PRIBHDAS J. MIRPURI, PETITIONER, VS. COURT OF APPEALS, DIRECTOR OF PATENTS AND THE BARBIZON CORPORATION, RESPONDENTS.

G.R. No. 114508. November 19, 1999

Ponente: PUNO, J.

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PUNO, J.:

The Convention of Paris for the Protection of Industrial Property is a multi-lateral treaty which the Philippines bound itself to honor and enforce in this country. As to whether or not the treaty affords protection to a foreign corporation against a Philippine applicant for the registration of a similar trademark is the principal issue in this case.

On June 15, 1970, one Lolita Escobar, the predecessor-in-interest of petitioner Pribhdas J. Mirpuri, filed an application with the Bureau of Patents for the registration of the trademark "Barbizon" for use in brassieres and ladies undergarments. Escobar alleged that she had been manufacturing and selling these products under the firm name "L & BM Commercial" since March 3, 1970.

Private respondent Barbizon Corporation, a corporation organized and doing business under the laws of New York, U.S.A., opposed the application. It claimed that:

> "The mark BARBIZON of respondent-applicant is confusingly similar to the trademark BARBIZON which opposer owns and has not abandoned.
>
> That opposer will be damaged by the registration of the mark BARBIZON and its business reputation and goodwill will suffer great and irreparable injury.
>
> That the respondent-applicant's use of the said mark BARBIZON which resembles the trademark used and owned by opposer, constitutes an unlawful appropriation of a mark previously used in the Philippines and not abandoned and therefore a statutory violation of Section 4 (d) of Republic Act No. 166, as amended."[1]

This was docketed as Inter Partes Case No. 686 (IPC No. 686). After filing of the pleadings, the parties submitted the case for decision.

On June 18, 1974, the Director of Patents rendered judgment dismissing the opposition and giving due course to Escobar's application, thus:

> "WHEREFORE, the opposition should be, as it is hereby, DISMISSED. Accordingly, Application Serial No. 19010 for the registration of the trademark BARBIZON, of respondent Lolita R. Escobar, is given due course.
>
> IT IS SO ORDERED."[2]

This decision became final and on September 11, 1974, Lolita Escobar was issued a certificate of registration for the trademark "Barbizon." The trademark was "for use in "brassieres and lady's underwear garments like panties."[3]

Escobar later assigned all her rights and interest over the trademark to petitioner Pribhdas J. Mirpuri who, under his firm name then, the "Bonito Enterprises," was the sole and exclusive distributor of Escobar's "Barbizon" products.

In 1979, however, Escobar failed to file with the Bureau of Patents the Affidavit of Use of the trademark required under Section 12 of Republic Act (R.A.) No. 166, the Philippine Trademark Law. Due to this failure, the Bureau of Patents cancelled Escobar's certificate of registration.

On May 27, 1981, Escobar reapplied for registration of the cancelled trademark. Mirpuri filed his own application for registration of Escobar's trademark. Escobar later assigned her application to herein petitioner and this application was opposed by private respondent. The case was docketed as Inter Partes Case No. 2049 (IPC No. 2049).

In its opposition, private respondent alleged that:

> "(a) The Opposer has adopted the trademark BARBIZON (word), sometime in June 1933 and has then used it on various kinds of wearing apparel. On August 14, 1934, Opposer obtained from the United States Patent Office a more recent registration of the said mark under Certificate of Registration No. 316,161. On March 1, 1949, Opposer obtained from the United States Patent Office a more recent registration for the said trademark under Certificate of Registration No. 507,214, a copy of which is herewith attached as Annex `A.' Said Certificate of Registration covers the following goods-- wearing apparel: robes, pajamas, lingerie, nightgowns and slips;
>
> (b) Sometime in March 1976, Opposer further adopted the trademark BARBIZON and Bee design and used the said mark in various kinds of wearing apparel. On March 15, 1977, Opposer secured from the United States Patent Office a registration of the said mark under Certificate of Registration No. 1,061,277, a copy of which is herein enclosed as Annex `B.' The said Certificate of Registration covers the following goods: robes, pajamas, lingerie, nightgowns and slips;
>
> (c) Still further, sometime in 1961, Opposer adopted the trademark BARBIZON and a Representation of a Woman and thereafter used the said trademark on various kinds of wearing apparel. Opposer obtained from the United States Patent Office registration of the said mark on April 5, 1983 under Certificate of Registration No. 1,233,666 for the following goods: wearing apparel: robes, pajamas, nightgowns and lingerie. A copy of the said certificate of registration is herewith enclosed as Annex `C.'
>
> (d) All the above registrations are subsisting and in force and Opposer has not abandoned the use of the said trademarks. In fact, Opposer, through a wholly-owned Philippine subsidiary, the Philippine Lingerie Corporation, has been manufacturing the goods covered by said registrations and selling them to various countries, thereby earning valuable foreign exchange for the country. As a result of respondent-applicant's misappropriation of Opposer's BARBIZON trademark, Philippine Lingerie Corporation is prevented from selling its goods in the local market, to the damage and prejudice of Opposer and its wholly-owned subsidiary.
>
> (e) The Opposer's goods bearing the trademark BARBIZON have been used in many countries, including the Philippines, for at least 40 years and has enjoyed international reputation and good will for their quality. To protect its registrations in countries where the goods covered by the registrations are being sold, Opposer has procured the registration of the trademark BARBIZON in the following countries: Australia, Austria, Abu Dhabi, Argentina, Belgium, Bolivia, Bahrain, Canada, Chile, Colombia, Denmark, Ecuador, France, West Germany, Greece, Guatemala, Hongkong, Honduras, Italy, Japan, Jordan, Lebanon, Mexico, Morocco, Panama, New Zealand, Norway, Sweden, Switzerland, Syria, El Salvador, South Africa, Zambia, Egypt, and Iran, among others;
>
> (f) To enhance its international reputation for quality goods and to further promote goodwill over its name, marks and products, Opposer has extensively advertised its products, trademarks and name in various

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> publications which are circulated in the United States and many countries around the world, including the Philippines;
>
> (g) The trademark BARBIZON was fraudulently registered in the Philippines by one Lolita R. Escobar under Registration No. 21920, issued on September 11, 1974, in violation of Article 189 (3) of the Revised Penal Code and Section 4 (d) of the Trademark Law. Herein respondent applicant acquired by assignment the `rights' to the said mark previously registered by Lolita Escobar, hence respondent-applicant's title is vitiated by the same fraud and criminal act. Besides, Certificate of Registration No. 21920 has been cancelled for failure of either Lolita Escobar or herein respondent-applicant, to seasonably file the statutory affidavit of use. By applying for a re-registration of the mark BARBIZON subject of this opposition, respondent-applicant seeks to perpetuate the fraud and criminal act committed by Lolita Escobar.
>
> (h) Opposer's BARBIZON as well as its BARBIZON and Bee Design and BARBIZON and Representation of a Woman trademarks qualify as well-known trademarks entitled to protection under Article 6bis of the Convention of Paris for the Protection of Industrial Property and further amplified by the Memorandum of the Minister of Trade to the Honorable Director of Patents dated October 25, 1983 [sic],[4] Executive Order No. 913 dated October 7, 1963 and the Memorandum of the Minister of Trade and Industry to the Honorable Director of Patents dated October 25, 1983.
>
> (i) The trademark applied for by respondent applicant is identical to Opposer's BARBIZON trademark and constitutes the dominant part of Opposer's two other marks namely, BARBIZON and Bee design and BARBIZON and a Representation of a Woman. The continued use by respondent-applicant of Opposer's trademark BARBIZON on goods belonging to Class 25 constitutes a clear case of commercial and criminal piracy and if allowed registration will violate not only the Trademark Law but also Article 189 of the Revised Penal Code and the commitment of the Philippines to an international treaty."[5]

Replying to private respondent's opposition, petitioner raised the defense of res judicata.

On March 2, 1982, Escobar assigned to petitioner the use of the business name "Barbizon International." Petitioner registered the name with the Department of Trade and Industry (DTI) for which a certificate of registration was issued in 1987.

Forthwith, private respondent filed before the Office of Legal Affairs of the DTI a petition for cancellation of petitioner's business name.

On November 26, 1991, the DTI, Office of Legal Affairs, cancelled petitioner's certificate of registration, and declared private respondent the owner and prior user of the business name "Barbizon International." Thus:

> "WHEREFORE, the petition is hereby GRANTED and petitioner is declared the owner and prior user of the business name "BARBIZON INTERNATIONAL" under Certificate of Registration No. 87-09000 dated March 10, 1987 and issued in the name of respondent, is [sic] hereby ordered revoked and cancelled. x x x."[6]

Meanwhile, in IPC No. 2049, the evidence of both parties were received by the Director of Patents. On June 18, 1992, the Director rendered a decision declaring private respondent's opposition barred by res judicata and giving due course to petitioner's application for registration, to wit:

> "WHEREFORE, the present Opposition in Inter Partes Case No. 2049 is hereby DECLARED BARRED by res judicata and is hereby DISMISSED. Accordingly, Application Serial No. 45011 for trademark BARBIZON filed by Pribhdas J. Mirpuri is GIVEN DUE COURSE.
>
> SO ORDERED."[7]

Private respondent questioned this decision before the Court of Appeals in CA-G.R. SP No. 28415. On April 30, 1993, the Court of Appeals reversed the Director of Patents finding that IPC No. 686 was not barred by judgment

in IPC No. 2049 and ordered that the case be remanded to the Bureau of Patents for further proceedings, viz:

> "WHEREFORE, the appealed Decision No. 92-13 dated June 18, 1992 of the Director of Patents in Inter Partes Case No. 2049 is hereby SET ASIDE; and the case is hereby remanded to the Bureau of Patents for further proceedings, in accordance with this pronouncement. No costs."[8]

In a Resolution dated March 16, 1994, the Court of Appeals denied reconsideration of its decision.[9] Hence, this recourse.

Before us, petitioner raises the following issues:

> "1. WHETHER OR NOT THE DECISION OF THE DIRECTOR OF PATENTS IN INTER PARTES CASE NO. 686 RENDERED ON JUNE 18, 1974, ANNEX C HEREOF, CONSTITUTED RES JUDICATA IN SO FAR AS THE CASE BEFORE THE DIRECTOR OF PATENTS IS CONCERNED;
>
> 2. WHETHER OR NOT THE DIRECTOR OF PATENTS CORRECTLY APPLIED THE PRINCIPLE OF RES JUDICATA IN DISMISSING PRIVATE RESPONDENT BARBIZON'S OPPOSITION TO PETITIONER'S APPLICATION FOR REGISTRATION FOR THE TRADEMARK BARBIZON, WHICH HAS SINCE RIPENED TO CERTIFICATE OF REGISTRATION NO. 53920 ON NOVEMBER 16, 1992;
>
> 3. WHETHER OR NOT THE REQUISITE THAT A 'JUDGMENT ON THE MERITS' REQUIRED A 'HEARING WHERE BOTH PARTIES ARE SUPPOSED TO ADDUCE EVIDENCE' AND WHETHER THE JOINT SUBMISSION OF THE PARTIES TO A CASE ON THE BASIS OF THEIR RESPECTIVE PLEADINGS WITHOUT PRESENTING TESTIMONIAL OR DOCUMENTARY EVIDENCE FALLS WITHIN THE MEANING OF 'JUDGMENT ON THE MERITS' AS ONE OF THE REQUISITES TO CONSTITUTE RES JUDICATA;
>
> 4. WHETHER A DECISION OF THE DEPARTMENT OF TRADE AND INDUSTRY CANCELLING PETITIONER'S FIRM NAME 'BARBIZON INTERNATIONAL' AND WHICH DECISION IS STILL PENDING RECONSIDERATION NEVER OFFERED IN EVIDENCE BEFORE THE DIRECTOR OF PATENTS IN INTER PARTES CASE NO. 2049 HAS THE RIGHT TO DECIDE SUCH CANCELLATION NOT ON THE BASIS OF THE BUSINESS NAME LAW (AS IMPLEMENTED BY THE BUREAU OF DOMESTIC TRADE) BUT ON THE BASIS OF THE PARIS CONVENTION AND THE TRADEMARK LAW (R.A. 166) WHICH IS WITHIN THE ORIGINAL AND EXCLUSIVE JURISDICTION OF THE DIRECTOR OF PATENTS."[10]

Before ruling on the issues of the case, there is need for a brief background on the function and historical development of trademarks and trademark law.

A "trademark" is defined under R.A. 166, the Trademark Law, as including "any word, name, symbol, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others."[11] This definition has been simplified in R.A. No. 8293, the Intellectual Property Code of the Philippines, which defines a "trademark" as "any visible sign capable of distinguishing goods."[12] In Philippine jurisprudence, the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.[13]

Modern authorities on trademark law view trademarks as performing three distinct functions: (1) they indicate origin or ownership of the articles to which they are attached; (2) they guarantee that those articles come up to a certain standard of quality; and (3) they advertise the articles they symbolize.[14]

Symbols have been used to identify the ownership or origin of articles for several centuries.[15] As early as 5,000 B.C., markings on pottery have been found by archaeologists. Cave drawings in southwestern Europe show bison with symbols on their flanks.[16] Archaeological discoveries of ancient Greek and Roman inscriptions on sculptural works, paintings, vases, precious stones, glassworks, bricks, etc. reveal some features which are thought to be marks or symbols. These marks were affixed by the creator or maker of the article, or by public authorities as indicators for the payment of tax, for disclosing state monopoly, or devices for the settlement of accounts between an entrepreneur and his workmen.[17]

In the Middle Ages, the use of many kinds of marks on a variety of goods was commonplace. Fifteenth century England saw the compulsory use of identifying marks in certain trades. There were the baker's mark on bread, bottlemaker's marks, smith's marks, tanner's marks, watermarks on paper, etc.[18] Every guild had its own mark and every master belonging to it had a special mark of his own. The marks were not trademarks but police marks compulsorily imposed by the sovereign to let the public know that the goods were not "foreign" goods smuggled into an area where the guild had a monopoly, as well as to aid in tracing defective work or poor craftsmanship to the artisan.[19] For a similar reason, merchants also used merchants' marks. Merchants dealt in goods acquired from many sources and the marks enabled them to identify and reclaim their goods upon recovery after shipwreck or piracy.[20]

With constant use, the mark acquired popularity and became voluntarily adopted. It was not intended to create or continue monopoly but to give the customer an index or guarantee of quality.[21] It was in the late 18th century when the industrial revolution gave rise to mass production and distribution of consumer goods that the mark became an important instrumentality of trade and commerce.[22] By this time, trademarks did not merely identify the goods; they also indicated the goods to be of satisfactory quality, and thereby stimulated further purchases by the consuming public.[23] Eventually, they came to symbolize the goodwill and business reputation of the owner of the product and became a property right protected by law.[24] The common law developed the doctrine of trademarks and tradenames "to prevent a person from palming off his goods as another's, from getting another's business or injuring his reputation by unfair means, and, from defrauding the public."[25] Subsequently, England and the United States enacted national legislation on trademarks as part of the law regulating unfair trade.[26] It became the right of the trademark owner to exclude others from the use of his mark, or of a confusingly similar mark where confusion resulted in diversion of trade or financial injury. At the same time, the trademark served as a warning against the imitation or faking of products to prevent the imposition of fraud upon the public.[27]

Today, the trademark is not merely a symbol of origin and goodwill; it is often the most effective agent for the actual creation and protection of goodwill. It imprints upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfaction. In other words, the mark actually sells the goods.[28] The mark has become the "silent salesman," the conduit through which direct contact between the trademark owner and the consumer is assured. It has invaded popular culture in ways never anticipated that it has become a more convincing selling point than even the quality of the article to which it refers.[29] In the last half century, the unparalleled growth of industry and the rapid development of communications technology have enabled trademarks, tradenames and other distinctive signs of a product to penetrate regions where the owner does not actually manufacture or sell the product itself. Goodwill is no longer confined to the territory of actual market penetration; it extends to zones where the marked article has been fixed in the public mind through advertising.[30] Whether in the print, broadcast or electronic communications medium, particularly on the Internet,[31] advertising has paved the way for growth and expansion of the product by creating and earning a reputation that crosses over borders, virtually turning the whole world into one vast marketplace.

This is the mise-en-scene of the present controversy. Petitioner brings this action claiming that "Barbizon"

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products have been sold in the Philippines since 1970. Petitioner developed this market by working long hours and spending considerable sums of money on advertisements and promotion of the trademark and its products. Now, almost thirty years later, private respondent, a foreign corporation, "swaggers into the country like a conquering hero," usurps the trademark and invades petitioner's market.[32] Justice and fairness dictate that private respondent be prevented from appropriating what is not its own. Legally, at the same time, private respondent is barred from questioning petitioner's ownership of the trademark because of res judicata.[33]

Literally, res judicata means a matter adjudged, a thing judicially acted upon or decided; a thing or matter settled by judgment.[34] In res judicata, the judgment in the first action is considered conclusive as to every matter offered and received therein, as to any other admissible matter which might have been offered for that purpose, and all other matters that could have been adjudged therein.[35] Res judicata is an absolute bar to a subsequent action for the same cause; and its requisites are: (a) the former judgment or order must be final; (b) the judgment or order must be one on the merits; (c) it must have been rendered by a court having jurisdiction over the subject matter and parties; (d) there must be between the first and second actions, identity of parties, of subject matter and of causes of action.[36]

The Solicitor General, on behalf of respondent Director of Patents, has joined cause with petitioner. Both claim that all the four elements of res judicata have been complied with: that the judgment in IPC No. 686 was final and was rendered by the Director of Patents who had jurisdiction over the subject matter and parties; that the judgment in IPC No. 686 was on the merits; and that the lack of a hearing was immaterial because substantial issues were raised by the parties and passed upon by the Director of Patents.[37]

The decision in IPC No. 686 reads as follows:

> "x x x.
>
> Neither party took testimony nor adduced documentary evidence. They submitted the case for decision based on the pleadings which, together with the pertinent records, have all been carefully considered.
>
> Accordingly, the only issue for my disposition is whether or not the herein opposer would probably be damaged by the registration of the trademark BARBIZON sought by the respondent-applicant on the ground that it so resembles the trademark BARBIZON allegedly used and owned by the former to be `likely to cause confusion, mistake or to deceive purchasers.'
>
> On record, there can be no doubt that respondent-applicant's sought-to-be-registered trademark BARBIZON is similar, in fact obviously identical, to opposer's alleged trademark BARBIZON, in spelling and pronunciation. The only appreciable but very negligible difference lies in their respective appearances or manner of presentation. Respondent-applicant's trademark is in bold letters (set against a black background), while that of the opposer is offered in stylish script letters.
>
> It is opposer's assertion that its trademark BARBIZON has been used in trade or commerce in the Philippines prior to the date of application for the registration of the identical mark BARBIZON by the respondent-applicant. However, the allegation of facts in opposer's verified notice of opposition is devoid of such material information. In fact, a reading of the text of said verified opposition reveals an apparent, if not deliberate, omission of the date (or year) when opposer's alleged trademark BARBIZON was first used in trade in the Philippines (see par. No. 1, p. 2, Verified Notice of Opposition, Rec.). Thus, it cannot here and now be ascertained whether opposer's alleged use of the trademark BARBIZON could be prior to the use of the identical mark by the herein respondent-applicant, since the opposer attempted neither to substantiate its claim of use in local commerce with any proof or evidence. Instead, the opposer submitted the case for decision based merely on the pleadings.
>
> On the other hand, respondent-applicant asserted in her amended application for registration that she first used

> the trademark BARBIZON for brassiere (or 'brasseire') and ladies underwear garments and panties as early as March 3, 1970. Be that as it may, there being no testimony taken as to said date of first use, respondent-applicant will be limited to the filing date, June 15, 1970, of her application as the date of first use (Rule 173, Rules of Practice in Trademark Cases).
>
> From the foregoing, I conclude that the opposer has not made out a case of probable damage by the registration of the respondent-applicant's mark BARBIZON.
>
> WHEREFORE, the opposition should be, as it is hereby, DISMISSED. Accordingly, Application Serial No. 19010, for the registration of the trademark BARBIZON of respondent Lolita R. Escobar, is given due course."[38]

The decision in IPC No. 686 was a judgment on the merits and it was error for the Court of Appeals to rule that it was not. A judgment is on the merits when it determines the rights and liabilities of the parties based on the disclosed facts, irrespective of formal, technical or dilatory objections.[39] It is not necessary that a trial should have been conducted. If the court's judgment is general, and not based on any technical defect or objection, and the parties had a full legal opportunity to be heard on their respective claims and contentions, it is on the merits although there was no actual hearing or arguments on the facts of the case.[40] In the case at bar, the Director of Patents did not dismiss private respondent's opposition on a sheer technicality. Although no hearing was conducted, both parties filed their respective pleadings and were given opportunity to present evidence. They, however, waived their right to do so and submitted the case for decision based on their pleadings. The lack of evidence did not deter the Director of Patents from ruling on the case, particularly on the issue of prior use, which goes into the very substance of the relief sought by the parties. Since private respondent failed to prove prior use of its trademark, Escobar's claim of first use was upheld.

The judgment in IPC No. 686 being on the merits, petitioner and the Solicitor General allege that IPC No. 686 and IPC No. 2049 also comply with the fourth requisite of res judicata, i.e., they involve the same parties and the same subject matter, and have identical causes of action.

Undisputedly, IPC No. 686 and IPC No. 2049 involve the same parties and the same subject matter. Petitioner herein is the assignee of Escobar while private respondent is the same American corporation in the first case. The subject matter of both cases is the trademark "Barbizon." Private respondent counter-argues, however, that the two cases do not have identical causes of action. New causes of action were allegedly introduced in IPC No. 2049, such as the prior use and registration of the trademark in the United States and other countries worldwide, prior use in the Philippines, and the fraudulent registration of the mark in violation of Article 189 of the Revised Penal Code. Private respondent also cited protection of the trademark under the Convention of Paris for the Protection of Industrial Property, specifically Article 6bis thereof, and the implementation of Article 6bis by two Memoranda dated November 20, 1980 and October 25, 1983 of the Minister of Trade and Industry to the Director of Patents, as well as Executive Order (E.O.) No. 913.

The Convention of Paris for the Protection of Industrial Property, otherwise known as the Paris Convention, is a multilateral treaty that seeks to protect industrial property consisting of patents, utility models, industrial designs, trademarks, service marks, trade names and indications of source or appellations of origin, and at the same time aims to repress unfair competition.[41] The Convention is essentially a compact among various countries which, as members of the Union, have pledged to accord to citizens of the other member countries trademark and other rights comparable to those accorded their own citizens by their domestic laws for an effective protection against unfair competition.[42] In short, foreign nationals are to be given the same treatment in each of the member countries as that country makes available to its own citizens.[43] Nationals of the various member nations are thus assured of a certain minimum of international protection of their industrial property.[44]

The Convention was first signed by eleven countries in Paris on March 20, 1883.[45] It underwent several revisions-- at Brussels in 1900, at Washington in 1911, at The Hague in 1925, at London in 1934, at Lisbon in 1958,[46] and at Stockholm in 1967. Both the Philippines and the United States of America, herein private respondent's country, are signatories to the Convention. The United States acceded on May 30, 1887 while the Philippines, through its Senate, concurred on May 10, 1965.[47] The Philippines' adhesion became effective on September 27, 1965,[48] and from this date, the country obligated itself to honor and enforce the provisions of the Convention.[49]

In the case at bar, private respondent anchors its cause of action on the first paragraph of Article 6bis of the Paris Convention which reads as follows:

"Article 6bis

> (1) The countries of the Union undertake, either administratively if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.
>
> (2) A period of at least five years from the date of registration shall be allowed for seeking the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be sought.
>
> (3) No time limit shall be fixed for seeking the cancellation or the prohibition of the use of marks registered or used in bad faith."[50]

This Article governs protection of well-known trademarks. Under the first paragraph, each country of the Union bound itself to undertake to refuse or cancel the registration, and prohibit the use of a trademark which is a reproduction, imitation or translation, or any essential part of which trademark constitutes a reproduction, liable to create confusion, of a mark considered by the competent authority of the country where protection is sought, to be well-known in the country as being already the mark of a person entitled to the benefits of the Convention, and used for identical or similar goods.

Article 6bis was first introduced at The Hague in 1925 and amended in Lisbon in 1952.[51] It is a self-executing provision and does not require legislative enactment to give it effect in the member country.[52] It may be applied directly by the tribunals and officials of each member country by the mere publication or proclamation of the Convention, after its ratification according to the public law of each state and the order for its execution.[53]

The essential requirement under Article 6bis is that the trademark to be protected must be "well-known" in the country where protection is sought. The power to determine whether a trademark is well-known lies in the "competent authority of the country of registration or use." This competent authority would be either the registering authority if it has the power to decide this, or the courts of the country in question if the issue comes before a court.[54]

Pursuant to Article 6bis, on November 20, 1980, then Minister Luis Villafuerte of the Ministry of Trade issued a Memorandum to the Director of Patents. The Minister ordered the Director that:

> "Pursuant to the Paris Convention for the Protection of Industrial Property to which the Philippines is a signatory, you are hereby directed to reject all pending applications for Philippine registration of signature and other world-famous trademarks by applicants other than its original owners or users.

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> The conflicting claims over internationally known trademarks involve such name brands as Lacoste, Jordache, Vanderbilt, Sasson, Fila, Pierre Cardin, Gucci, Christian Dior, Oscar de la Renta, Calvin Klein, Givenchy, Ralph Lauren, Geoffrey Beene, Lanvin and Ted Lapidus.
>
> It is further directed that, in cases where warranted, Philippine registrants of such trademarks should be asked to surrender their certificates of registration, if any, to avoid suits for damages and other legal action by the trademarks' foreign or local owners or original users.
>
> You are also required to submit to the undersigned a progress report on the matter.
>
> For immediate compliance."[55]

Three years later, on October 25, 1983, then Minister Roberto Ongpin issued another Memorandum to the Director of Patents, viz:

> "Pursuant to Executive Order No. 913 dated 7 October 1983 which strengthens the rule-making and adjudicatory powers of the Minister of Trade and Industry and provides inter alia, that `such rule-making and adjudicatory powers should be revitalized in order that the Minister of Trade and Industry can x x x apply more swift and effective solutions and remedies to old and new problems x x x such as infringement of internationally-known tradenames and trademarks x x x' and in view of the decision of the Intermediate Appellate Court in the case of LA CHEMISE LACOSTE, S.A., versus RAM SADWHANI [AC-G.R. SP NO. 13359 (17) June 1983][56] which affirms the validity of the MEMORANDUM of then Minister Luis R. Villafuerte dated 20 November 1980 confirming our obligations under the PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY to which the Republic of the Philippines is a signatory, you are hereby directed to implement measures necessary to effect compliance with our obligations under said Convention in general, and, more specifically, to honor our commitment under Section 6bis[57].thereof, as follows:
>
> 1. Whether the trademark under consideration is well-known in the Philippines or is a mark already belonging to a person entitled to the benefits of the CONVENTION, this should be established, pursuant to Philippine Patent Office procedures in inter partes and ex parte cases, according to any of the following criteria or any combination thereof:
>
> (a) a declaration by the Minister of Trade and Industry that the trademark being considered is already well-known in the Philippines such that permission for its use by other than its original owner will constitute a reproduction, imitation, translation or other infringement;
>
> (b) that the trademark is used in commerce internationally, supported by proof that goods bearing the trademark are sold on an international scale, advertisements, the establishment of factories, sales offices, distributorships, and the like, in different countries, including volume or other measure of international trade and commerce;
>
> (c) that the trademark is duly registered in the industrial property office(s) of another country or countries, taking into consideration the date of such registration;
>
> (d) that the trademark has long been established and obtained goodwill and international consumer recognition as belonging to one owner or source;
>
> (e) that the trademark actually belongs to a party claiming ownership and has the right to registration under the provisions of the aforestated PARIS CONVENTION.

2. The word trademark, as used in this MEMORANDUM, shall include tradenames, service marks, logos, signs, emblems, insignia or other similar devices used for identification and recognition by consumers.

3. The Philippine Patent Office shall refuse all applications for, or cancel the registration of, trademarks which

constitute a reproduction, translation or imitation of a trademark owned by a person, natural or corporate, who is a citizen of a country signatory to the PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY.

4. The Philippine Patent Office shall give due course to the Opposition in cases already or hereafter filed against the registration of trademarks entitled to protection of Section 6 bis of said PARIS CONVENTION as outlined above, by remanding applications filed by one not entitled to such protection for final disallowance by the Examination Division.

5. All pending applications for Philippine registration of signature and other world-famous trademarks filed by applicants other than their original owners or users shall be rejected forthwith. Where such applicants have already obtained registration contrary to the abovementioned PARIS CONVENTION and/or Philippine Law, they shall be directed to surrender their Certificates of Registration to the Philippine Patent Office for immediate cancellation proceedings.

x x x."[58]

In the Villafuerte Memorandum, the Minister of Trade instructed the Director of Patents to reject all pending applications for Philippine registration of signature and other world-famous trademarks by applicants other than their original owners or users. The Minister enumerated several internationally-known trademarks and ordered the Director of Patents to require Philippine registrants of such marks to surrender their certificates of registration.

In the Ongpin Memorandum, the Minister of Trade and Industry did not enumerate well-known trademarks but laid down guidelines for the Director of Patents to observe in determining whether a trademark is entitled to protection as a well-known mark in the Philippines under Article 6bis of the Paris Convention. This was to be established through Philippine Patent Office procedures in inter partes and ex parte cases pursuant to the criteria enumerated therein. The Philippine Patent Office was ordered to refuse applications for, or cancel the registration of, trademarks which constitute a reproduction, translation or imitation of a trademark owned by a person who is a citizen of a member of the Union. All pending applications for registration of world-famous trademarks by persons other than their original owners were to be rejected forthwith. The Ongpin Memorandum was issued pursuant to Executive Order No. 913 dated October 7, 1983 of then President Marcos which strengthened the rule-making and adjudicatory powers of the Minister of Trade and Industry for the effective protection of consumers and the application of swift solutions to problems in trade and industry.[59]

Both the Villafuerte and Ongpin Memoranda were sustained by the Supreme Court in the 1984 landmark case of La Chemise Lacoste, S.A. v. Fernandez.[60] This court ruled therein that under the provisions of Article 6bis of the Paris Convention, the Minister of Trade and Industry was the "competent authority" to determine whether a trademark is well-known in this country.[61]

The Villafuerte Memorandum was issued in 1980, i.e., fifteen (15) years after the adoption of the Paris Convention in 1965. In the case at bar, the first inter partes case, IPC No. 686, was filed in 1970, before the Villafuerte Memorandum but five (5) years after the effectivity of the Paris Convention. Article 6bis was already in effect five years before the first case was instituted. Private respondent, however, did not cite the protection of Article 6bis, neither did it mention the Paris Convention at all. It was only in 1981 when IPC No. 2049 was instituted that the Paris Convention and the Villafuerte Memorandum, and, during the pendency of the case, the 1983 Ongpin Memorandum were invoked by private respondent.

The Solicitor General argues that the issue of whether the protection of Article 6bis of the Convention and the two Memoranda is barred by res judicata has already been answered in Wolverine Worldwide, Inc. v. Court of

Appeals.[62] In this case, petitioner Wolverine, a foreign corporation, filed with the Philippine Patent Office a petition for cancellation of the registration certificate of private respondent, a Filipino citizen, for the trademark "Hush Puppies" and "Dog Device." Petitioner alleged that it was the registrant of the internationally-known trademark in the United States and other countries, and cited protection under the Paris Convention and the Ongpin Memorandum. The petition was dismissed by the Patent Office on the ground of res judicata. It was found that in 1973 petitioner's predecessor-in-interest filed two petitions for cancellation of the same trademark against respondent's predecessor-in-interest. The Patent Office dismissed the petitions, ordered the cancellation of registration of petitioner's trademark, and gave due course to respondent's application for registration. This decision was sustained by the Court of Appeals, which decision was not elevated to us and became final and executory.[63]

Wolverine claimed that while its previous petitions were filed under R.A. No. 166, the Trademark Law, its subsequent petition was based on a new cause of action, i.e., the Ongpin Memorandum and E.O. No. 913 issued in 1983, after finality of the previous decision. We held that the said Memorandum and E.O. did not grant a new cause of action because it did "not amend the Trademark Law," x x x "nor did it indicate a new policy with respect to the registration in the Philippines of world-famous trademarks."[64] This conclusion was based on the finding that Wolverine's two previous petitions and subsequent petition dealt with the same issue of ownership of the trademark.[65] In other words, since the first and second cases involved the same issue of ownership, then the first case was a bar to the second case.

In the instant case, the issue of ownership of the trademark "Barbizon" was not raised in IPC No. 686. Private respondent's opposition therein was merely anchored on:

> (a) "confusing similarity" of its trademark with that of Escobar's;
>
> (b) that the registration of Escobar's similar trademark will cause damage to private respondent's business reputation and goodwill; and
>
> (c) that Escobar's use of the trademark amounts to an unlawful appropriation of a mark previously used in the Philippines which act is penalized under Section 4 (d) of the Trademark Law.

In IPC No. 2049, private respondent's opposition set forth several issues summarized as follows:

> (a) as early as 1933, it adopted the word "BARBIZON" as trademark on its products such as robes, pajamas, lingerie, nightgowns and slips;
>
> (b) that the trademark "BARBIZON" was registered with the United States Patent Office in 1934 and 1949; and that variations of the same trademark, i.e., "BARBIZON" with Bee design and "BARBIZON" with the representation of a woman were also registered with the U.S. Patent Office in 1961 and 1976;
>
> (c) that these marks have been in use in the Philippines and in many countries all over the world for over forty years. "Barbizon" products have been advertised in international publications and the marks registered in 36 countries worldwide;
>
> (d) Escobar's registration of the similar trademark "BARBIZON" in 1974 was based on fraud; and this fraudulent registration was cancelled in 1979, stripping Escobar of whatsoever right she had to the said mark;
>
> (e) Private respondent's trademark is entitled to protection as a well-known mark under Article 6bis of the Paris Convention, Executive Order No. 913, and the two Memoranda dated November 20, 1980 and October 25, 1983 of the Minister of Trade and Industry to the Director of Patents;
>
> (f) Escobar's trademark is identical to private respondent's and its use on the same class of goods as the latter's amounts to a violation of the Trademark Law and Article 189 of the Revised Penal Code.

IPC No. 2049 raised the issue of ownership of the trademark, the first registration and use of the trademark in the United States and other countries, and the international recognition and reputation of the trademark established by extensive use and advertisement of private respondent's products for over forty years here and abroad. These are different from the issues of confusing similarity and damage in IPC No. 686. The issue of prior use may have been raised in IPC No. 686 but this claim was limited to prior use in the Philippines only. Prior use in IPC No. 2049 stems from private respondent's claim as originator of the word and symbol "Barbizon,"[66] as the first and registered user of the mark attached to its products which have been sold and advertised worldwide for a considerable number of years prior to petitioner's first application for registration of her trademark in the Philippines. Indeed, these are substantial allegations that raised new issues and necessarily gave private respondent a new cause of action. Res judicata does not apply to rights, claims or demands, although growing out of the same subject matter, which constitute separate or distinct causes of action and were not put in issue in the former action.[67]

Respondent corporation also introduced in the second case a fact that did not exist at the time the first case was filed and terminated. The cancellation of petitioner's certificate of registration for failure to file the affidavit of use arose only after IPC No. 686. It did not and could not have occurred in the first case, and this gave respondent another cause to oppose the second application. Res judicata extends only to facts and conditions as they existed at the time judgment was rendered and to the legal rights and relations of the parties fixed by the facts so determined.[68] When new facts or conditions intervene before the second suit, furnishing a new basis for the claims and defenses of the parties, the issues are no longer the same, and the former judgment cannot be pleaded as a bar to the subsequent action.[69]

It is also noted that the oppositions in the first and second cases are based on different laws. The opposition in IPC No. 686 was based on specific provisions of the Trademark Law, i.e., Section 4 (d)[70] on confusing similarity of trademarks and Section 8[71] on the requisite damage to file an opposition to a petition for registration. The opposition in IPC No. 2049 invoked the Paris Convention, particularly Article 6bis thereof, E.O. No. 913 and the two Memoranda of the Minister of Trade and Industry. This opposition also invoked Article 189 of the Revised Penal Code which is a statute totally different from the Trademark Law.[72] Causes of action which are distinct and independent from each other, although arising out of the same contract, transaction, or state of facts, may be sued on separately, recovery on one being no bar to subsequent actions on others.[73] The mere fact that the same relief is sought in the subsequent action will not render the judgment in the prior action operative as res judicata, such as where the two actions are based on different statutes.[74] Res judicata therefore does not apply to the instant case and respondent Court of Appeals did not err in so ruling.

Intellectual and industrial property rights cases are not simple property cases. Trademarks deal with the psychological function of symbols and the effect of these symbols on the public at large.[75] Trademarks play a significant role in communication, commerce and trade, and serve valuable and interrelated business functions, both nationally and internationally. For this reason, all agreements concerning industrial property, like those on trademarks and tradenames, are intimately connected with economic development.[76] Industrial property encourages investments in new ideas and inventions and stimulates creative efforts for the satisfaction of human needs. They speed up transfer of technology and industrialization, and thereby bring about social and economic progress.[77] These advantages have been acknowledged by the Philippine government itself. The Intellectual Property Code of the Philippines declares that "an effective intellectual and industrial property system is vital to the development of domestic and creative activity, facilitates transfer of technology, it attracts foreign investments, and ensures market access for our products."[78] The Intellectual Property Code took effect on January 1, 1998 and by its express provision,[79] repealed the Trademark Law,[80] the Patent Law,[81] Articles 188 and 189 of the Revised Penal Code, the Decree on Intellectual Property,[82] and the Decree on Compulsory

Reprinting of Foreign Textbooks.[83] The Code was enacted to strengthen the intellectual and industrial property system in the Philippines as mandated by the country's accession to the Agreement Establishing the World Trade Organization (WTO).[84]

The WTO is a common institutional framework for the conduct of trade relations among its members in matters related to the multilateral and plurilateral trade agreements annexed to the WTO Agreement.[85] The WTO framework ensures a "single undertaking approach" to the administration and operation of all agreements and arrangements attached to the WTO Agreement. Among those annexed is the Agreement on Trade-Related Aspects of Intellectual Property Rights or TRIPs.[86] Members to this Agreement "desire to reduce distortions and impediments to international trade, taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade." To fulfill these objectives, the members have agreed to adhere to minimum standards of protection set by several Conventions.[87] These Conventions are: the Berne Convention for the Protection of Literary and Artistic Works (1971), the Rome Convention or the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, the Treaty on Intellectual Property in Respect of Integrated Circuits, and the Paris Convention (1967), as revised in Stockholm on July 14, 1967.[88]

A major proportion of international trade depends on the protection of intellectual property rights.[89] Since the late 1970's, the unauthorized counterfeiting of industrial property and trademarked products has had a considerable adverse impact on domestic and international trade revenues.[90] The TRIPs Agreement seeks to grant adequate protection of intellectual property rights by creating a favorable economic environment to encourage the inflow of foreign investments, and strengthening the multi-lateral trading system to bring about economic, cultural and technological independence.[91] The Philippines and the United States of America have acceded to the WTO Agreement. This Agreement has revolutionized international business and economic relations among states, and has propelled the world towards trade liberalization and economic globalization.[92] Protectionism and isolationism belong to the past. Trade is no longer confined to a bilateral system. There is now "a new era of global economic cooperation, reflecting the widespread desire to operate in a fairer and more open multilateral trading system."[93] Conformably, the State must reaffirm its commitment to the global community and take part in evolving a new international economic order at the dawn of the new millenium.

IN VIEW WHEREOF, the petition is denied and the Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 28415 are affirmed.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Kapunan, Pardo, and Ynares-Santiago, JJ., concur.

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[1] Decision No. 804 dated June 18, 1974 of the Director of Patents, Rollo, p. 36.

[2] Rollo, p. 38.

[3] Certificate of Registration No. 21920, Annex "E" to Memorandum of Petitioner, Rollo, p. 211.

[4] The Memorandum of the Minister of Trade to the Honorable Director of Patents should have been dated 20 November 1980-- Memorandum of the Private Respondent, p. 11, Rollo, p. 227.

[5] Comment of the Solicitor General, pp. 5-8, Rollo, pp. 116-119.

[6] CA Decision, p. 4, Rollo, p. 27.

[7] Id.

[8] CA Decision, p. 31. The decision was penned by Justice Fidel Purisima, now a member of this Court, and concurred in by Justices Jesus M. Elbinias and Angelina S. Gutierrez.

[9] Rollo, pp. 34-35.

[10] Petitioner, pp. 5-6, Rollo, pp. 11-12.

[11] Sec. 38, par. 2, R.A. 166.

[12] Sec. 121.1, Part III, R.A. 8293.

[13] Gabriel v.Perez, 55 SCRA 406, 417 [1974] citing 52 Am Jur, p. 508; Etepha v.Director of Patents, 16 SCRA 495, 497 [1966]; see also Phil. Refining Co., Inc. v.Ng Sam, 115 SCRA 472, 476-477 [1982]; also cited in Agpalo, Trademark Law and Practice in the Philippines, p. 5 [1990].

[14] Dissenting Opinion of Justice Florentino Feliciano in Philip Morris, Inc. v.Court of Appeals, 224 SCRA 576, 624 [1993]; see William Jay Gross, The Territorial Scope of Trademark Rights, Univ.of Miami Law Review, vol 44:1075 [March 1990]; see also Rudolf Callmann, The Law of Unfair Competition and Trademarks, vol. 2, pp. 804-814 [1945].

[15] Harry D. Nims, The Law of Unfair Competition and Trademarks, 4th ed., pub. by Baker, Voorhis & Co., Inc., vol. 1, p. 509 [1947].

[16] Frank H. Foster and Robert L. Shook, Patents, Copyrights, and Trademarks, pub. by John Wiley & Sons, Inc., 2d ed. p. 19 [1993].1

[17] Stephen P. Ladas, Patents, Trademarks, and Related Rights, National and International Protection (Harvard University Press), vol. 1, pp. 3-4 [1975].

[18] Foster and Shook, supra, at 20.

[19] Id., at 20-21; Ladas, supra, vol. 1, at 4-5; see Frank I. Schechter, The Rational Basis of Trademark Protection, 40 Harvard Law Review, 813, 814 [1927]; Callmann, supra, vol. 2, p. 807; see also Richard Wincor and Irving Mandell, Copyright, Patents and Trademarks: The Protection of Intellectual and Industrial Property, at 72 [1980].

[20] Foster and Shook, supra, at 20; Schechter, supra, at 814.

[21] Callmann, supra, vol. 2, at 808.

[22] Foster and Shook, supra, at 22-23; Nims, supra, at 511.

[23] Callmann, supra, vol. 2, at 809-910.

[24] Foster and Shook, supra, at 21-22.

[25] Justice Holmes in Chadwick v.Covell, 151 Man 190, 23 NE 1068, 1069 [1890]
; also cited in Nims, supra, at 37.

[26] Ladas, supra, vol. 1, at 8.

[27] See also Dissenting Opinion of Justice Feliciano in Philip Morris, supra, at 624-625.

[28] Schechter, supra. Trademarks have become products in their own right, valued as status symbols and indicators of the preferences and aspirations of those who use them - Alex Kozinski, Trademarks Unplugged,

New York University Law Review, vol. 68: 960, 965-966 [Oct. 1993].

[29] Kozinski, supra, at 965-966; Callmann, supra, vol. 2, at 881-812 [1945], citing Schechter, The Historical Foundations of the Law Relating to Trademarks [1925], Note 15, p. 64.

[30] Gross, supra, at 1099-1100; see also Dissenting opinion of Justice Feliciano in Philip Morris, supra, at 625-626.

[31] The Internet is a decentralized computer network linked together through routers and communications protocols that enable anyone connected to it to communicate with others likewise connected, regardless of physical location. Users of the Internet have a wide variety of communication methods available to them and a tremendous wealth of information that they may access. The growing popularity of the Net has been driven in large part by the World Wide Web, i.e., a system that facilitates use of the Net by sorting through the great mass of information available on it. Advertising on the Net and cybershopping are turning the Internet into a commercial marketplace.-- Maureen O'Rourke, Fencing Cyberspace: Drawing Borders in a Virtual World, Minnesota Law Review, vol. 82: 609-611, 615-618 [Feb. 1998].

[32] Petition, pp. 9-10, Rollo, pp. 15-16.

[33] Id.

[34] 46 Am Jur 2d, "Judgments," Sec. 394 [1969 ed.].

[35] Section 49 (b), Rule 39 of the Revised Rules of Court-- now Section 47 (b), Rule 39 of the 1997 Rules of Civil Procedure; Gabuya v.Layug, 250 SCRA 218, 221 [1995]; Vda. de Cruzo v. Carriaga, Jr., 174 SCRA 330, 338 [1989].

[36] De Knecht v.Court of Appeals, 290 SCRA 223, 237-238 [1998]; De Ramos v.Court of Appeals, 213 SCRA 207, 214-215 [1992]; American Inter-Fashion Corp. v.Office of the President, 197 SCRA 409, 417 [1991]; Wolverine Worldwide, Inc. v.Court of Appeals, 169 SCRA 627, 630 [1989].

[37] Petition, pp. 8-10, Rollo, pp. 14-16; Comment of the Solicitor General, pp. 15-19, Rollo, pp. 126-130.

[38] Rollo, pp. 37-38.

[39] Mendiola v.Court of Appeals, 258 SCRA 492, 500 [1996].

[40] Mendiola v.Court of Appeals, supra, at 500-501; Nabus v.Court of Appeals, 193 SCRA 732, 740 [1991] citing 50 C.J.S. 51-53.

[41] Article 1, Paris Convention, 61 O.G. 8010 [1965].

[42] R. Agpalo, Trademark Law and Practice in the Philippines, p. 200 [1990].

[43] Agpalo, supra, at 200-201.

[44] Rudolf Callmann, The Law of Unfair Competition and Trade-Marks, vol. 2, p. 1723 [1945].

[45] Belgium, Brazil, France, Guatemala, Italy, the Netherlands, Portugal, Salvador, Serbia, Spain and Switzerland.

[46] 61 O.G. 8011.

[47] Note 18, Dissenting Opinion of Justice Florentino Feliciano in Philip Morris, Inc. v.Court of Appeals, 224 SCRA 599, 615 [1993]. The President of the Philippines signed the instrument of adherence on July 21, 1965-- Agpalo, supra, at 201.

[48] Id; see also Note 9, Smith Kline & French Laboratories, Ltd. v.Court of Appeals, 276 SCRA 224, 236 [1997]; Converse Rubber Corp. v.Universal Rubber Products, 147 SCRA 154, 165 [1987].

[49] La Chemise Lacoste, S.A. v.Fernandez, 129 SCRA 373, 389 [1984].

[50] As revised under the Lisbon Act of 1958. At the time the Philippines ratified the Paris Convention in 1965, the last revision was the Lisbon Act. At present, the latest revision is the Stockholm Act passed on July 14, 1967 and amended on October 2, 1979. The Philippines acceded to the Stockholm Act on March 25, 1980 but only with respect to Articles 13-30. The Stockholm Act took effect in the Philippines on July 16, 1980, except as to its Articles 1-12-- Esteban B. Bautista, The TRIPS Agreement and the Philippines' Existing Treaty Obligations on Intellectual Property, The World Bulletin, pub. by the Institute of International and Legal Studies, UP Law Center, vol. 12:50 [Jan-June 1996]; Intellectual Property in the Phil., A Compilation of Phil. Laws and International Documents Pertaining to Intellectual Property, ed. by Aniano L. Luzung, pub. by Rex Bookstore, p. 416 [1995]. With the Philippines' adhesion to the WTO and the TRIPS Agreement in 1995, however, the country obligated itself to comply with Articles 1-12 and 19 of the Paris Convention-- Article 2(1), TRIPs Agreement.

[51] Stephen P. Ladas, Patents, Trademarks, and Related Rights, National and International Protection, pub. by the Harvard University Press, vol. 2, at 1251-1252 [1975].

[52] The Paris Convention has 3 classes of provisions: (1) provisions obligating members of the Union to create and maintain certain national law or regulations; (2) provisions merely referring to the national law of each country and making it applicable or permitting each country to pass such legislation as it may choose; and (3) provisions establishing common legislation for all members of the Union and obligating them to grant to persons entitled to the benefits of the Convention the rights and advantages specified in such provisions, notwithstanding anything in their national law to the contrary-- Ladas, supra, at 209; see also Callman, supra, vol. 2, at 1723-1724. Provisions under the third class are self-executing and Article 6bis is one of them-- Ladas, supra, vol. 1, at 209.

[53] Ladas, supra, vol.1, p. 233.

[54] Ladas, supra, vol. 2, pp. 1252-1254.

[55] Also quoted in La Chemise Lacoste, S.A. v.Fernandez, supra, at 389-390.

[56] This CA decision, penned by then CA Justice Vicente V. Mendoza, now a member of this Court, was the same decision affirmed by the Supreme Court in La Chemise Lacoste v.Fernandez, G.R. Nos. L-63796-97 and L-65659, 129 SCRA 373 [1984].

[57] Should have been "Article" 6bis.

[58] Also quoted in La Chemise Lacoste, S.A. v.Fernandez, supra, at 401-403.

[59] E.O. No. 913 is entitled "Strengthening the Rule-Making and Adjudicatory Powers of the Minister of Trade and Industry in Order to Further Protect Consumers."

[60] 129 SCRA 373 [1984].

[61] Id. at 396; see also Ignacio S. Sapalo, Background Reading Material on the Intellectual Property System of the Philippines, revised ed., pub. by World Intellectual Property Office (WIPO), p. 76 [1994]. I. Sapalo was the Director of the Bureau of Patents, Trademarks and Technology Transfer (BPTTT), Department of Trade and Industry (DTI) from 1987 to 1996.

[62] 169 SCRA 627 [1989].

[63] Id. at 631.

[64] Id. at 633.

[65] Id. at 634.

[66] Private respondent presented evidence before the Director of Patents showing that the word "Barbizon" was derived from the name of a village in France. In this village, a mid-19th century school of French painting developed an art style depicting landscape and rural genre subjects from a direct observation of nature, with much attention to the expression of light and atmosphere. "Barbizon" was appropriated as a trademark in 1933 by Garfinkle and Ritter, private respondent's predecessor, to identify its goods with the same soft and warm atmosphere depicted in the barbizon style of painting-- Exhibits "B" and "I," see Petition for Review, Court of Appeals Rollo, p. 3.

[67] Caina v. Court of Appeals, 239 SCRA 252, 264 [1994] citing Lord v.Garland, 168 P. 2d 5 [1946]; see also Martinez v.Court of Appeals, 139 SCRA 558, 564 [1985].

[68] Caina v. Court of Appeals, supra, at 263 [1994]; see also Guevara v.Benito, 247 SCRA 570, 573 [1995].

[69] Id., citing Lord v.Garland, 168 P. 2d [1946]; Rhodes v.Van Steenberg, 225 F. Supp. 113 [1963]; Cowan v.Gulf City Fisheries, Inc., 381 So. 2d 158 [1980]; see also 46 Am Jur 2d, "Judgments," Secs. 443, 444 [1969 ed.]

[70] Section 4 (d), R.A. 166 reads:

> "Sec. 4. Registration of trademarks, tradenames and servicemarks on the principal register.-- There is hereby established a register of trademarks, tradenames and servicemarks which shall be known as the principal register. The owner of a trademark, tradename or servicemark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:
>
> x x x
>
> (d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers; x x x."

[71] Section 8, R.A. 166 reads:

> "Sec. 8. Opposition.-- Any person who believes that he would be damaged by the registration of a mark or tradename may, upon payment of the required fee and within thirty days after the publication under the first paragraph of section 7 hereof, file with the Director an opposition to the application. x x x."

[72] The Paris Convention became part of the Trademark Law only by reference in Section 37 of the latter. Of and by itself, the Paris Convention is a separate legal covenant.

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[73] Nabus v.Court of Appeals, 193 SCRA 732, 743, 746 [1991]; see also 50 C.J.S. "Judgments, Sec. 674-- also cited in Nabus, at 743.

[74] Nabus, supra, at 743; see also 50 C.J.S. "Judgments," Secs. 649, 655-- also cited in Nabus.

[75] Mishawaka R. & W. Mfg. Co. v.S. S. Kresge Co., 86 L ed 1381, 316 U.S. 203, 205 [1942]; see also Gordon V. Smith, Trademark Valuation, pub. by John Wiley & Sons, Inc., pp. 38-39 [1997].

[76] Ladas, supra, vol. 1, at 13.

[77] Id.

[78] Section 2, R.A. 8293, the Intellectual Property Code of 1998.

[79] Section 239, R.A. No. 8293.

[80] R.A. No. 166.

[81] R.A. No. 165.

[82] Presidential Decree (P.D.) No. 49.

[83] P.D. No. 285.

[84] Emma C. Francisco, The Policy of Intellectual Property Protection in the Philippines, The World Bulletin, pub. by the UP Law Center, vol. 12:1 [Jan-June 1996]-- Ms. Francisco was the Director of the BPTTT in 1996.

[85] Michael Blakeney, Trade Related Aspects of Intellectual Property Rights: A Concise Guide to the TRIPs Agreement, pub. by Sweet & Maxwell Ltd, at 37 [1996]; The WTO was created at the Uruguay Round of multilateral trade negotiations sponsored by the General Agreement on Tariffs and Trade (GATT) in 1994. The GATT was established in 1947 to promote a multilateral trading system among countries through non-discriminatory trade liberalization, and through fair and effective rules and disciplines. The GATT was composed of 120 contracting parties and observers that account for about 90% of the world trade. It, however, dealt with trade in tangible goods alone. As successor of the GATT, the WTO also covers trade in services, intellectual property rights and provides for an effective mechanism for dispute settlement-- Growth Opportunities Into the 21st Century, A Question and Answer Primer Prepared by the Bureau of International Trade Relations, Department of Trade and Industry, pp. 1, 37 [1994], hereinafter referred to as DTI-BITR Primer ; see News of the Uruguay Round of Multilateral Trade Negotiations, issued by the Information and Media Relations division of the GATT, Geneva, p. 5 [5 April 1994]; see also Tanada v.Angara, 272 SCRA 18 [1997].

[86] The TRIPS Agreement is said to be the most comprehensive multilateral agreement on intellectual property. It addresses not only and more explicitly the primary regimes of intellectual property, viz., patent including the protection of new varieties of plants, trademarks including service marks, and copyright and its related rights; but also the non-traditional categories of geographical indications including appellations of origin, industrial design, lay-out design of integrated circuits, and undisclosed information including trade secrets. It also establishes standards of protection and rules of enforcement and provides for the uniform applicability of the WTO dispute settlement mechanism to resolve disputes among member states. -- Anita S. Regalado, WTO Dispute Settlement Procedure: Its Impact on Copyright Protection, The Court Systems Journal, vol. 3: 67, 78 [March 1998].

[87] Ma. Rowena R. Gonzales, Optimizing Rome in TRIPs: Finding the Appian Way, World Bulletin, pub. by the UP Law Center, vol. 12: 13, 18 [Jan.-June 1996].

[88] TRIPS Agreement, Article 1, par. 3.

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[89] As acknowledged in the Uruguay Round of the GATT-- DTI-BITR Primer, supra, at p. 34.

[90] Id.; Blakeney, supra, at 1; Investors abandoned or postponed their investments in countries that did not afford protection from intellectual piracy (DTI-BITR Primer, supra, at 34); Worse, inadequate intellectual protection in certain countries gave rise to trade retaliation unilaterally imposed by rich trading partners--DTI-BITR Primer, supra, at 36; Blakeney, supra, at 4-6. The United States, in the 1984 amendment to Section 301 of the Trade Act of 1974, and later, Special 301 of the Omnibus Trade and Competitiveness Act of 1988, authorized the U.S. Trade Representative (USTR) to identify priority foreign countries which deny adequate protection of intellectual property rights to U.S. traders. Those countries were placed on a watchlist, with a view to fast-track investigation, followed by trade retaliation in the form of increased duties and import restrictions. Trade restrictions were imposed on Korea and Brazil in 1985, Brazil again in 1988 and India in 1992 --Blakeney, supra, at 4-6. By these acts, any trading partner of the U.S. became vulnerable to unilateral pressure-- The GATT, the Uruguay Round and the Philippines, Speech of .. Antonio Buencamino, Director, Bureau of International Trade Relations, DTI, p. 4.

[91] Speech of J. Antonio Buencamino, Director, DTI-BITR, supra, at 4-5; DTI-BITR Primer, supra, at 34-36.

[92] Tanada v.Angara, 272 SCRA 18, 28 [1997].

[93] Blakeney, supra, at 36-37-- citing The Marrakesh Declaration of 15 April 1995, par. 2.

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