

## SECOND DIVISION

[ G.R. No. 183404, October 13, 2010 ]

**BERRIS AGRICULTURAL CO., INC., PETITIONER, VS. NORVY  
ABYADANG, RESPONDENT.**

### D E C I S I O N

**NACHURA, J.:**

This petition for review<sup>[1]</sup> on *certiorari* under Rule 45 of the Rules of Court seeks the reversal of the Decision dated April 14, 2008<sup>[2]</sup> and the Resolution dated June 18, 2008<sup>[3]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 99928.

The antecedents--

On January 16, 2004, respondent Norvy A. Abyadang (Abyadang), proprietor of NS Northern Organic Fertilizer, with address at No. 43 Lower QM, Baguio City, filed with the Intellectual Property Office (IPO) a trademark application for the mark "NS D-10 PLUS" for use in connection with Fungicide (Class 5) with active ingredient 80% Mancozeb. The application, under Application Serial No. 4-2004-00450, was given due course and was published in the IPO e-Gazette for opposition on July 28, 2005.

On August 17, 2005, petitioner Berris Agricultural Co., Inc. (Berris), with business address in Barangay Masiit, Calauan, Laguna, filed with the IPO Bureau of Legal Affairs (IPO-BLA) a Verified Notice of Opposition<sup>[4]</sup> against the mark under application allegedly because "NS D-10 PLUS" is similar and/or confusingly similar to its registered trademark "D-10 80 WP," also used for Fungicide (Class 5) with active ingredient 80% Mancozeb. The opposition was docketed as IPC No. 14-2005-00099.

After an exchange of pleadings, on April 28, 2006, Director Estrellita Beltran-Abelardo (Director Abelardo) of the IPO-BLA issued Decision No. 2006-24<sup>[5]</sup> (BLA decision), the dispositive portion of which reads--

**WHEREFORE**, viewed in the light of all the foregoing, this Bureau finds and so holds that Respondent-Applicant's mark "**NS D-10 PLUS**" is confusingly similar to the Opposer's mark and as such, the opposition is hereby **SUSTAINED**. Consequently, trademark application bearing Serial No. 4-2004-00450 for the mark "**NS D-10 PLUS**" filed on January 16, 2004 by Norvy A. Ab[yada]ng covering the goods fungicide under Class 5 of the International Classification of goods is, as it is hereby, **REJECTED**.

Let the filewrapper of the trademark "NS D-10 PLUS" subject matter under consideration be forwarded to the Administrative, Financial and Human Resources Development Services Bureau (AFHRDSB) for

appropriate action in accordance with this Order with a copy to be furnished the Bureau of Trademark (BOT) for information and to update its records.

**SO ORDERED.**<sup>[6]</sup>

Abyadang filed a motion for reconsideration, and Berris, in turn, filed its opposition to the motion.

On August 2, 2006, Director Abelardo issued Resolution No. 2006-09(D)<sup>[7]</sup> (BLA resolution), denying the motion for reconsideration and disposing as follows --

**IN VIEW OF THE FOREGOING**, the Motion for Reconsideration filed by the Respondent-Applicant is hereby **DENIED FOR LACK OF MERIT**. Consequently, Decision No. 2006-24 dated April 28, 2006 **STANDS**.

Let the filewrapper of the trademark "NS D-10 PLUS" subject matter under consideration be forwarded to the Bureau of Trademarks for appropriate action in accordance with this Resolution.

**SO ORDERED.**<sup>[8]</sup>

Aggrieved, Abyadang filed an appeal on August 22, 2006 with the Office of the Director General, Intellectual Property Philippines (IPPDG), docketed as Appeal No. 14-06-13.

With the filing of the parties' respective memoranda, Director General Adrian S. Cristobal, Jr. of the IPPDG rendered a decision dated July 20, 2007,<sup>[9]</sup> ruling as follows--

Wherefore, premises considered[,], the appeal is hereby DENIED. Accordingly, the appealed Decision of the Director is hereby AFFIRMED.

Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Directors of the Bureau of Trademarks, the Administrative, Financial and Human Resources Development Services Bureau, and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

**SO ORDERED.**<sup>[10]</sup>

Undeterred, Abyadang filed a petition for review<sup>[11]</sup> before the CA.

In its Decision dated April 14, 2008, the CA reversed the IPPDG decision. It held--

In sum, the petition should be granted due to the following reasons: 1) petitioner's mark "NS D-10 PLUS" is not confusingly similar with respondent's trademark "D-10 80 WP"; 2) respondent failed to establish its ownership of the mark "D-10 80 WP" and 3) respondent's trademark registration for "D-10 80 WP" may be cancelled in the present case to avoid multiplicity of suits.

**WHEREFORE**, the petition is **GRANTED**. The decision dated July 20, 2007 of the IPO Director General in Appeal No. 14-06-13 (IPC No. 14-2005-00099) is **REVERSED** and **SET ASIDE**, and a new one is entered giving due course to petitioner's application for registration of the mark "NS D-10 PLUS," and canceling respondent's trademark registration for "D-10 80 WP."

**SO ORDERED.**<sup>[12]</sup>

Berris filed a Motion for Reconsideration, but in its June 18, 2008 Resolution, the CA denied the motion for lack of merit. Hence, this petition anchored on the following arguments--

- I. The Honorable Court of Appeals' finding that there exists no confusing similarity between Petitioner's and respondent's marks is based on misapprehension of facts, surmise and conjecture and not in accord with the Intellectual Property Code and applicable Decisions of this Honorable Court [Supreme Court].
- II. The Honorable Court of Appeals' Decision reversing and setting aside the technical findings of the Intellectual Property Office even without a finding or, at the very least, an allegation of grave abuse of discretion on the part of said agency is not in accord with law and earlier pronouncements of this Honorable Court [Supreme Court].
- III. The Honorable Court of Appeals' Decision ordering the cancellation of herein Petitioner's duly registered and validly existing trademark in the absence of a properly filed Petition for Cancellation before the Intellectual Property Office is not in accord with the Intellectual Property Code and applicable Decisions of this Honorable Court [Supreme Court].<sup>[13]</sup>

The basic law on trademark, infringement, and unfair competition is Republic Act (R.A.) No. 8293<sup>[14]</sup> (Intellectual Property Code of the Philippines), specifically Sections 121 to 170 thereof. It took effect on January 1, 1998. Prior to its effectivity, the applicable law was R.A. No. 166,<sup>[15]</sup> as amended.

Interestingly, R.A. No. 8293 did not expressly repeal in its entirety R.A. No. 166, but merely provided in Section 239.1<sup>[16]</sup> that Acts and parts of Acts inconsistent with it were repealed. In other words, only in the instances where a substantial and irreconcilable conflict is found between the provisions of R.A. No. 8293 and of R.A. No. 166 would the provisions of the latter be deemed repealed.

R.A. No. 8293 defines a "mark" as any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods.<sup>[17]</sup> It also defines a "collective mark" as any visible sign designated as such in the application for registration and capable of distinguishing the origin or any other common characteristic, including the quality of goods or services of different enterprises which use the sign under the control of the registered owner of the collective mark.<sup>[18]</sup>

On the other hand, R.A. No. 166 defines a "trademark" as any distinctive word, name, symbol, emblem, sign, or device, or any combination thereof, adopted and used by a manufacturer or merchant on his goods to identify and distinguish them from those manufactured, sold, or dealt by another.<sup>[19]</sup> A trademark, being a special property, is afforded protection by law. But for one to enjoy this legal protection, legal protection ownership of the trademark should rightly be established.

The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122<sup>[20]</sup> of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes *prima facie* evidence of the validity of the registration, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.<sup>[21]</sup> R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register.<sup>[22]</sup> In other words, the *prima facie* presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused.<sup>[23]</sup> Moreover, the presumption may likewise be defeated by evidence of prior use by another person, *i.e.*, it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce.<sup>[24]</sup>

The determination of priority of use of a mark is a question of fact. Adoption of the mark alone does not suffice. One may make advertisements, issue circulars, distribute price lists on certain goods, but these alone will not inure to the claim of ownership of the mark until the goods bearing the mark are sold to the public in the market. Accordingly, receipts, sales invoices, and testimonies of witnesses as customers, or orders of buyers, best prove the actual use of a mark in trade and commerce during a certain period of time.<sup>[25]</sup>

In the instant case, both parties have submitted proof to support their claim of ownership of their respective trademarks.

Culled from the records, Berris, as oppositor to Abyadang's application for registration of his trademark, presented the following evidence: (1) its trademark

application dated November 29, 2002<sup>[26]</sup> with Application No. 4-2002-0010272; (2) its IPO certificate of registration dated October 25, 2004,<sup>[27]</sup> with Registration No. 4-2002-010272 and July 8, 2004 as the date of registration; (3) a photocopy of its packaging<sup>[28]</sup> bearing the mark "D-10 80 WP"; (4) photocopies of its sales invoices and official receipts;<sup>[29]</sup> and (5) its notarized DAU dated April 23, 2003,<sup>[30]</sup> stating that the mark was first used on June 20, 2002, and indicating that, as proof of actual use, copies of official receipts or sales invoices of goods using the mark were attached as Annex "B."

On the other hand, Abyadang's proofs consisted of the following: (1) a photocopy of the packaging<sup>[31]</sup> for his marketed fungicide bearing mark "NS D-10 PLUS"; (2) Abyadang's Affidavit dated February 14, 2006,<sup>[32]</sup> stating among others that the mark "NS D-10 PLUS" was his own creation derived from: N - for Norvy, his name; S - for Soledad, his wife's name; D - the first letter for December, his birth month; 10 - for October, the 10<sup>th</sup> month of the year, the month of his business name registration; and PLUS - to connote superior quality; that when he applied for registration, there was nobody applying for a mark similar to "NS D-10 PLUS"; that he did not know of the existence of Berris or any of its products; that "D-10" could not have been associated with Berris because the latter never engaged in any commercial activity to sell "D-10 80 WP" fungicide in the local market; and that he could not have copied Berris' mark because he registered his packaging with the Fertilizer and Pesticide Authority (FPA) ahead of Berris; (3) Certification dated December 19, 2005<sup>[33]</sup> issued by the FPA, stating that "NS D-10 PLUS" is owned and distributed by NS Northern Organic Fertilizer, registered with the FPA since May 26, 2003, and had been in the market since July 30, 2003; (4) Certification dated October 11, 2005<sup>[34]</sup> issued by the FPA, stating that, per monitoring among dealers in Region I and in the Cordillera Administrative Region registered with its office, the Regional Officer neither encountered the fungicide with mark "D-10 80 WP" nor did the FPA provincial officers from the same area receive any report as to the presence or sale of Berris' product; (5) Certification dated March 14, 2006<sup>[35]</sup> issued by the FPA, certifying that all pesticides must be registered with the said office pursuant to Section 9<sup>[36]</sup> of Presidential Decree (P.D.) No. 1144<sup>[37]</sup> and Section 1, Article II of FPA Rules and Regulations No. 1, Series of 1977; (6) Certification dated March 16, 2006<sup>[38]</sup> issued by the FPA, certifying that the pesticide "D-10 80 WP" was registered by Berris on November 12, 2004; and (7) receipts from Sunrise Farm Supply<sup>[39]</sup> in La Trinidad, Benguet of the sale of Abyadang's goods referred to as "D-10" and "D-10+."

Based on their proffered pieces of evidence, both Berris and Abyadang claim to be the prior user of their respective marks.

We rule in favor of Berris.

Berris was able to establish that it was using its mark "D-10 80 WP" since June 20, 2002, even before it filed for its registration with the IPO on November 29, 2002, as shown by its DAU which was under oath and notarized, bearing the stamp of the Bureau of Trademarks of the IPO on April 25, 2003,<sup>[40]</sup> and which stated that it had an attachment as Annex "B" sales invoices and official receipts of goods bearing the mark. Indeed, the DAU, being a notarized document, especially when received in