

TAI LUN INTERNATIONAL TRADING CO.
Represented by **WAN MIN QIANG @ WILLIAM**
ONG,
Petitioner,

-versus-

CHRISTOPHER U. CHAN,
Respondent-Registrant.

X-----X

IPC No. 14-2011-00259
Petition for Cancellation of:
Registration No. 4-2003-001513
Date Issued: 24 September 2005
TM: "JIAO LI & DEVICE"

NOTICE OF DECISION

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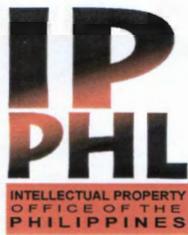
GREETINGS:

Please be informed that Decision No. 2016 - 139 dated May 05, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 05, 2016.

For the Director:

Edwin A. Dating
Atty. EDWIN DANILLO A. DATING
Director III
Bureau of Legal Affairs



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DECISION

TAILUN INTERNATIONAL TRADING CO. Represented by WAN MIN QIANG @ WILLIAM ONG¹, ("Petitioner") filed a Petition for Cancellation of Trademark Registration No. 4-2003-001513. The registration issued to CHRISTOPHER U. CHAN,² ("Respondent-Registrant"), covers the mark "JIAO LI & DEVICE" for use on "body lotion, creams, soaps" under Class 03 of the International Classification of Goods.³

The Petitioner alleges, among other things , that:

"4. The Petitioner's principal's cosmetic product bear and are covered by duly registered Trademark Registrations "JIAO LI & DEVICE" under the laws of the People's Republic of China.

"5. The Respondent likewise source and buy the products of the Petitioner's principal. In the course of buying and selling the product of the Petitioner's principal, the Respondent came to know and became acquainted with the trademark registrations of JIAO LI & DEVICE that is lawfully owned by Petitioner's principal.

"6. Unknown to the Petitioner's principal, the Respondent sought and applied for registration of the trademark 'JIAO LI & DEVICE' as his own and as a product of his own intelligence and exclusive mind. The Respondent was successful with his deceit and false representation and he was granted Trademark Registration No. 4-2003-001513 for the mark 'Jiao Li & Device'.

"7. By registering the trademark 'Jiao Li & Device' as his own exclusive original concept and creation, the Respondent knows well and was well aware that the said trademark was actually and lawfully owned by the Petitioner's principal and from whom the Respondent was buying and purchasing the cosmetic products and was in fact the source of the name of the trademark 'Jiao Li & Device'. Verily, the application and the eventual registration of the trademark 'Jiao Li & Device' under Trademark Registration No. 4-2003-001513 was fraudulently obtained and acquired through false, fraudulent and deceitful representations by the Respondent. Hence, the Trademark Registration No. 4-2003-001513 in the name of Respondent should therefore be cancelled and revoked. xxx"

¹A partnership duly organized and existing under the laws of the Philippines with address at No. 637 Oriente Street, Binondo, Manila.

²A Filipino citizen with address at 195 Magallanes St. Cebu City.

³The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

Petitioner's evidence consists of the following:

1. Special Power of Attorney issued in favor of Wang Min Qiang;
3. Legalized Exclusive Distributorship Renewal Agreement from 2008 to 2014 between Guangzhou Yuqingmei Cosmetics Co. Ltd. and Tai Lun International Trading Co.;
4. Legalized Business License for Enterprise as a Legal Person in the name of Guangzhou Yuqingmei Cosmetics Co. Ltd.;
5. Legalized China State Food and Drug Administration Domestic Cosmetics for Special Purpose Health Permit Document for Xin Jiao Li Hu Chun Su Anti-Freckle cream; and
6. Legalized Trademark Registration No. 3225772 for the mark Xin Jiao Li Hu Chun Su for use on cosmetics, shampoo, anti-freckle cream, whitening cream, toothpaste, facial cleanser, essential oil, cleaning products, fragrance, cosmetics for animals under Class 3 issued in China.

This Bureau issued on 10 August 2011 a Notice to Answer and served a copy through DHL to the Respondent-Registrant on 15 August 2011. On 13 October 2011, Respondent-Registrant filed its Answer alleging the following:

"III. FAILURE TO STATE PRIOR PROCEEDING INVOLVING SAME MATTER AND ISSUE/FORUM SHOPPING

"3.1. The primary reason why the instant Petition for Cancellation of Trademark is filed before this Honorable Office is the fact that there is a case entitled: **The People of the Philippines, Christopher U. Chan, versus, Wang Ming Qiang, Et. Al.** docketed as CA-G.R. No. CR. No. 32261 pending before the Court of Appeals.

"3.2. This case is an appeal to the Decision of **Branch 24 of the Regional Trial Court of the City of Manila** rendered in the case **'People of the Philippines vs. Alex Ong and/or Tailun General Merchandise and/or its Proprietors, Owners, Officers, Employees, and/or Occupants located at Room No. 201/201A, 2nd Floor, Don Mariano Uy Bldg, Oriente Street, Binondo Manila,** docketed as **Search Warrant Case No. 08-13081, FOR: Violation of Sec. 155 (Unfair Competition) in relation to Sec. 170 of R.A. 8293.**

x x x

"3.5. Perhaps Petitioner erroneously thought that it can make a prejudicial question out of the instant petition to the mentioned criminal case. However, any question relating or pertaining to the legality of the registered trademark **should be elevated and threshed out before the mentioned Regional Trial Court**, not before this Honorable Office surreptitiously in the guise of a Petition to Cancel the Registration. In filing the instant petition, petitioner Tai Lun International Trading Co. committed forum shopping.

"3.6. Clearly, in filing the instant Petition, without mentioning the pendency of the mentioned criminal case, Petitioner Wan Ming Qiang @ William Ong knowingly **stated false facts** in the **Certification** he signed which is attached to the instant Petition.

"3.7. Petitioner Wan Ming Qiang @ William Ong cannot feign that he has no knowledge of the mentioned criminal case as he filed on July 31, 2008, with Branch 24 of the Regional Trial Court of Manila in the mentioned criminal case a **"Motion to Quash Search Warrant"**.

"5.13. The registration of the mark, as discussed above, was not also obtained fraudulently or contrary to the provisions of the Republic Act No. 8293. The registered mark was also not being used by, or with the permission of, Respondent Chan so as to misrepresent the source of the goods on or in connection with which the mark is used. And neither did Respondent fail to use the mark within the Philippines.

"5.14. Clearly then, the instant case cannot be filed beyond the five-year reglementary period. The instant action has already prescribed.

x x x"

Respondent-Registrant's evidence consists of the following:

1. Exhibit "1" - certified true copy of Certificate of Registration No. 4-2003-001513 for the mark JIAO LI & DEVICE;
2. Exhibit "2" - certified true copy of Resolution of the Court of Appeals dated 02 May 2011 in C.A. -G.R. CR. No 32261;
3. Exhibit "3" - certified true copy of Search Warrant dated 22 July 2008 issued by the Honorable Judge Antonio M. Eugenio;
4. Exhibit "4" - certified copy of the Consolidated Return of Search Warrants and Ex-Parte Motion to Retain Custody of Seized Articles filed by the NBI-IPRD with Branch 24 RTC Manila;
5. Exhibit "5" - original copy of Motion to Quash Search Warrant of defendant Wan Ming Qiang and Tai Lun International Trading Co. dated 28 July 2008; and
6. Exhibit "6" - certified true copy of Affidavit of Norma Vito executed in support of the application for Search Warrant filed by NBI;

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 17 October 2011. On 24 February 2012, the ADR Services submitted a Report that the parties failed to settle their dispute. A Notice of Preliminary Conference was then issued on 08 March 2012. During the preliminary conference on 30 July 2012 only Respondent-Registrant appeared. The preliminary conference was terminated and Respondent-Registrant was directed to submit its position while Petitioner's right to submit its position paper was deemed waived upon motion of Respondent-Registrant for failure to appear during the preliminary conference. Respondent-Registrant filed its Position Paper on 09 August 2012.

Respondent-Registrant claims that the instant case should be dismissed on the ground that the filing of a petition for cancellation is prohibited when an action to enforce the rights to a registered mark has already been filed or instituted in another court or tribunal.

Section 151.2 of the IP Code provides, to wit:

151.2. Notwithstanding the foregoing provisions, the court or the administrative agency vested with jurisdiction to hear and adjudicate any action to enforce the rights to a registered mark shall likewise exercise jurisdiction to determine whether the registration of said mark may be cancelled in accordance with this Act. *The filing of a suit to enforce the registered mark with the proper court or agency shall exclude any other court or agency from assuming jurisdiction over a subsequently filed petition to cancel the same mark.* On the other hand, the earlier filing of petition to cancel the mark with the Bureau of Legal Affairs shall not constitute a prejudicial question that must be resolved before an action to enforce the rights to same registered mark may be decided. [Emphasis supplied.]

It is very clear from the above-cited provision of the IP Code that the filing of a suit to enforce the registered mark with the proper court shall exclude any other agency or court from assuming jurisdiction over a petition to cancel the mark. A perusal of the record of this case show that as registered owner of the mark JIAO LI, Respondent-Registrant filed a complaint with the National Bureau of Investigation and an application for Search Warrant was filed with the Regional Trial Court of Manila for Trademark Infringement and Unfair Competition. The application for search warrant was granted by Judge Antonio M. Eugenio, RTC Manila, Branch 24 on 22 July 2008 against Alex Ong and/or Tai Lun General Merchandising its owners, officers, employees. On the other hand, the instant Petition for Cancellation was filed only on 07 July 2011.

Since the application for Search Warrant against herein Petitioner for trademark infringement and unfair competition, which is an action to enforce herein Respondent-Registrant's mark JIAO LI, was filed earlier in the Regional Trial Court of Manila than the filing of the petition to cancel the mark with this Bureau, it now precludes this Bureau from assuming jurisdiction over the latter case pursuant to Section 151.2 of the IP Code.

Respondent-Registrant also claims that the case should also be dismissed on the ground that the Petitioner was not truthful in its Certification of Non-Forum Shopping as it did not mention the pending case before the Court of Appeals.

In *Alfredo Canuto, Et. Al. vs. NLRC, et. Al.*⁴, the Supreme Court held:

To this end, we explained in *Melo v. Court of Appeals* that the submission of a certification against forum shopping is a different undertaking from the assurances stated therein. Thus,

⁴ G.R. No. 110914. June 28, 2001

. . . [f]ailure to comply with this requirement cannot be excused by the fact that plaintiff is not guilty of forum shopping. . . . The Circular applies to any complaint, petition, application, or other initiatory pleading, regardless of whether the party filing it has actually committed forum shopping. Every party filing a complaint or any other initiatory pleading is required to swear under oath that he has not committed nor will he commit forum shopping. Otherwise, we would have an absurd situation where the parties themselves would be the judge of whether their actions constitute a violation of said Circular, and compliance therewith would depend on their belief that they might or might not have violated the requirement. Such interpretation of the requirement would defeat the very purpose of Circular 04-94.

Indeed, compliance with the certification against forum shopping is separate from, and independent of, the avoidance of forum shopping itself. Thus, there is a difference in the treatment – in terms of impossible sanctions – between failure to comply with the certification requirement and violation of the prohibition against forum shopping. The former is merely a cause for the dismissal, without prejudice, of the complaint or initiatory pleading, while the latter is a ground for summary dismissal thereof and constitutes direct contempt.

Petitioner failed to disclose in the Certification Against Non-Forum Shopping the pendency of the case in the Court of Appeals which involves the same parties and the enforcement of the trademark of herein Respondent-Registrant which it seeks to cancel in this instant petition. Its failure to disclose the same tantamount to non-compliance with the requirement of non-forum shopping and is also a ground for dismissal of this case.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **DISMISSED**. Let the filewrapper of Trademark Reg. No. 4-2003-001513 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. **05 MAY 2016**


Atty. NATHANIEL S. AREVALO
Director *W*, Bureau of Legal Affairs