

KEE BOC, PETITIONER, VS. THE DIRECTOR OF PATENTS AND THE FAR EASTERN SHIRT FACTORY, RESPONDENTS.

G.R. No. L-26625. August 31, 1970

Ponente: FERNANDO, J.

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FERNANDO, J.:

This petition for review would assail the validity of a decision of respondent Director of Patents granting the application of respondent Far Eastern Shirt Factory to register a trademark and dismissing the opposition of petitioner Kee Boc. The grounds relied upon are its lack of support in the substantial evidence of record and its failure to conform to the applicable law. Petitioner in pressing his opposition before respondent Director of Patents had to surmount the obstacle posed by a decision of this Court in *Asari Yoko Co. Ltd. v. Kee Boc*,^[1] which rightfully could be not ignored by respondent Director because of its relevance and pertinence. Moreover, petitioner is now faced with the extremely difficult task of showing that there was no support for the decision reached in the substantial evidence of record. He does not quite succeed. Under the circumstances, he cannot prevail.

An extended reference to the decision assailed would make apparent the difficulty that faced petitioner in seeking its reversal. Its opening paragraph reads thus: "An application to register the trademark RACE, used on men's undershirts and shirts, under class 40, was filed on April 16, 1962 by Far Eastern Shirt Factory, a partnership duly organized under Philippine Laws, with business address at 513 Nueva St., Manila. Claim of first use since the year 1949 is asserted by the applicant."^[2] Then came the portion referring to the opposition filed by now petitioner Kee Boc alleging that he would be damaged by such registration as he has in his favor a certificate of registration on the trademark SUN RAYS issued by the Philippine Patent Office on August 3, 1961 covering the same class of goods, namely, men's undershirts. It was moreover "confusingly similar" to the trademark RACE, the closeness of their identity in appearance and pronunciation being quite marked. Mention was then made in the opposition that his trademark is well-known all over the Philippines and that applicant, now respondent Far Eastern Shirt Factory, with prior knowledge thereof, deliberately designed its own mark to bring about the confusion and to take advantage of the fame, reputation and goodwill theretofore established by it at a tremendous cost through advertising and by the superior quality of its product.^[3]

After noting that the records of the case, consisting of the application, the opposition, the pleadings and the respective evidence, had been carefully considered and that the issue raised for the damage that would be caused oppositor, now petitioner Kee Boc, the appealed decision went on to state: "Upon careful evaluation of the record, I agree with the opposer that RACE and SUN RAYS are confusingly similar and I have arrived at a finding that likelihood of confusion would occur. In appearance and sound, the overall commercial impression likely to be conveyed to the public is that of a speed or running competition, as it has been found that both parties are claiming to be using in relation to their respective trademarks male runners in the act of racing. This circumstance, I believe, is sufficient to effect likelihood of confusion as to source or origin of the goods."^[4] Reference was then made to the antecedents, including our previously cited decision of *Asari Yoko Co., Ltd. v. Kee Boc*. Thus: "The

facts, however, show that on January 20, 1961 the Supreme Court promulgated a decision in G. R. No. L-14086 entitled 'Asari Yoko Co., Ltd. vs. Kee Boc, et al.,' wherein it was decided that Kee Boc who is the same party to the present case was adjudged not entitled to the registration of the trademark RACE and design as used by him on shirts and undershirts which he sought to register in this Office on August 27, 1953. In that decision the trademark was found to be owned by Asari Yoko Co., Ltd., a partnership duly organized in Japan. * * * The record also shows that Asari Yoko Ltd. executed a power of attorney in favor of Go Seng Chay, a Chinese citizen residing in Manila, authorizing the latter to sell, assign, convey, and dispose of all the rights, title and interest as well as the ownership over the trademark RACE and design (representation of 3 men running a race) including the right to register the mark in the Philippines. The record further shows that Go Seng Chay executed in favor of the Far Eastern Shirt Factory a Deed of Assignment of the mark in March, 1962. In view of the assignment, the Respondent-Applicant filed the application for registration now being opposed."[5]

This is the way respondent Director would appraise the matter before him: "Therefore, as between the two confusingly similar trademarks, RACE was already in use long before the opposer adopted his trademark SUN RAYS. In such case it is the Respondent-Applicant who would be damaged by the registration of SUN RAYS as it has acquired, as a successor in interest, proprietary rights over the mark RACE. Kee Boc's claim that he would be damaged by registration thereof will not, for the foregoing reason, prevail."[6] This is the conclusion arrived at: "The result of the foregoing pronouncements and findings would be that inasmuch as the two trademarks are confusingly similar and since it is the Respondent-Applicant who would be damaged, the trademark SUN RAYS becomes unregistrable. But notwithstanding thereof, the registration certificate of Kee Boc cannot ipso facto be ordered cancelled in this opposition proceeding, and in similar cases the filing of a petition to cancel is still necessary. The Respondent-Applicant has actually filed the said petition (Inter Partes Case No 364) which is now pending in this Office."[7] It was his decision, therefore, to dismiss the opposition of now petitioner Kee Boc and to grant the application of now respondent Far Eastern Shirt Factory.

We sustain, as noted at the outset, respondent Director of Patents.

1. In the decision now under review, respondent Director of Patents made reference to our decision in Asari Yoko Co., Ltd. v. Kee Boc.[8] In that case, now petitioner Kee Boc asserted that he first used the trademark RACE. The Director of Patents agreed with his contention, but this Court reversed the decision holding that Asari Yoko Co., Ltd. "was the first user of the trademark in question in the Philippines, [and therefore] will be damaged by the registration of the trademark in the name of [Kee Boc]." Thereafter, as noted likewise in the decision of respondent Director of Patents, a power of attorney was executed by Asari Yoko Co., Ltd. in favor of one Go Seng Chay, from whom now respondent Far Eastern Shirt Factory acquired, through a deed of assignment executed on March 2, 1962, the right to such trademark RACE, after which the present application for registration was filed. It is true that in the meanwhile, on August 3, 1961, a registration of the trademark SUN RAYS was effected by now petitioner Kee Boc, both trademarks being found to be confusingly similar. If it were not for the above background facts that would indicate the persistent and tenacious efforts on the part of petitioner Kee Boc to deprive Asari Yoko Co., Ltd., formerly, and now respondent Far Eastern Shirt Factory of whatever advantages might inhere in the use of the trademark raised, then perhaps his stand would have been impressed with a greater degree of plausibility. As it is however, considering that he was a party to a litigation where this Court had recognized the right of the predecessor-in-interest of respondent Far Eastern Shirt Factory to the use of such trademark, it would seem that under an expansive view of the principle of the law of the case, petitioner is not to be indulged insofar as his opposition would result in diluting the effectiveness of the aforesaid decision rendered by us where he himself was a party.[9]

2. The petition for certiorari was premised primarily on the decision of the Director of Patents lacking support in

the substantial evidence of record. Petitioner Kee Boc did try to make out a case of the appealed decision being thus marked by such infirmity, but his attempt does not carry enough persuasion. It was not because the brief submitted was lacking in vigor and vehemence. The inherent difficulties of the situation, however, were too much to overcome. For one thing, as above made clear, there was this previous decision rendered by us. Then, too, respondent Director of Patents saw to it that only the most relevant facts necessary to his decision were duly considered and set forth. Moreover, there was the agreement by the parties that the oral testimony would consist solely of the transcript of stenographic notes in a case then pending between the parties before the Court of First Instance of Rizal.[10]

Of the eleven errors assigned, the first two, which would predicate an injury to the rights of Kojiro Asari and Asari Yoko Co., Ltd., the winning parties in our 1961 decision, ought rather to have been asserted by them and not by petitioner against respondent Far Eastern Shirt Factory. In the absence of such complaint on their part, no further consideration is necessary to dispose of the above assignment of errors. The seventh and eighth assignment of errors which would find fault for respondent Director of Patents, for not including certain matters in the decision under review, would not impair the validity of the decision rendered, as the discretion of respondent Director to seize upon what he considered the determinative facts is not shown to have been abused. Clearly, on those facts as found by him, respondent Far Eastern Shirt Factory was entitled to a favorable verdict.

There is nothing, likewise, in the decision, as alleged in the fourth assignment of error, that respondent Far Eastern Shirt Factory was held as being entitled to sue for past infringement. The only thing decided was to give due course to the application for registration. Nor was there any sufficient showing that the other alleged errors were in fact committed; petitioner could not specify from the evidence, whether oral or documentary, properly before respondent Director of Patents for appraisal, the asserted deficiency of the decision under review.

It might be useful to single out the third assignment of error because of the allegation therein made that no mention was made of the goodwill in the deed of assignment executed by Go Seng Chay, as attorney-in-fact of Asari Yoko Co., Ltd. and respondent Far Eastern Shirt Factory. There is clearly a misapprehension. This is how such deed of assignment reads: "Be it known that for and in consideration of the sum of [Twenty thousand pesos] (P20, 000.00) and other good and valuable consideration to it in hand paid, the receipt of which is hereby acknowledged, the said Asari Yoko Co., Ltd., represented by its above-named attorney-in-fact, Mr. Go Seng Chay, by these presents, does sell, assign and transfer unto the said Far Eastern Shirt Factory, its entire right, title and interest in and to the said trademark "RACE" and Design (Representation of 3 men running a race) and the registration thereof in the Philippines Patent Office, together with the goodwill of the business in connection with which the said trademark is used." [11] It would be futile, then, to maintain, as is done in the eleventh assignment of error, that the application for registration of respondent Far Eastern Shirt Factory ought not to have been given due course.

The legal principle decisive of this controversy is set forth by us in *Lim Kiah v. The Kaynee Company*. [12] Thus: "It is well-settled that we are precluded from making such an inquiry as the finding of facts of the Director of Patents in the absence of any showing that there was a grave abuse of discretion is binding on us. As set forth by Justice Makalintal in *Chung Te v. Ng Klan Giab*: 'The rule is that the findings of fact by the Director of Patents are conclusive on the Supreme Court provided they are supported by substantial evidence.'" [13]

It is likewise the view of this Court that respondent Director of Patents should proceed to act with dispatch and resolve *Inter Partes* Case No. 364, guided by and in accordance with this decision.

WHEREFORE, the decision of the Director of Patents of March 11, 1966 is affirmed. With costs against petitioner Kee Boc.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Ruiz Castro, Teehankee, Villamor, and Makasiar, JJ., concur.

Barredo, J., did not take part.

[1] L-14086, Jan. 20, 1961, 1 SCRA 1.

[2] Decision of the Director of Patents, Appendix to Petition, pp. 19-20.

[3] Ibid., pp. 20-21.

[4] Ibid., pp. 21-22.

[5] Ibid., pp. 22-23.

[6] Ibid., p. 23.

[7] Ibid.

[8] L-14086, Jan. 20, 1961, 1 SCRA 1.

[9] Cf. Sanchez v. The Court of Industrial Relations, L-26932, March 28, 1969, 27 SCRA 490.

[10] Kee Boc v. Far Eastern Shirt Factory, Civil Case No. 7704, 7th Judicial District.

[11] Assignment of Registered Trademark, Exhibit 1.

[12] L-24802, Oct. 14, 1968, 25 SCRA 485.

[13] Ibid., p 489. The cases cited are Chung Te v. Ng Kian Giab, L-23791, Nov. 23, 1966, 18 SCRA 747 and Chua Che v. Philippines Patent Office, L-18337, Jan. 30, 1965, 13 SCRA 67.

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