled doctrine that for *res judicata* to apply, the following requisites must concur: 1) there must be a prior final judgment or order; 2) the court rendering the judgment or order must have jurisdiction over the subject matter and over the parties; 3) the judgment or order must be on the merits; and 4) there must be, between the two (2) cases, the earlier and the instant, Identity of parties, Identity of subject matter, and Identity of cause of action.

There is no Identity of parties, subject matter and cause of action between Inter Partes Case No. 263 and Inter Partes Case No. 485.

As pointed out by the Court of Appeals, Inter Partes Case No. 263 involved registration in the Supplemental Register, while Inter Partes Case No. 485 is concerned with registration in the Principal Register. Substantial distinction exists between registration in the Principal Register and registration in the Supplemental Register. The different effects of the two (2) types of registration of trademarks may be enumerated as follows:

(1) Registration in the Principal Register gives rise to a presumption of the validity of the registration, the registrant's ownership of the mark, and his right to the exclusive use thereof. ⁶ There is no such presumption in registrations in the Supplemental Register.

(2) Registration in the Principal Register is limited to the actual owner of the trademark ⁷ and proceedings therein pass on the issue of ownership, which may be contested through opposition ⁸ or interference ⁹ proceedings, or, after registration, in a petition for cancellation. ¹⁰

Registration in the Principal Register is constructive notice of the registrant's claim of ownership, while registration in the Supplemental Register is merely proof of *actual use* of the trademark and notice that the registrant has used or appropriated it. ¹¹ It is not subject to opposition although it may be cancelled after its issuance. ¹² Corollarily, registration in the Principal Register is a basis for an action for infringement, while registration in the Supplemental Register is not.

(3) In applications for registration in the Principal Register, publication of the application is necessary. ¹³ This is not so in applications for registration in the Supplemental Register. Certificates of registration under both Registers are also different from each other. ¹⁴

(4) Proof of registration in the Principal Register may be filed with the Bureau of Customs to exclude foreign goods bearing infringing marks while this does not hold true for registrations in the Supplemental Register. 15

Neither may the other private respondents herein be considered as privies of private respondent Solomon L. Lorenzana in Inter Partes Case No. 263 and thus bound by Decision No. 443 and this Court's resolution dismissing the appeal from such decision, as contended by petitioners. The document that petitioner Godofredo cites, namely, a "Petition in Intervention" allegedly executed by his other brothers and sisters, the ten (10) other children of the late Felipe L. Lorenzana, which was later offered and admitted as an exhibit to impeach the testimony of one of the alleged signatories therein who testified for petitioner's cause in Inter Partes Case No. 263, was never formally filed with the Phil. Patent Office and the signatories therein were never allowed to intervene. The document is not verified or notarized, and there is no signature therein of Filomena Lorenzana, one of the ten (10) would-be intervenors, nor of the would-be counsel. 16

Besides, whatever privity the petitioner Godofredo alleges as existing between Solomon and his other brothers and sisters is of no moment, given the differences between registration in the Principal Register and registration in the Supplemental Register, already adverted to, which means that the cause of action in Inter Partes Case No. 263, is distinct and separate from the cause of action in Inter Partes Case No. 485.

WHEREFORE, the petition is DENIED. The decision appealed from is AFFIRMED. Inter Partes Case No. 485 is ordered reinstated and the records thereof are returned to the Phil. Patent Office for hearing on the merits, without pronouncement as to costs.

SO ORDERED.

Yap, Actg. C.J., Melencio-Herrera, Paras and Sarmiento, JJ., concur.

Footnotes

* Penned by Justice Ramon C. Fernandez with the concurrence of Justice Hermogenes Concepcion, Jr. and Justice Cecilia Munoz-Palma.

1 Rollo at 13.

2 Appellants' Brief, Court of Appeals, p. 5, 45.

3 Resolution dated 19 March 1968 in G.R. No. L-27997; Rollo at 3; Appellants' Brief, Id, p. 6.

4 Rollo at 4.

5 Rollo at 16,19, 20.

6 Section 20, Rep. Act No. 166 as amended.

7 Unno Commercial Enterprises v. Gen. Milling Corp., 120 SCRA 804 (1983).

8 Section 8, Rep. Act No. 166 as amended.

9 Section 10-A, *supra*.

10 Section 17-A, *supra*.

11 *La Chemise Lacoste, S.A. vs. Fernandez*, 129 SCRA 373, 1984: "Registration in the Supplemental Register. ... serves as notice that the registrant is using or has appropriated the trademark. "

12 Section 19-A, Rep. Act No. 166 as amended.

13 Section 7, *supra*.

14 Section 19-A, *Ibid*.

15 *La Chemise Lacoste, S.A. vs. Fernandez, Id.*, citing Rule 124, revised Rules of Practice Before the Phil. Pat. Off. in Trademark Cases.

16 Rollo at 39, 40.