

### Title:

\*\*Conrad and Company, Inc. v. Court of Appeals, Fitrite Inc., and Victoria Biscuits Co., Inc.\*\*

### Facts:

1. **Plaintiffs**:

- **Fitrite, Inc.** and **Victoria Biscuit Co., Inc.** both are domestic corporations who manufacture, sell, and distribute biscuits and cookies under the trademark "SUNSHINE."

2. **Defendant**:

- **Conrad and Company, Inc.** engages in the business of importing, selling, and distributing biscuits and cookies.

3. **Trademark Applications**:

- In April 1982, Fitrite applied for the trademark "SUNSHINE" with the Bureau of Patents, Trademarks, and Technology Transfer (BPTTT). Fitrite has been using the trademark since March 31, 1981.

- Fitrite received a Certificate of Registration on the Supplemental Register on May 20, 1983, and on the Principal Register on March 22, 1990.

4. **Trademark Assignment**:

- On June 28, 1984, Fitrite authorized Victoria Biscuit Co. to use the trademark.

- On September 7, 1990, Fitrite assigned the trademark to Victoria Biscuit Co.

5. **Discovery of Infringement**:

- In June 1990, through Raul Olaya, Conrad's Import Manager, it was discovered that Conrad had been importing biscuits with the "SUNSHINE" trademark, starting from April 18, 1988, without plaintiffs' consent.

6. **Legal Actions**:

- Plaintiffs demanded Conrad cease its activities, but the demand was ignored.

- On February 26, 1992, the RTC dismissed the plaintiffs' complaint based on grounds of *litis pendentia*, the doctrine of primary jurisdiction, and failure to state a cause of action.

- Plaintiffs' appeal to the Court of Appeals led to the RTC's decision being overturned on April 20, 1994.

### Issues:

1. **Whether the RTC erred in dismissing the complaint filed by Fitrite and Victoria Biscuit.**
2. **Whether the doctrine of primary jurisdiction should apply, given the ongoing cancellation proceedings before BPTTT.**
3. **Whether the issuance of a preliminary injunction by the Court of Appeals was warranted.**
4. **Whether litis pendentia applies due to the ongoing administrative case in BPTTT.**
5. **The interpretation of Sections 17, 22, 23, and 27 of Republic Act No. 166.**
6. **Implications of international conventions, specifically the Paris Convention, on the case.**

### ### Court's Decision:

#### 1. **Jurisdiction and Primary Jurisdiction**:

- The appellate court ruled that the RTC's blanket application of the doctrine of primary jurisdiction was erroneous as the trademark was already registered by Fitrite and the issue at hand was about infringement and not about trademark registration or cancellation.
- Thus, the RTC should have proceeded with the case rather than dismissing it.

#### 2. **Injunction**:

- Issuance of a preliminary injunction was appropriate because it was meant to protect the valid and registered trademark of Fitrite against what the court considered clear and unmistakable infringement by Conrad.

#### 3. **Litis Pendentia**:

- The CA decided that there was no litis pendentia since the causes of action were different: one being the administrative cancellation and the other being the infringement suit.

#### 4. **Paris Convention Application**:

- The CA held that the trial and appellate courts must protect the registered trademark in the Philippines pending any outcome in BPTTT proceedings, consistent with domestic law, irrespective of international claims.

### ### Doctrine:

- **Registration Presumption**: Registration in the Principal Register gives rise to a presumption favoring the registrant's ownership and exclusive right to use the mark.
- **Courts' Jurisdiction**: While administrative bodies handle technical matters such as

trademark registration, regular courts hold jurisdiction over infringement and ancillary relief actions.

- **Injunction Standards**: For injunctions, courts need to assess the clarity of the legal rights involved and urgency in avoiding material and substantial harm.

### ### Class Notes:

- **Trademark Infringement Requirements**:

1. Unauthorized use of a registered trademark.
2. Such use must be in connection with the sale or business.
3. Registrant's exclusive right to use the mark.
4. Presumption of validity through Principal Register.

- **Sections of Republic Act No. 166**:

- **Section 22**: Defines infringement.

- **Section 23**: Provides remedies including damages and injunctions.

- **Section 27**: Specifies jurisdiction of enforcement actions in regular courts.

- **International Law**: The application of national trademark laws concerning international conventions, focusing on compliance with the Paris Convention's principles on trademark protection.

### ### Historical Background:

- The case reflects the Philippine judiciary's approach to resolving conflicts between domestic trademark rights and international trademark claims, underscoring its reliance on registered local trademarks pending administrative adjudication.

- It highlights procedural frameworks surrounding intellectual property rights and the concurrent jurisdiction of administrative bodies and conventional courts.