

VLSIS MANAGEMENT CORPORATION,  
Petitioner,

-versus-

SARI—SARI GROUP OF COMPANIES, INC.,  
Respondent-Registrant.

X-----X

IPC NO. 14-2009-00093  
*Cancellation of Registration*

Status: Deemed Registered  
Issued: 22 December 2008  
TM: "SARI-SARI OKASYON"

Decision No. 2011-02

## DECISION

VLSIS Management Corporation ("Petitioner") a domestic corporation organized and existing under Philippine laws with business address at Unit 204, FBR Arcade, Katipunan Avenue, Loyola Heights, Quezon City, filed on 23 March 2009 a Petition for Cancellation of Trademark Registration No. 42007-O 13048. The trademark registration issued on 22 December 2008 to Sari-sari Group of Companies, Inc., ("Respondent Registrant") a corporation organized and existing under the laws of the Philippines with business address at 2nd level, Bldg., A, SM Megamall, EDSA corner Julia Vargas Avenue, Mandaluyong City, covers the mark "SARI-SARI OKASYON" for use on goods under Classes' 09, 14, 18, 25, 266, 357.

The Petitioner alleges the following;

"3. Respondent Sari-Sari appears to have succeeded in filing an application for, or to secure permission to publish its application and/or registration of the mark 'SARI-SARI OKASYON' under Trademark Application No. 4\_2007-0130048 of the Sari-Sari Group of Companies Inc. by certain misrepresentations and/or acts contrary to, or in violation of the Act and/or its Regulations (Republic Act No. 8293 and/or the Trademark Regulations).

"4. Petitioner is the assignee of the first user of the marks 'Sari-Sari Okasyon' and 'Okasyon ng Sari-Sari', which have been using the marks from the year 2001.

"5. The marks Sari-Sari Okasyon' and 'Okasyon ng Sari—Sari', as previously used by petitioner's assignor had been publicly used for a clothes line introduced in the market for public sale, are hereto attached as an integral parts hereof, marked as ANNEX 'A' and ANNEX 'B', respectively,

"6. Moreover, petitioner also is the prior applicant of the mark 'Okasyon By Michelle V. Lim' depicted as follows:

X X X

"7. Petitioner's application Serial No. 4-2007-012295, covering the trademark 'Okasyon by Michelle V. Lim & Design' was filed on 7 November 2008, which is prior to the application of respondent Sari-Sari. The numerical sequence of the applications of the petitioner and respondent favors the petitioner, with the petitioner having an earlier serial number (petitioner VLSIS's Application No. 4-2007-012295 *vis-a-vis* respondent Sari-Sari's Application No. 4-2007-0130480).

"8 Respondent Sari-Sari had expressly agreed to, or had previously acknowledged ownership of said marks by petitioner's assignor because it was carried by all assignor's 'clothing line' consigned with respondent Sari-Sari, under the following stipulations:

12. Restrictions:

“Likewise it is expressly agreed and understood that the business names, tradenames, trademarks, service marks, and copyright materials of the CONCESSIONAIRE are the latter’s exclusive property and that the use thereof is made under the conditions specified in this Contract. It is further agreed that nothing in this contract shall ever be considered as giving SARI-SARI or others any right, title or interest whatsoever on said business names, trademarks, service or others permission to use the name or any colourable imitation thereof in any manner except with prior written approval of the CONCESSIONAIRE and except as specifically authorized. Neither SARI-SARI nor its officers or agents will form or participate in the formation or operations of any firm or corporation having the CONCESSIONAIRE’S name, any of its business names, trade names, trademarks, service marks and copyright materials.”

“9. At the time this agreement was entered into, the understanding was that either the assignor *The Bead Work* and/or Michelle Lim would have exclusive use of the clothesline bearing the mark Okasyon in consideration of certain funding and/or investment requirements of the respondent and/or its stockholders being met or supplied by either the assignor *The Bead Work* and/or Michelle Urn. *The Bead Work* and/or Michelle Urn complied and supplied such funding and/or investment requirements.

“10. Importantly, respondent Sari-sari acknowledged such arrangement and the assignor’s ownership of the marks ‘Okasyon ng Sari—Sari’, pursuant to ‘Summary of Payables’ reflecting billings by petitioner’s assignor for sales of the cloths-line of petitioner’s assignor carrying the trademark ‘OKASYON.’ The pertinent portion of said ‘Summary of Payables’ reflects the following:

‘SUMMARY OF PAYABLES’  
Total payable to MVL as 012002  
Year 2003 to 2004  
OKASYON  
Dec 2002 to August 2004  
Okasyon consigned sales (Net of 25% Commission)

‘OKASYON January 2005 96,754.20  
February 2005 54,018.21

X                      x                      x’

“11. Respondent’s ‘Summary of Payables’ acknowledges ownership of the marks by petitioner’s assignor by explanation/s that they are in payment of ‘consigned sales,’ or sales of goods belonging to the petitioner’s assignor, to wit:

‘SUMMARY OF PAYABLES’  
Total payable to MVL as of 2002

Year 2003 to 2004’  
OKASYON  
Dec 2002 to August 2004’  
Okasyon consigned sales (Net of 25% Commission)

Note: The payables (by respondent to the petitioner) are for the period of 2003 to 2004 for OKASYON and Dec 2002 to August 2004 for OKASYON consigned sales x x x.

“12. Therefore, aside from having first registered with the IPO (Intellectual Property Office), the petitioner, through its assignor, was the first to use the trademark ‘Okasyon’ in its ‘clothing line’ or ‘apparel line’ with its label ‘Okasyon ng Sari-Sari’ with petitioner’s ownership of the same

acknowledged by the respondent.”

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Registrant on 23 December 2007. The Respondent-Registrant, however, did not file an answer. Thus, Rule 2, Sec. ii of the Regulations on Inter Partes Proceedings, as amended, provides:

*Sec. ii. Eject of Failure to Answer*— In case the respondent fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the petition or opposition, the affidavits of the witnesses and the documentary evidence submitted by the petitioner or opposer.

The Petitioner contests the Respondent-Registrant’s ownership of the mark SARI- SARI OKASYON. It also argues that it has a trademark application for “Okasyon by Michelle V. Lim & Design” which was filed prior to the filing by the Respondent- Registrant of the trademark application for SARI-SARI.

In this regard, Sec. 138 of Rep. Act No. 8292, also known as the Intellectual Property Code of the Philippines (“IP Code”), provides:

A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (Sec. 0, R.A. No. 165)

The Respondent-Registrant therefore, is presumed to be the owner of the mark SARI-SARI OKASYON. Corollarily, the Petitioner has the burden of evidence to prove otherwise.

However, the Petitioner failed to submit evidence that would overcome the presumption of ownership of the subject mark in favor of the Respondent-Registrant. The evidence submitted by the Petitioner itself even affirms the Respondent-Registrant’s ownership of the mark. The Agreement between the Respondent-Registrants and The Bead Works’ states:

WHEREAS. SARI-SARI owns the trademark, copyright and service mark of SARI-SARI GROUP OF COMPANIFS INC. SARI-SARI STORE (ladies), SARI-SARI (Women), SARI- SARI Men), S<sup>2</sup> (Women), S<sup>2</sup>(Men), SARI-SARI OKASYON, SARI-SARI COLLECTION (Women), COLLECTION (Men), AKO (GRACE NONO), SARI-SARI PAMBAHAY, BBA (Bags, Belts and Accessories), SPUNKY. Shoes.”

## 12. Restrictions

1. It is expressly agreed the that the business names, tradenames, trademarks service marks and copyright materials of SARI-SARI GROUP OF COMPANIES INC. (Sari-Sari Store (Ladies), SARI-SARI (Women). SARI- SARI (Men) S<sup>2</sup> (Women), S<sup>2</sup> (Men), SARI-SARI OKASYON, SARI-SARI COLLECTION (Women) COLLECTION (Men). AKO (GRACE NONO). SARI-SARI (PAMBAHAY), BBA (Bags, Belts and Accessories), SPUNKY and shoes are sole and exclusive property of SARI-SARI and that the use of thereof is made. under the condition specified in this Contract

It is further agreed that nothing in this Contract shall ever be construed as giving the CONCESSIONAIRE or others any right “title” or interest whatsoever in or said business names, tradenames, trademarks, service or others, permission to use the name or any colorable imitation thereof in any manner except with the written approval of SARI-SARI and except as specifically authorized. Neither the CONCESSIONAIRE nor any of its representative/s will form nor participate in the formation nor operation of any firm or corporation having the name SARI-SARI GROUP OF COMPANIES INC. (Sari-Sari Store (Ladies), SARI-SARI (Women). SARI- SARI (Men) S<sup>2</sup> (Women), S<sup>2</sup> (Men), SARI-SARI OKASYON, SARI-SARI COLLECTION (Women) COLLECTION (Men). AKO

(GRACE NONO). SARI-SARI (PAMBAHAY), BBA (Bags, Belts and Accessories), SPUNKY and shoes or any of its business names, trademarks, service marks and copyright materials;

Likewise, it is agreed and understood that the business name, trade names, trademarks service marks and copyright materials of the CONCESSIONAIRE are the Latter's exclusive property and that the use thereof is made under the condition specified in this Contract. It is further agreed that nothing in this Contract shall be ever be construed as giving SARI-SARI or others any other's right, title or interest or whatsoever in or said business names, trademarks service or other permission to use the name or any colourable imitation thereof in any manner with prior written approval of the CONCESSIONAIRE and except as specifically authorized. Neither SARI-SARI nor its officers or agents will form or participate in the formation or operations of any firm or corporation having the CONCESSIONAIRE'S name, or any its business names, trade names, trademarks, service marks and copyright materials"

There is nothing in the Agreement that would indicate that either The Bead Works or the Petitioner is the owner or the assignee of the subject mark. Moreover, the subjects of the Agreement are goods bearing a mark or brand that is different from the Respondent-Registrants marks, to wit:

"1. Definitions —The following terms are agreed by the parties to mean:

i.e. 'Goods shall (refer to the goods and the product line enumerated and described in the 'List of Goods' hereto attached as Annex 'A' and hearing the brand name/label! tag Michelle Lim.

(BRAND NAME)

1.b. 'Concessionaire' shall mean the goods of the CONCESSIONAIRE sent/delivered to the area assigned by SARI-SARI for it to be sold, with the agreement that SARI-SARI shall remit the proceeds of the sale less the agreed commission and that SARI-SARI is not responsible or liable for anything that may be left unsold."

Thus, the presumption of the Respondent-Registrant's ownership of the contested mark undisturbed, the other documents submitted by the Petitioner are, therefore, without probative value.

This Bureau also finds untenable the Petitioner's claim that Trademark Registration Serial No. 4—2007-013048 should be cancelled because it filed a trademark application for the mark OKASYON prior to the hung of the Respondent-Registrant's erstwhile 'Trademark Application Serial No. 4—2007-013048. In fact, the issue had already been passed upon by this Bureau in its Decision No. 2009-176 in Inter Partes Case No. 14—2008-00184, which involved the same parties, to wit:

Filewrapper evidence shows that respondent-applicant's OKASYON BY: MICHELLE V. LIM & DESIGN is November 7, 007 while opposer's filing date for SARI SARI OKASYON is on November 23, 2007 as shown in a copy of its trademark application. However, evidence clearly shows that opposer *is* the owner of the mark OKASYON. The Supreme Court in Unno Commercial Enterprises, Incorporated vs. General Milling Corporation, G.R. No. L-28654., February 28, 1983 held:

'Only the owner of the mark has the right to register the same. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the

goods, business or service of others is entitled to register the same.”

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby DENIED. Let the filewrapper of Trademark Registration No. 4-2007-01304.8 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Makati City. 05 January 2011.