



3D INDUSTRIES, INC.,
Opposer,

-versus-

NORTHERN ISLANDS CO., INC.
For and on behalf of
3D INDUSTRIES, INC.,
Respondent-Applicant.

X-----X

Inter Partes Case No. 14-2008-00040

Opposition to:

Trademark: "3D WONDER COOKER"

App. Serial No. 4-2006-007387

Date Filed: July 7, 2006

Class: 11 "Electronic Rice Cooker"

Decision No. 09-35

DECISION

For decision is the Notice of opposition filed by 3D Industries, Inc. (Opposer), a corporation duly organized and existing under the laws of the Republic of the Philippines and with principal office at No. 18 Evangelista Street, Barangay Santolan, Pasig City for the registration of the mark "3D WONDER COOKER" bearing Serial No. 4-2006-007387 filed on July 07, 2006 covering the goods/products "electronic rice cooker" falling under Class 11 in the name of NORTHERN ISLANDS CO., INC. for and in behalf of 3D INDUSTRIES, INC. (respondent-applicant), a corporation duly organized and registered under the laws of the Republic of the Philippines and with office at No. 3 Mercury Avenue, Barangay Bagumbayan, Libis, Quezon City.

The grounds of the opposition are as follows:

"1. **Respondent-Applicant NICI already lost its legal and juridical personality to apply for registration of trademark on behalf of Opposer 3-D.**

1.1. The fifty-years corporate life or term of existence of Respondent-Applicant NICI **expired on August 6, 2007**, without Respondent-Applicant NICI filing an application with the Securities and Exchange Commission (SEC) for extension of its term of existence, as evidenced by the Certificate of Corporate Filing/Information dated January 17, 2008 issued by the Company Registration and Monitoring Department of SEC, the certified true copy of which is attached as **Annex "B"**, certifying that:

"THIS IS TO CERTIFY that a verification made on the available records of **NORTHERN ISLANDS COMPANY, INC.** with **SEC No. 12939** with this Commission shows that:

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

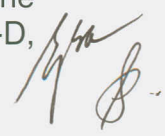
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*"subject corporation was registered on August 6, 1957 to exist for a period of fifty (50) years which terms has **expired** on **August 6, 2007**. No amended articles of incorporation extending its corporate term have been **filed**."* (emphasis supplied)

- 1.2 By operation of law, Respondent-Applicant NICI, as a corporation, has **automatically ceased to exist**. Under the law and jurisprudence on the matter, the legal personality of Respondent-Applicant NICI, as a corporation, **automatically ceased** and Respondent-Applicant NICI can **no longer** continue the business for which it was established or to engage in business. When the corporate life of the corporation as stated in its articles of incorporation is allowed to expire, without extension, then the corporation is deemed **dissolved** by such expiration without need of further action on the part of the corporation of the State.
- 1.3 Hence, having **lost** its legal and juridical personality, Respondent-Applicant NICI can **no longer** maintain the present application for registration of the aforesaid trademark, on behalf of Opposer 3-D.
- 1.4 For all intents and purposes, and most especially with respect to the instant legal action, Respondent-Applicant NICI has become **legally a non-entity**. Hence, this Honorable Office can **no longer** legally **entertain** the same.

"2. Respondent-Applicant NICI has not been authorized by Opposer 3-D to apply for registration of the subject trademark on its behalf.

- 2.1 Opposer 3-D is the lawful and duly registered owner of the trademark "**3-D**" as evidenced by Philippine Intellectual Property Office Certificate of Registration No. **4-2002-000725** effective June 08, 2006, a certified true copy of which is attached hereto as **Annex "C"**.
- 2.2 Opposer 3-D has **not authorized** Respondent-Applicant NICI to apply for registration of the subject trademark for and on its behalf, nor has Opposer 3-D executed the alleged License Agreement between Opposer 3-D and Respondent-Applicant NICI, as discussed hereunder.
- 2.3 Opposer 3-D hereby **denies** that it has authorized Respondent-Applicant NICI to file the instant application, **for an on its behalf**. The General Information Sheets (GIS) for the years 2006 and 2007 of Opposer 3-D, duly filed with the Securities and Exchange Commission (SEC), showing the present stockholders, directors and officers of Opposer 3-D,



are attached hereto as Annexes “D” and “E”, respectively, which this Honorable Office can use as reference to determine whether the alleged contracts, documents and papers submitted by Respondent-Applicant NICI to support the instant application was duly executed by Opposer 3-D.

“3. Opposer 3-D denies and repudiates the existence and validity of the alleged License Agreement between Opposer 3-D and Respondent-Applicant NICI.”

3.1 Opposer 3-D hereby denies and repudiates the existence and validity of the alleged License Agreement between Opposer 3-D and Respondent-Applicant NICI on the following grounds:

- (1) The alleged License Agreement between the Opposer 3-D and Respondent-Applicant NICI was **not approved** by both the **Board of Directors** of Opposer 3-D and by the **Stockholders** of Opposer 3-D owning not less than two-thirds (2/3) of the total subscribed, issued and outstanding shares of Opposer 3-D, as required under Sec. 40 of the Corporation Code of the Philippines, since the terms and conditions of the said alleged License Agreement is considered a sale or disposition of “*substantially all the corporate property and assets*”;
- (2) The alleged License Agreement between Opposer 3-D and Respondent-Applicant NICI was signed for and on behalf of Opposer 3-D by Paulino Delfin Pe, when Paulino Delfin Pe has already resigned as President effective **30 September 2004**.

3.2 It is therefore very clear that the alleged License Agreement between Opposer 3-D and Respondent-Applicant NICI is not only **unauthorized** by both the Board of Directors and stockholders of Opposer 3-D but that the alleged License Agreement was also **signed** by a person **not duly authorized** by Opposer 3-D to represent it.

3.3 The corresponding Secretary’s Certificate of Opposer 3-D attesting to the fact that the said alleged License Agreement between Opposer 3-D and Respondent-Applicant NICI was **not approved** by **both** the **Board of Directors** of Opposer 3-D and by the **stockholders** of Opposer 3-D owning not less than two-thirds (2/3) of the total subscribed, issued and outstanding shares of Opposer 3-D are attached hereto as Annexes “F” and “G”, respectively.

3.4 In fact, the matter of the existence and validity of the alleged License Agreement between Opposer 3-D and Respondent-



Applicant NICI is the subject of a pending case entitled "*Northern Island Company, Inc., vs. 3-D Industries, Inc.*", before the Regional Trial Court of Pasig City – Branch 157, and docketed as Civil Case No. 70359 for "*Breach of Contract, Infringement of Trademark, Unfair Competition, Injunction and Damages.*"

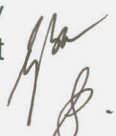
- 3.5 The Answer of Opposer 3-D in the said case entitled "*Northern Islands Company, Inc. vs. 3-D Industries, Inc.*" is attached hereto as Annex "H".

Opposer submitted the following as its evidences:

| Annex | Description |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Annex "A" | Copy of Securities and Exchange Commission (SEC) Certificate of Registration No. 12939 of NICI dated August 6, 1957 |
| Annex "B" | Certificate of Corporate Filing/Information dated January 17, 2008 issued by the Company Registration and Monitoring Department of the SEC. |
| Annex "C" | Philippine Intellectual Property Office Certificate of Registration No. 4-2002-000725 effective June 08, 2006 for the mark "3-D". |
| Annexes "D" and "E" | General Information Sheets (GIS) filed with the SEC and list of present stockholders, directors and officers of Opposer 3-D. |
| Annexes "F" and "G" | Secretary's Certificate of Opposer 3-D. |
| Annex "H" | Answer of Opposer 3-D in the case filed with the RTC of Pasig Branch-157 and docketed as Civil Case No. 70359. |

On April 15, 2008, Respondent-Applicant filed its Verified Answer where it raised the following grounds to deny the opposition:

- I. NICI's corporate term did not expire on 6 August 2007. It has been extended for another fifty years, or up to 6 August 2057.
- II. Respondent-Applicant holds the exclusive license over the subject mark by virtue of the license agreement dated 16 August 2004. As exclusive licensee, respondent-applicant has the authority to prosecute the instant application.
- III. The license agreement is valid. It enjoys the presumption of validity and regularity. Unless set aside with finality by a competent court, it remains legally subsisting.



In support of the Answer, Respondent-Applicant submitted the following evidence:

| Exhibit | Description |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exhibit "1" | Certified true copy of the amended articles of incorporation |
| Exhibit "2" | Certified true copy of the License Agreement |
| Exhibit "3" | Certificate of Compliance No. 5-2004-00161 issued by the IPO |
| Exhibit "4" | Certified true copy of Board Resolution |
| Exhibit "5" | Copy of Secretary's Certificate |
| Exhibit "6" | Copy of Resolution dated 28 October 2004 |
| Exhibit "7" | Copy of Decision dated 10 December 2007 |
| Exhibit "8" | Certified true copy of complaint by Respondent-Applicant against Opposer for breach of contract, infringement of Trademarks, Unfair Competition, Injunction and Damages |

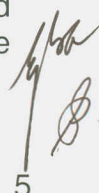
The preliminary conference was terminated on 11 June 2008 but no amicable settlement was reached. The issue to be resolved is whether the Respondent-Applicant is entitled to register the 3D WONDER COOKER mark.

An examination of the filewrapper show that the application was filed by **Northern Islands Company, Inc., for and on behalf** of 3D Industries, Inc., the herein Opposer. The trademark application was filed for its registration by Northern Islands Company, Inc., as attorney-in-fact of "3D Industries, Inc." The License Agreement dated 16 April 2004 submitted in compliance to Paper No. 2 and submitted as Exhibit "2" of respondent embodies this arrangement between Opposer and Northern Islands Company, Inc. that denominates Opposer as the "licensor" and Respondent-Applicant as "licensee".

Section 150 of the Intellectual Property Code of the Philippines provides:

"Section 150. License Contracts. – 150.1. Any license contract concerning the registration of a mark, or an application therefore, shall provide for effective control by the licensor of the quality of the goods or services of the licensee in connection with which the mark is used. If the license contract does not provide for such quality control, or if such quality control is not effectively carried out, the license contract shall not be valid.

Section 150.2. A license contract shall be submitted to the office which shall keep its ***contents confidential*** but shall record it and publish a reference thereto. A license contract shall have no effect against third parties until such recording is effected. The regulations shall fix the procedure for the recording of the license contract.



It is a well-established rule in administrative law that in the exercise of its powers and functions, such as that granted to the Director of the Bureau of Trademarks of the Intellectual Property Philippines (IPP), under Section 9 of the Intellectual Property Code of the Philippines (IP Code) does not include the authority to determine the **scope** and **legal** effect of the instruments that are submitted for recordal purposes, nor to nullify or cancel the said instrument, as such issue can only be determined in an ordinary case by the Courts.

In this connection, the Supreme Court in the case of **Seton vs. Rodriguez**, (110 Phils. 548) stated:

“Registration is a ministerial act by which a deed, contract, instrument is sought to be inscribed in the records of the office of the Register of Deeds and annotated at the back of the Certificate of Title covering the land subject of the deed, contract or instrument. Its purpose is to give notice thereof to all persons (Section 51, Article 496) and **does not declare that the recorded instrument is a valid and subsisting interest in the land. This is so because effect or validity of the instrument can only be determined in an ordinary case by the Courts, not before a court acting as registration court which has no jurisdiction over the same.**” (Underscoring provided)

Thus, the validity of the License Agreement entered into by the parties in the instant case which was duly recorded with the Intellectual Property Philippines (IPP) can only be determined in an ordinary case by the Courts, not before a court acting as registration court (Bureau of Trademarks) which has no jurisdiction over the same.

As regard the issue that Respondent-Applicant has already lost its legal and juridical personality to apply for registration of trademark on behalf of the Opposer as its corporate life expired already on August 6, 2007, Opposer submitted a certification from the Securities and Exchange Commission (SEC) (Exhibit “B”) dated 17 January 2008 stating the fact that no amended articles have been filed. To refute this Respondent-Applicant, Northern Islands Company, Inc., submitted a certified true copy of the amended articles of incorporation duly approved by the Securities and Exchange Commission (SEC) wherein its term of corporate existence has been extended for another fifty (50) years. (Exhibit “1”). Yet, this Bureau notes that the Certificate of filing of Amended Articles of Incorporation was issued in 17 March 2008 after a certification that no such Amended Articles of Incorporation was obtained from the SEC.

Nevertheless, and considering the fact that there is already a case between the parties before the Regional Trial Court of Pasig City, Branch 167 docketed as Civil Case No. 70359 as shown by the Respondent-Applicant, Northern Islands Company, Inc.’s complaint (Exhibit “8”) and Opposer’s Answer therein (Exhibit “H”) wherein one of the issues involved is the validity of the License Agreement, the decisive issue to be resolved in this particular case in the Intellectual Property Philippines (IPP) is simply whether 3D WONDER COOKER can be registered by Northern Islands Company, Inc., the Respondent-Applicant **for** and **on behalf** of 3-D Industries Inc., the herein Opposer, contrary to Section 123 of Republic Act No. 8293 known as the Intellectual Property Code of the Philippines.

After a careful study of the case and viewing all its angles, factual and legal, the Bureau of Legal Affairs is of the considered opinion that approval of the trademark application subject of the instant opposition is in violation of Republic Act No. 8293.

The Respondent-Applicant is not the owner of the mark being applied for as evidenced by the fact that Opposer is the owner of the mark **"3D WONDER COOKER"** and is opposing the registration of the mark by the Respondent-Applicant. The fact that Opposer is the owner is seen from a cursory look at the license agreement and the trademark application itself lodged by Respondent-Applicant only on Opposer's behalf.


The ruling by the Supreme Court in the case of Operators Incorporated v. Director of Patents, (G.R. No. L-17901. October 29, 1965) can be applied, thus:

"The right to register, as may be noted, is based on ownership. In the case of the trademark AMBISCO, the evidence shows that it is owned by the American Biscuit Co., Inc., and not by Petitioner, Operators, Inc. Such evidence consists of the certification signed jointly by Jorge B. Vargas, and by Eu Chua Leh, presidents of the said Corporations, respectively, as follows (Exh. 2):

"On September 26, 1953, and on June 12, 1954, the American Biscuit Co., Inc., and the Operators Incorporated, both corporations organized under the laws of the Philippines, entered into contracts, and under such contracts, the Operators Incorporated is authorized by the American Biscuit Co., Inc. to operate the candy business of the latter and among the various terms and stipulations in said contracts, the Operators Incorporated agreed to distinctly label and display all products manufactured and sold by it as product of the American Biscuit Co., Inc. and that all the trademarks contained in such labels shall be considered as property of the American Biscuit Co., Inc."

In the instant case, concededly, the trademark 3D WONDER COOKER is owned by opposer and not by the respondent-applicant. In Unno Commercial Enterprises, Incorporated v. General Milling Corporation [G.R. No. L-28554. February 28, 1983.], the Supreme Court held:

"The right to register trademark is based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law, only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same."



WHEREFORE, in light of all the foregoing, the Opposition is hereby **SUSTAINED**. Consequently, trademark Application No. 4-2006-007387 filed on July 7, 2006 for the mark "**3D WONDER COOKER**" is, as it is hereby **REJECTED**.

Let the filewrapper of the trademark "**3D WONDER COOKER**" subject matter under consideration be forwarded to the Bureau of Trademark (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 2 March 2009.



Atty. ESTRELLITA BELTRAN-ABELARDO
Director
Bureau of Legal Affairs

