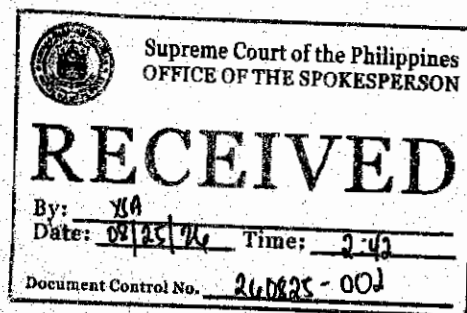




Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

HEIRS OF KING SI BIAK,
namely, ALBERT KING and
ARTHUR KING,

Petitioners,

-versus-

PANCITERIA LIDO CHINESE
CUISINE CO.,

Respondent.

G.R. No. 279019

Present:

GESMUNDO, C.J., Chairperson,
HERNANDO,
ZALAMEDA,
ROSARIO, and
MARQUEZ, JJ.

Promulgated:
AUG 12 2025

withhold

X-----X

DECISION

HERNANDO, J.:

While trademark rights are generally acquired through registration under the Intellectual Property Code, registration does not confer rights where it was obtained fraudulently or in violation of the law. The Intellectual Property Code does not protect the registration of a mark that knowingly appropriates another's established business identity.

Antecedents

This Petition for Review¹ assails the Resolutions dated March 25, 2024² and February 12, 2025³ of the Court of Appeals (CA), which dismissed the

¹ Rollo, pp. 4–52.

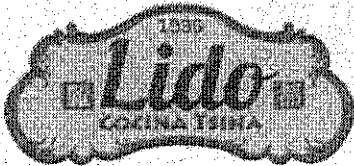
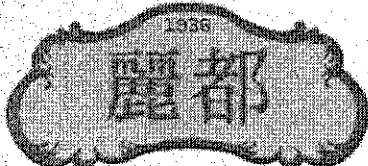
² *Id.* at 55–59. The March 25, 2024 Resolution in CA-G.R. SP No. 182419 was penned by Associate Justice Mary Charlene V. Hernandez-Azura and concurred in by Associate Justices Victoria Isabel A. Paredes and Florencio M. Mamauag, Jr. of the Twelfth Division, Court of Appeals, Manila.

³ *Id.* at 61–68. The February 12, 2025 Resolution in CA-G.R. SP No. 182419 was penned by Associate

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Petition for Review filed by petitioners Albert King and Arthur King (brothers King), heirs of King Si Biak, for being filed out of time and on technical grounds.

The case stemmed from two Petitions for Cancellation⁴ filed by the brothers King involving two Lido marks (subject marks):

Trademark Registration No. 4-2012-014828 ⁵	Trademark Registration No. 4-2012-014829 ⁶
	

It is undisputed that the Lido Restaurant was owned by Eng Son Co., a partnership established in 1997 between two individuals: King Si Biak and Annie Alipio (Alipio).⁷ When the business relationship between the two deteriorated, Alipio filed in 2008 her own application for registration of the trademark “Panciteria Lido” for restaurant falling under Class 43. The application was opposed by King Si Biak, and the case was docketed as Inter Partes Case (IPC) No. 14-2009-00213.⁸

In a Decision⁹ dated November 19, 2010, the Bureau of Legal Affairs (BLA) ruled that the right to register the trademark “Panciteria Lido” belonged to Eng Son Co., considering Alipio’s own admission that the partnership owned the business. Accordingly, Alipio could not register it in her own name. The BLA further ruled that, even assuming the partnership had been dissolved at Alipio’s instance, such dissolution did not terminate the partnership, which continued to exist until the winding up of its affairs. This Decision had since attained finality.¹⁰

King Si Biak passed away in 2010, leaving the brothers King as his heirs. Alipio, on the other hand, entered into a new partnership with other individuals and formed respondent Panciteria Lido Chinese Cuisine Co. (PLCCC). In 2012, PLCCC applied for the registration of the subject Lido marks. The applications were granted, prompting the heirs to file the petitions for cancellation.¹¹

Justice Mary Charlene V. Hernandez-Azura and concurred in by Associate Justices Tita Marilyn B. Payoyo-Villordon and Florencio M. Mamauag, Jr. of the Special Former Twelfth Division, Court of Appeals, Manila.

⁴ *Id.* at 117–126, 227–236.

⁵ *Id.* at 117. The registration covers Classes 29, 30, and 43.

⁶ *Id.* at 227. The registration covers Classes 29, 30, and 43.

⁷ *Id.* at 328, 1007.

⁸ *Id.* at 1008.

⁹ *Id.* at 152–163.

¹⁰ *Id.* at 159–163; *see id.* at 6, 1026.

¹¹ *Id.* at 1008.

Ruling of the BLA Adjudication Officer

In a Decision dated December 18, 2020,¹² the BLA Adjudication Officer granted the brothers' petitions for cancellation. The Adjudication Officer found that the mark "Lido" was first adopted and used in commerce as part of the name "Panciteria Lido," which later became the Lido Restaurant. King Si Biak and Alipio subsequently formed Eng Son Co. to operate the restaurant, and the partnership continuously used the Lido name in connection with its business. Considering that PLCCC's registered marks incorporated the dominant word element "Lido," the Adjudication Officer concluded that the disputed marks belonged to Eng Son Co., not PLCCC, and that the latter's trademark registrations could not prevail over the partnership's superior ownership rights.¹³

The dispositive portion of the Decision states:

WHEREFORE, premises considered, the instant Petitions for Cancellation are hereby **GRANTED**. Accordingly, Trademark Registration Nos. 4-2012-014828 and 4-2012-014829 for  and  for use on "*meat, fish, poultry, and game; meat extracts, preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, and compotes; eggs, milk and milk products; edible oils and fats*" under Class 29, "*coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard, vinegar, sauces (condiments); spices, ice*" under Class 30 and "*services for providing food and drink, temporary accommodation*" under Class 43, are hereby **CANCELLED**. Let the filewrapper of the subject trademark registration be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.¹⁴ (Emphasis in the original)

Aggrieved, PLCCC appealed to the BLA Director.¹⁵

Ruling of the BLA Executive Director

In its Decision¹⁶ dated December 30, 2022, the Director of the BLA affirmed the Decision of the Adjudication Officer. It found that PLCCC registered the subject marks in bad faith, having prior knowledge that the Lido mark belonged to Eng Son Co. The Director further held that, absent any showing that the partnership had been liquidated and its assets lawfully distributed, ownership of the Lido mark remained with Eng Son Co.

¹² *Id.* at 1006–1023. The December 18, 2020 Decision in IPC Nos. 14-2018-00532 and 14-2018-00550 was penned by Atty. Josephine C. Alon, LLM, Adjudication Officer of the Bureau of Legal Affairs, Intellectual Property Office.

¹³ *Id.* at 1018–1023.

¹⁴ *Id.* at 1023.

¹⁵ *See id.* at 1025.

¹⁶ *Id.* at 1025–1029. The December 30, 2022 Decision No. AD-2022-15271 was penned by Atty. Nathaniel S. Arevalo, Director IV, Bureau of Legal Affairs, Intellectual Property Office.



Accordingly, PLCCC had no right to appropriate and register the mark in its own name. Finally, the Director ruled that the brothers, having succeeded to King Si Biak's proprietary interest in the partnership, were real parties-in-interest in the cancellation proceedings.¹⁷

The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the instant appeal is hereby **DISMISSED** for lack of merit. Accordingly, Decision No. 2020-291 is hereby **AFFIRMED** finding no cogent reason to reverse the same.

SO ORDERED.¹⁸ (Emphasis in the original)

Aggrieved, PLCCC appealed to the IPO Director General.¹⁹

Ruling of the IPO Office of the Director General

In a Decision dated December 18, 2023²⁰ the Director General reversed the Decision of the Director and dismissed the petitions for cancellation. It held that, under the Intellectual Property Code, ownership of a trademark is acquired through registration rather than prior use. Since neither Eng Son Co. nor King Si Biak had an existing trademark registration or pending application covering the subject marks, PLCCC validly acquired ownership of the marks upon registration. The Director General likewise rejected the brothers' claim of bad faith, reasoning that PLCCC merely continued the restaurant business previously operated by Eng Son Co. Finally, it ruled that the brothers King were not the real parties-in-interest because PLCCC, not Eng Son Co., owned the subject marks.²¹

The dispositive portion of the Decision reads:

Wherefore, premises considered, the appeal is hereby granted. Let a copy of this decision be furnished the Bureau of Legal Affairs for appropriate action. Let a copy of this decision be furnished also the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau for their information and records purposes.

SO ORDERED.²²

The brothers King filed a Motion for Extension of Time to File Petition for Review,²³ followed by a Petition for Review²⁴ with the CA.

¹⁷ *Id.* at 1026–1029.

¹⁸ *Id.* at 1029.

¹⁹ *See id.* at 1031.

²⁰ *Id.* at 1031–1036. The December 18, 2023 Decision in Appeal No. 14-2023-0012 was penned by Director General Rowel S. Barba of the Office of the Director General, Intellectual Property Office.

²¹ *Id.* at 1034–1036.

²² *Id.* at 1036.

²³ *Id.* at 1037–1041.

²⁴ *Id.* at 69–107.

Ruling of the Court of Appeals

In the assailed Resolution²⁵ dated March 25, 2024, the CA denied the brothers' motion for extension of time and consequently dismissed the petition for having been filed 15 days beyond the reglementary period. It emphasized that the right to appeal is a mere statutory privilege that must be exercised strictly in accordance with the rules. The CA further noted certain procedural defects in the petition, including the failure to indicate the competent evidence of identity in the verification and affidavit of service, the omission of the parties' respective addresses, and the failure to state the notary public's updated MCLE compliance in the verification and certification against forum shopping.²⁶

The dispositive portion of the Resolution reads:

WHEREFORE, in view of the foregoing, Petitioners' Motion for Extension of Time to File Petition for Review is **DENIED** for lack of merit. Accordingly, the instant case is hereby **DISMISSED** for failure to file the Petition for Review within the reglementary period, in accordance with Section 4, Rule 43 of the Rules of Court.

The Petition for Review filed on February 14, 2024 is merely noted.

SO ORDERED.²⁷ (Emphasis in the original)

Accordingly, the brothers King moved for reconsideration,²⁸ explaining the reason for the delay and attaching the MCLE certification on the notary public's compliance, a corrected verification and certification against forum shopping stating the brothers' address with competent evidence of identity presented before the notary, and a photocopy of the affidavit of service with competent evidence of identity of the server.²⁹

The CA denied the motion for reconsideration;³⁰ hence, this Petition for Review.

Issue

Did the CA err in dismissing the petitioners' appeal?

Our Ruling

The Petition is meritorious.

²⁵ *Id.* at 55–59.

²⁶ *Id.*

²⁷ *Id.* at 58–59.

²⁸ *See id.* at 61.

²⁹ *See id.* at 62–63.

³⁰ *Id.* at 67.



On the procedural aspect

As a general rule, a petition that is filed out of time should be dismissed. The right to appeal is neither a natural right nor a part of due process, but is merely a statutory privilege that may be exercised only in the manner and in accordance with the provisions of law. Thus, one who seeks to avail of the right to appeal must comply with the requirements of the Rules. Failure to do so leads to the loss of the right to appeal.³¹

Nevertheless, the Court has on occasion relaxed procedural rules in the filing of appeals due to strong considerations of fairness and justice and in extraordinary situations that merit liberal application of the rules.³² The Court has held that although the perfection of an appeal within the reglementary period is mandatory, in limited cases, the rule may be suspended when compelling reasons so warrant or when the purpose of justice so requires it.³³

Here, compelling reasons exist to justify the relaxation of the rules, both with respect to the delay in filing the petition and the procedural defects cited by the CA.

First, the petition is impressed with substantive merit. It presents a *prima facie* case that respondent's trademark registrations were procured in bad faith, i.e., with prior knowledge of another entity's prior use of and long-standing identification with the mark. It likewise raises substantial questions regarding the acquisition and ownership of trademark rights where the mark constitutes partnership property. Where a petition presents substantial issues warranting resolution on the merits, the Court has recognized that procedural rules may be relaxed in the interest of substantial justice. Under the circumstances, dismissing the petition on purely procedural grounds would unnecessarily foreclose the resolution of these issues.³⁴

Second, the delay in filing was not substantial and was adequately explained by petitioners. Before the period to appeal expired, petitioners moved for a 15-day extension of time,³⁵ later explaining that certain documentary attachments needed to complete the petition had not yet been issued, among other reasons.³⁶ This explanation is supported by the dates appearing on the certifications and annexes eventually attached to the petition.³⁷ Although the petition was ultimately filed 15 days beyond the original deadline, nothing in the records suggests that the delay was deliberate or intended to delay the

³¹ *Ramirez v. Elomina*, 898 Phil. 725, 735–736 (2021) [Per J. Hernando, Third Division]. (Citations omitted)

³² *Neypes v. Court of Appeals*, 506 Phil. 613, 625–626 (2005) [Per J. Corona, *En Banc*]. (Citations omitted)

³³ *Republic v. Martinez*, 881 Phil. 359, 370–371 (2020) [Per J. Reyes, Jr., First Division].

³⁴ *See Abrigo v. Commission on Audit*, 921 Phil. 1067, 1075–1076 (2022) [Per J. Zalameda, *En Banc*]. (Citations omitted)

³⁵ *Rollo*, pp. 1037–1041.

³⁶ *Id.* at 18–19.

³⁷ *See id.* at 19.

proceedings. Under these circumstances, the relatively brief delay justifies a liberal application of the Rules.

Lastly, petitioners promptly moved for reconsideration and substantially complied with the requirements pointed out by the CA.³⁸ They submitted the missing MCLE certification of the notary public, corrected the verification and certification against forum shopping to include the parties' addresses and competent evidence of identity, and attached the required proof of identity in the affidavit of service.³⁹ These prompt corrective measures demonstrate petitioners' good faith efforts to comply with the Rules and cure the procedural defects identified by the CA.

Taken together, the substantial issues raised in the petition, the relatively brief delay in its filing, and their prompt correction of the procedural defects justify a liberal application of the Rules. The Court therefore finds it proper to resolve the controversy on the merits.

On the substantive aspect

The IPO Director General reversed the consistent rulings of the Adjudication Officer and the Director on the premise that, under the Intellectual Property Code, ownership of a trademark is acquired through registration rather than prior use, and that no existing trademark registration or earlier application prevented respondent from registering the subject Lido marks.⁴⁰

Indeed, Section 122 of the Intellectual Property Code provides that "[t]he rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law." Under the present statutory framework, ownership of a trademark is acquired through valid registration.⁴¹ Unlike under the former Trademark Law, prior use no longer confers ownership over a mark.⁴²

The foregoing rule, however, is not without qualification. Section 122 provides that trademark rights arise only from registration "made validly" in accordance with the Intellectual Property Code. This requirement is significant: it recognizes that not every registration automatically vests protectable trademark rights upon the registrant. A registration procured in bad faith or otherwise obtained contrary to the provisions of the Intellectual Property Code

³⁸ See *id.* at 12–13.

³⁹ See *id.*

⁴⁰ *Id.* at 1034.

⁴¹ Republic Act No. 8293 (1997), sec. 122; *Campbridge Waterproofing Systems, Inc. v. Greenseal Products [M] Sdn. Bhd.*, G.R. No. 269302, January 22, 2025 [Per J. Lopez, J., Second Division] at 9–10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted)

⁴² *Campbridge Waterproofing Systems, Inc. v. Greenseal Products [M] Sdn. Bhd.*, G.R. No. 269302, January 22, 2025 [Per J. Lopez, J., Second Division] at 9–10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted)

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is not one made validly and does not give rise to protectable trademark rights.⁴³ Such registrations remain subject to cancellation as expressly provided under Section 151.1(b), thus:

Section 151. *Cancellation.* – 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that [they are] or will be damaged by the registration of a mark under this Act as follows:

....

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was *obtained fraudulently or contrary to the provisions of this Act*, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used. (Emphasis supplied)

The Court reiterated these principles in *Campbridge Waterproofing Systems, Inc. v. Greenseal Products (M) Sdn. Bhd.*⁴⁴

The prevailing statement of how ownership of a trademark is acquired was formed in the case of *Zuneca* where this Court ruled that upon the enactment of the Intellectual Property Code, ownership over a trademark is acquired through registration, thus:

The current rule under the IP Code is thus in stark contrast to the rule on acquisition of ownership under the Trademark Law, as amended. To recall, the Trademark Law, as amended, provided that prior use and non-abandonment of a mark by one person barred the future registration of an identical or a confusingly similar mark by a different proprietor when confusion or deception was likely. It also stated that one acquired ownership over a mark by actual use.

⁴³ See *Campbridge Waterproofing Systems, Inc. v. Greenseal Products [M] Sdn. Bhd.*, G.R. No. 269302, January 22, 2025 [Per J. Lopez, J., Second Division] at 10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted); see also *Medina v. Global Quest Ventures, Inc.*, 896 Phil. 47, 57–63 (2021) [Per J. Leonen, Third Division]; *Lim v. See*, 934 Phil. 527, 543–544 (2023) [Per J. Lopez, J., Second Division]; *Zuneca Pharmaceutical v. Natrapharm, Inc.*, 882 Phil. 278, 336 (2020) [Per J. Caguioa, *En Banc*]; and J. Perlas-Bernabe, Concurring Opinion in *Zuneca Pharmaceutical v. Natrapharm, Inc.*, 882 Phil. 278, 373 (2020) [Per J. Caguioa, *En Banc*]. (Citations omitted)

⁴⁴ G.R. No. 269302, January 22, 2025 [Per J. Lopez, J., Second Division].

Once the IP Code took effect, however, the general rule on ownership was changed and repealed. At present, as expressed in the language of the provisions of the IP Code, prior use no longer determines the acquisition of ownership of a mark in light of the adoption of the rule that ownership of a mark is acquired through registration made validly in accordance with the provisions of the IP Code. (Citations omitted)

Notwithstanding this declaration, this Court clarified that the certificate of registration remains only *prima facie* evidence of the validity of registration and the registrant's ownership of the mark, in recognition of instances when the certificate of registration does not reflect the true owner of the mark, such as, among others, when the registration was done in bad faith or contrary to law.

Thus, in *Medina v. Global Quest Ventures, Inc.*, this Court stated that while it is registration that vests ownership on a mark, pursuant to Section 151 (b) of the Intellectual Property Code, registrations done in bad faith or contrary to the provisions of the Intellectual Property Code may still be a basis for the cancellation of a mark.

More, in *Zuneca*, this Court confirmed that marks registered in bad faith or contrary to law should never have been registered in the first place, and as such, the registration is rendered void and shall be cancelled after proper proceedings.⁴⁵ (Emphasis supplied, citations omitted)

As applied, the Court finds that respondent's registrations were not validly obtained and must therefore be cancelled.

The records establish that the "Lido" mark and its Chinese equivalent "麗都" had long been used in connection with the restaurant business operated by Eng Son Co. The Lido Restaurant traces its origins to as early as 1936. King Si Biak and Alipio later organized Eng Son Co. for the specific purpose of operating the Lido Restaurant, after which the partnership continuously used the Lido name in connection with its business.⁴⁶

This prior use of the Lido mark by Eng Son Co. had been recognized by the IPO as early as 2010. In IPC No. 14-2009-00213, the IPO ruled that the right to register the trademark "Panciteria Lido," which incorporates the same dominant element "Lido,"⁴⁷ belonged to Eng Son Co., and not to Alipio or King Si Biak individually.⁴⁸

⁴⁵ *Id.* at 9–10. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted)

⁴⁶ *Rollo*, pp. 1027–1028.

⁴⁷ Under the dominancy test, the focus is on the similarity of the prevalent or dominant features of the competing marks that might cause confusion or deception (*Kolin Electronics Co., Inc. v. Kolin Philippines International, Inc.*, 896 Phil. 190, 217 (2021) [Per J. Caguioa, *En Banc*]). Descriptive or generic components are accorded little weight, being incapable of identifying source (*Societe Des Produits Nestle, S.A. v. Court of Appeals*, 408 Phil. 307, 323–327 (2001) [Per J. Ynares-Santiago, First Division]). Here, the dominant and the only source-identifying feature of the subject registrations is "Lido," with "Cocina Tsina" being merely descriptive of a Chinese eatery.

⁴⁸ *Rollo*, pp. 159–163.

Respondent cannot disclaim this knowledge. One of its partners, Alipio, was directly involved in the operations of Panciteria Lido and was a party to the earlier administrative case.⁴⁹ Under Article 1821 of the Civil Code, notice to or knowledge acquired by a partner concerning partnership affairs operates as notice to or knowledge of the partnership:

Article 1821. Notice to any partner of any matter relating to partnership affairs, and the knowledge of the partner acting in the particular matter, acquired while a partner or then present to his mind, and the knowledge of any other partner who reasonably could and should have communicated it to the acting partner, operate as notice to or knowledge of the partnership, except in the case of fraud on the partnership, committed by or with the consent of that partner.

There being no showing that the exception under Article 1821 applies, respondent is legally charged with Alipio's knowledge that the right to register the Lido mark belonged to Eng Son Co.⁵⁰

In *Zulueta v. Cyma Greek Taverna Co.*,⁵¹ the Court held that a partner who applies for the registration of a mark despite knowledge that the mark belongs to the partnership acts in bad faith, such that the application is unregistrable and does not confer valid trademark rights under the Intellectual Property Code:

Unlike the rule on acquisition of ownership, the pronouncements of the Court relative to registrations obtained in bad faith under the Trademark Law, as amended, still subsist even after the effectivity of the IPC. Thus, while the Court has expressly abandoned its ruling in *Shen Dar*,—holding that prior use no longer determines ownership and no longer defeats the *prima facie* assumption of ownership conferred by registration—prior use may still be considered in determining the existence of bad faith and the registrability of trademark applications. *Where in the course of a trademark application, it is found that: (i) an entity has prior use, creation and/or registration of a trademark; and (ii) the applicant has knowledge of the said prior use, creation and/or registration—the trademark application is unregistrable due to the attendance of bad faith on the part of the applicant, and the same should be denied.*

Applying the foregoing in the instant case, the Court notes that although it was not categorically stated, the IPOPHL's factual findings show that Zulueta's trademark application was made in bad faith. *As a partner, Zulueta, was without a doubt aware of the prior use of the trademark by the partnership, and that it had been Raoul Goco who conceptualized the mark for the partnership while on vacation in Greece . . . Despite the fact that Zulueta was the first to file a trademark application, his knowledge of the prior use by Cyma Partnership of the trademark meant that Zulueta's trademark application was filed in bad faith.*

⁴⁹ *Id.* at 159–163.

⁵⁰ *See generally Santiago Syjuco, Inc. v. Castro*, 256 Phil. 621, 643–644 (1989) [Per J. Narvasa, First Division].

⁵¹ 934 Phil. 34 (2023) [Per J. Kho, Jr., Second Division].

As a consequence, his trademark application cannot be granted and he did not obtain any priority rights under Section 123 (d) of the IPC.⁵² (Emphasis supplied)

The same principle governs this case. Through Alipio, respondent knew that the right to register the Lido mark belonged to Eng Son Co., yet it caused the registration of the subject marks in its own name. This bad faith precluded respondent from acquiring protectable trademark rights under the Intellectual Property Code and warranted the cancellation of its registrations under Section 151.1(b).⁵³

Even if the question of bad faith were laid aside, respondent's registrations would remain infirm under Section 165.2. This provision protects a trade name, *whether or not registered*, against any subsequent use by a third party that is likely to mislead the public.⁵⁴ For decades, Eng Son Co. conducted business under the names "Lido," "Panciteria Lido," and "Lido Restaurant."⁵⁵ By registering marks dominated by the distinctive "Lido" identity associated with Eng Son Co., respondent appropriated Eng Son Co.'s protected trade name. Such registration falls squarely within the prohibition of Section 165.2 and is void on that ground.⁵⁶

Neither can the Court sustain the IPO Director General's conclusion that King Si Biak's death vested exclusive rights over the disputed marks in Alipio.

Under the Civil Code, property acquired by a partnership belongs to the partnership itself.⁵⁷ While a partner has an interest in the partnership, no partner may appropriate specific partnership property as exclusively their own.⁵⁸ Moreover, although the death of a partner causes the dissolution of the partnership,⁵⁹ it does not terminate the partnership, which continues until the

⁵² *Id.* at 42–43.

⁵³ *Id.*

⁵⁴ Republic Act No. 8293 (1997), sec. 165 states:

Section 165. *Trade Names or Business Names.* – 165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

⁵⁵ *Rollo*, pp. 1027–1028.

⁵⁶ See *Campbridge Waterproofing Systems, Inc. v. Greenseal Products [M] Sdn. Bhd.*, G.R. No. 269302, January 22, 2025 [Per J. Lopez, J., Second Division] at 10–11. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted)

⁵⁷ CIVIL CODE, arts. 1768 and 1811; see *Heirs of Dr. Celestino Henson v. Don Pepe Henson Enterprises, Inc.*, G.R. Nos. 265172 & 265872 [Per J. Kho, Jr., Second Division] at 9. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website. (Citations omitted)

⁵⁸ See *id.*

⁵⁹ CIVIL CODE, art. 1830(5).

winding up of its affairs has been completed.⁶⁰ Until liquidation has been concluded and the partnership assets lawfully distributed, partnership property retains its character as partnership property.⁶¹

Here, nothing in the records establishes that Eng Son Co. was ever liquidated or that the winding up of its affairs was ever undertaken. Neither is there any evidence that ownership of the subject marks was lawfully transferred to Alipio or respondent. Absent such showing, Alipio could not claim exclusive ownership over them, much less cause their registration in the name of another partnership.

Finally, contrary to the IPO Director General's ruling, petitioners possess sufficient legal interest to maintain the present cancellation proceedings. Whatever proprietary interest King Si Biak held in Eng Son Co. passed, upon his death, to his heirs in accordance with the rules on succession.⁶² While such hereditary interest did not automatically vest in petitioners ownership over specific partnership assets prior to liquidation, it nevertheless gave them a sufficient legal interest to challenge acts allegedly impairing their predecessor's partnership interest, including the alleged unlawful registration of partnership property.⁶³

Ultimately, this case does not turn on who secured a certificate of registration. Rather, it turns on whether such registration was validly obtained in accordance with the Intellectual Property Code. The records show that they were not. Respondent knowingly caused the registration of marks that, through one of its own partners, it knew had long been used and closely identified with another entity. Registration obtained under such circumstances cannot be regarded as registration validly made in accordance with the Intellectual Property Code and therefore cannot give rise to protectable trademark rights.

ACCORDINGLY, the Petition is **GRANTED**. The Resolutions dated March 25, 2024 and February 12, 2025 of the Court of Appeals in CA-G.R. SP No. 182419 are **REVERSED** and **SET ASIDE**. The Decision dated December 18, 2023 of the Office of the Director General of the Intellectual Property Office is **REVERSED**. The Decision dated December 18, 2020 of the Bureau of Legal Affairs Adjudication Officer, as affirmed by the Decision dated December 30, 2022 of the BLA Director, is **REINSTATED** insofar as consistent with this Decision. Trademark Registration Nos. 4-2012-014828 and 4-2012-014829 in favor of Panciteria Lido Chinese Cuisine Co. are **CANCELLED**.

⁶⁰ CIVIL CODE, art. 1829; see *Sunga-Chan v. Chua*, 415 Phil. 477, 490–491 (2001) [Per J. Gonzaga-Reyes, Third Division] and *Sy v. Court of Appeals*, 372 Phil. 207, 228–229 (1999) [Per J. Purisima, Third Division]. (Citations omitted)

⁶¹ CIVIL CODE, art. 1829 in relation to art. 1839; see also *Sy v. Court of Appeals*, 372 Phil. 207, 228–229 (1999) [Per J. Purisima, Third Division]. (Citations omitted)

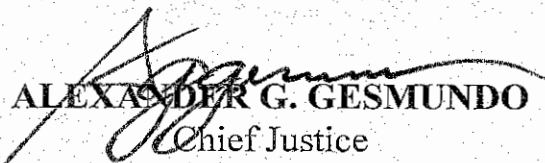
⁶² CIVIL CODE, arts. 777 and 1841.

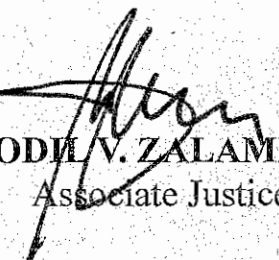
⁶³ See CIVIL CODE, art. 1841; *Emnace v. Court of Appeals*, 422 Phil. 10, 25–26 (2001) [Per J. Ynares-Santiago, First Division]. (Citations omitted)

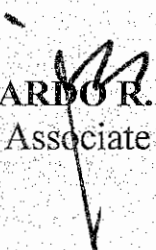
SO ORDERED.


RAMON PAUL L. HERNANDO
Associate Justice
Working Chairperson

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice
Chairperson

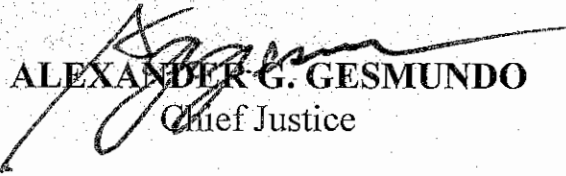

RODIL V. ZALAMEDA
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JOSE MIDAS P. MARQUEZ
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALEXANDER G. GESMUNDO
Chief Justice