

## SECOND DIVISION

[ G.R. No. 202423, January 28, 2013 ]

**CHESTER UYCO, WINSTON UYCHİYONG, AND CHERRY C. UYCO-ONG, PETITIONERS, VS. VICENTE LO, RESPONDENT.**

### R E S O L U T I O N

**BRION, J.:**

We Resolve the motion for reconsideration<sup>[1]</sup> dated October 22, 2012 filed by petitioners Chester Uyco, Winston Uychiyong and Cherry C. Uyco-Ong to set aside the Resolution<sup>[2]</sup> dated September 12, 2012 of this Court, which affirmed the decision<sup>[3]</sup> dated March 9, 2012 and resolution<sup>[4]</sup> dated June 21, 2012 of the Court of Appeals (CA) in CA-G.R. SP No. 111964. The CA affirmed the resolution<sup>[5]</sup> dated September 1, 2008 of the Department of Justice (DOJ). Both the CA and the DOJ found probable cause to charge the petitioners with false designation of origin, in violation of Section 169.1, in relation with Section 170, of Republic Act No. (RA) 8293, otherwise known as the "Intellectual Property Code of the Philippines."<sup>[6]</sup>

The disputed marks in this case are the "HIPOLITO & SEA HORSE & TRIANGULAR DEVICE," "FAMA," and other related marks, service marks and trade names of Casa Hipolito S.A. Portugal appearing in kerosene burners. Respondent Vicente Lo and Philippine Burners Manufacturing Corporation (*PBMC*) filed a complaint against the officers of Wintrade Industrial Sales Corporation (*Wintrade*), including petitioners Chester Uyco, Winston Uychiyong and Cherry Uyco-Ong, and of National Hardware, including Mario Sy Chua, for violation of Section 169.1, in relation to Section 170, of RA 8293.

Lo claimed in his complaint that Gasirel-Industria de Comercio e Componentes para Gass, Lda. (*Gasirel*), the owner of the disputed marks, executed a deed of assignment transferring these marks in his favor, to be used in all countries except for those in Europe and America.<sup>[7]</sup> In a test buy, Lo purchased from National Hardware kerosene burners with the subject marks and the designations "Made in Portugal" and "Original Portugal" in the wrappers. These products were manufactured by Wintrade. Lo claimed that as the assignee for the trademarks, he had not authorized Wintrade to use these marks, nor had Casa Hipolito S.A. Portugal. While a prior authority was given to Wintrade's predecessor-in-interest, Wonder Project & Development Corporation (*Wonder*), Casa Hipolito S.A. Portugal had already revoked this authority through a letter of cancellation dated May 31, 1993.<sup>[8]</sup> The kerosene burners manufactured by Wintrade have caused confusion, mistake and deception on the part of the buying public. Lo stated that the real and genuine burners are those manufactured by its agent, PBMC.

In their Answer, the petitioners stated that they are the officers of Wintrade which owns the subject trademarks and their variants. To prove this assertion, they

submitted as evidence the certificates of registration with the Intellectual Property Office. They alleged that Gasirel, not Lo, was the real party-in-interest. They allegedly derived their authority to use the marks from Casa Hipolito S.A. Portugal through Wonder, their predecessor-in-interest. Moreover, PBMC had already ceased to be a corporation and, thus, the licensing agreement between PBMC and Lo could not be given effect, particularly because the agreement was not notarized and did not contain the provisions required by Section 87 of RA 8293. The petitioners pointed out that Lo failed to sufficiently prove that the burners bought from National Hardware were those that they manufactured. But at the same time, they also argued that the marks "Made in Portugal" and "Original Portugal" are merely descriptive and refer to the source of the design and the history of manufacture.

In a separate Answer, Chua admitted that he had dealt with Wintrade for several years and had sold its products. He had not been aware that Wintrade had lost the authority to manufacture, distribute, and deal with products containing the subject marks, and he was never informed of Wintrade's loss of authority. Thus, he could have not been part of any conspiracy.

After the preliminary investigation, the Chief State Prosecutor found probable cause to indict the petitioners for violation of Section 169.1, in relation with Section 170, of RA 8293. This law punishes any person who uses in commerce any false designation of origin which is likely to cause confusion or mistake as to the origin of the product. The law seeks to protect the public; thus, even if Lo does not have the legal capacity to sue, the State can still prosecute the petitioners to prevent damage and prejudice to the public.

On appeal, the DOJ issued a resolution affirming the finding of probable cause. It gave credence to Lo's assertion that he is the proper assignee of the subject marks. More importantly, it took note of the petitioners' admission that they used the words "Made in Portugal" when in fact, these products were made in the Philippines. Had they intended to refer to the source of the design or the history of the manufacture, they should have explicitly said so in their packaging. It then concluded that the petitioners' defenses would be better ventilated during the trial and that the admissions of the petitioners make up a sufficient basis for probable cause.

The CA found no grave abuse of discretion on the part of the DOJ and affirmed the DOJ's ruling.

When the petitioners filed their petition before us, we denied the petition for failure to sufficiently show any reversible error in the assailed judgment to warrant the exercise of the Court's discretionary power.

We find no reversible error on the part of the CA and the DOJ to merit reconsideration. The petitioners reiterate their argument that the products bought during the test buy bearing the trademarks in question were not manufactured by, or in any way connected with, the petitioners and/or Wintrade. They also allege that the words "Made in Portugal" and "Original Portugal" refer to the origin of the design and not to the origin of the goods.

The petitioners again try to convince the Court that they have not manufactured the products bearing the marks "Made in Portugal" and "Original Portugal" that were bought during the test buy. However, their own admission and the statement given