

CAFE DE CORAL ASSETS LIMITED
Opposer,
- versus -

IPC 14-2006-00194

Opposition to:
TM Application No. 4-1999-005031
(Filing Date: 14 July 1999)

DOMINCIANO ABING,
Respondent-Applicant.

TM: "CAFÉ DE CORAL & DEVICE"

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Decision No. 2007 – 91

DECISION

Before this Bureau is a Petition for Cancellation filed by Café De Coral Assets Limited; a corporation duly organized and existing under and by virtue of the law of the British Virgin Islands, with business address at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands, against the registration of the trademark "CAFÉ DE CORAL" under class 42, specifically for restaurant and catering business and issued on 28 April 2006 in the name of Respondent-Applicant, Dominciano Abing, with business address at 50 Sgt. Rivera St. Quezon City, Metro Manila.

The grounds for canceling of trademark Registration No. 4-1999-005031 is as follows:

"1. CAFÉ DE CORAL is the exclusive owner of the trademark CAFÉ DE CORAL and the distinctive  logo.

"2. CAFÉ DE CORAL'S marks are well known world wide, including in the Philippines; thus, they deserve special protection-under Section 123. 1 (e) and 131 (3) of the IP Code; Articles 6(bis) of the Paris Convention; and Articles 16(1) and (2) of the TRIPS Agreement-against identical mark used on similar services.

"3. Dominciano Abing would take advantage of the popularity and reputation Generated by and connected with CAFÉ DE CORAL marks. There are limitless names, characters, and logos available, yet he chose to adopt an identical mark, undoubtedly to confuse, mislead, or deceive the public into believing that his services are authorized or licensed by CAFÉ DE CORAL.

"4. The use and adoption by Dominciano Abing of an identical mark CAFÉ DE CORAL falsely tend to suggest a connection with CAFÉ DE CORAL, when in fact there is none.

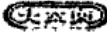
"5. Section 165 of the IP Code and article 8 of the Paris Convention protect CAFÉ DE CORAL mark as it forms a dominant part of CAFÉ DE CORAL's trade name.

"6. Dominciano Abing has no bonafide use of CAFÉ DE CORAL mark in the Philippines, and is not entitled to the registration of the mark since he is an Authorized licensee, distributor, franchisee, or retailer ever an authorized licensee, distributor, franchisee, or retailer of CAFÉ DE CORAL.

"7. Dominciano Abing's securing of Registration No. 4-1999-005031 amounts to bad faith as he infringes upon the established rights of CAFÉ DE CORAL.

“8. Dominiciano Abing’s predatory adoption of the mark CAFÉ DE CORAL contravenes the declared policy of the Intellectual Property Code that “the use of the Intellectual Property bears a social function.”

Opposer relied on the following facts to support its contention in this Opposition:

“1. Mr. Lo Tang Seong Victor, now 91 years old, the patriarch of the Lo Family of Hong Kong, established the first CAFÉ DE CORAL restaurant in 1968. This restaurant is distinguished by its unique  CAFE DE CORAL’s logo. Originating from the Chinese ideal of family togetherness, and forming a three-word logo linking shareholder, customers, and staff- “all happy” together. Further CAFÉ DE CORAL trade name identifies CAFÉ DE CORAL’s “restaurant and catering services as a dominant part of CAFÉ DE CORAL’s n trade name.

“2. CAFÉ DE CORAL is the world’s largest publicly listed Chinese Fast Food restaurant, with 562 outlets operating under different brands in various geographical regions: Hong Kong, Macau, People’s Republic of China (PRC), Indonesia, Canada, United States of America, and in the Philippines.

“3. CAFÉ DE CORAL’s principal business involves the development and management of quick service restaurant chains. It has headquarters in Hong Kong, where its restaurants and business originated. Its subsidiaries operate its strategic business, divided into five groups:

Quick Service Restaurant services.

3.1 CAFÉ DE CORAL restaurant lead the fast food market sector for over three decades-with the first CAFÉ DE CORAL restaurant established in 1968 along Sugar Street, Causeway Bay, Hong Kong. This single CAFÉ DE CORAL restaurant evolve to become a leading Chinese fast food chain with at least 124 restaurant in Hong Kong, serving 300,000 customers daily ; and over 20 CAFÉ DE CORAL restaurant operating in People’s Republic of China (PRC).

3.2 CAFÉ DE CORAL owns Oliver’s Super Sandwiches, which has 12 outlets in Hong Kong and 8 franchise outlets in the Philippines; Fan Ting Restaurant located in U.S.A.; Manchu Wok in North America; and New Asia Dabao in Shanghai China.

Specialty Restaurant Services

3.3 It has also diversified into full-service specialty restaurant operators. It owns the Chinese soup-cum-specialty-dish restaurant chain, Ah Yee Leng Tong, Super Supper Congee and Noodles restaurant, which has 5 outlets, and a mid Range Italian restaurant chain, The Spaghetti House, which has 25 outlets in Hong Kong and the PRC and 2 franchise outlets in Indonesia. It also owns Dai Bai Dang restaurant in California, U.S.A

Institutional Catering Business

3.4 In 1990 CAFÉ DECORAL set up Asia Pacific Catering, a Hong Kong Company - targeting contractual catering clients: University,

hospitals, government, public and private institutions, all based in Hong Kong and in China.

- 3.5 In 1999 the student catering business was launched under the brand name of Luncheon Star, which has deployed the cook-chill central production technology.
- 3.6 CAFÉ DE CORAL's institutional catering business is internationally recognized under ISO9001 and by a Hazard Analysis and Critical Control Point (HACCP) accreditation.

Food Manufacturing and Distribution Business

- 3.7 CAFÉ DE CORAL's important operational logistics are its food processing plant in Guangzhou, China and its 120,000 sq. ft. central food processing facility located in its Hong Kong Headquarters.
- 3.8 CAFÉ DE CORAL Group also owns Scan foods and Denny's Bakery, integrating manufacturing and distribution business in the Greater China region. As one of the leading processed meat supplier in Hong Kong, Scan foods, owns 40,000 sq. ft. production base in Dongguan City, China which processes and distributed ham, Sausage and bacon products to over 1,000 institutional customers in Hong Kong and China.

Property Development

- 3.9 CAFÉ DE CORAL is also involved in Franchising and Property development.

"4. In fiscal year ending March 2006, CAFÉ DE CORAL has consolidated Sales (Turnover) of H.K. \$3.4 billion, generating a profit of over H.K \$320 million. CAFÉ DE CORAL's workforce stands about 12,000 employees.

CAFÉ DE CORAL: Service mark and Trade Name

"5 CAFÉ DE CORAL was adopted in 1968 as a service mark for CAFÉ DE CORAL restaurant and as trade name of the parent company, CAFÉ DE CORAL Holdings Limited and its sixteen principal subsidiaries including CAFÉ DE CORAL Assets Limited. These subsidiaries are incorporated and currently operate in various countries: Hong Kong, People's Republic of China, Denmark, Macau, and British Virgin Islands.

Recognition and Awards

"6 To date, the CAFÉ DE CORAL Group has received 33 recognition and awards from various established institutions and publication, such as Asian Institute of Management (AIM); Forbes Global; Forbes Asia; Business week; Hong Kong Tourist Association and Asia Money, among others. The most recent award it received names the CAFÉ DE CORAL Group as the "2006 Most Favorable Brands of the Nation".

"7. Filipino industrialist businessmen-through the Asia Institute of Management Limited (the parent company) with two successive prestigious awards: the Asia Management Award for General Management, in 1992: and

the Asia Management for General Management, in 1993. AIM is an internationally accredited graduate School of Business based in Makati City, Metro Manila Philippines, with Filipino Board of Trustees and international Board of Governors.

“8 Similarly, The Internet Web site www.brandsoftheworld.com recognizes the CAFÉ DE CORAL distinctive logo as one of the best brands of the world.

CAFÉ DE CORAL's unique marks

“9 CAFÉ DE CORAL Assets Limited owns a number of marks registered or applied for registration in Hong Kong, People's Republic of China (PRC), United Kingdom, United States of America, Indonesia, Macau, Malaysia, Singapore, and South Korea, Taiwan, and in the Philippines. This family of marks consist of-



A list of CAFÉ DE CORAL's worldwide registrations and application, and certified copies of its Trademarks Registration Certificates are attached as Exhibit "A".

“10. These marks are unique: The words CAFÉ DE CORALS trade name and service marks; the Chinese Characters means "All Happy" in English, and are pronounce as "Tai Ka Lok" (its English translation); and the accompanying logo is uniquely emblazoned to surround the entire mark. These marks are distinctive to CAFÉ DE CORAL as no other entity in the world uses the CAFÉ DE CORAL marks.

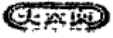
Advertising

“11. CAFÉ DE CORAL maintains three Internet websites: www.cafedecoral.com; www.cafedecoralfastfood.com; and www.cafedecoralcn.com. These websites advertise online all relevant information on CEFE DE CORAL such as Corporation Information, Business Units and Operations, Investors Relations, Milestone, Branches, and Products and Services. They are accessible online anytime and from anywhere, including in the Philippines.

“12. CAFÉ DE CORAL”s family of marks appears in various forms of media: store’s display, television commercials. Newspapers, company Annual Reports, Entertainment websites.

“13. In fiscal year ending March 2006, CAFÉ DE CORAL spent at least H.K. \$30 million marketing and advertising; and H.K. \$7 million on promotions-for a total of H.K. \$37 million.

Filipino’s familiarity of CAFÉ DE CORAL’s restaurant and CAFÉ DE CORAL’s trade name

“14. Filipino industrialist and businessmen are familiar with CAFÉ DE CORAL and its  logo for its excellent service and quality management and marketing-as recognized by its AIM awards.

“15 Likewise, its Filipino franchisee of Oliver’s Sandwiches-Oliver’s Super Sandwiches Philippines, Inc. – is familiar with CAFÉ DE CORAL.

“16. One hundred and twenty-four CAFÉ DE CORAL restaurants are scattered strategically in Hong Kong, such as in business districts, in shopping centers, and even in industrial and public housing estates. Hong Kong is home to thousand of Filipinos who reside and work therein. Based on the Philippine Government’s census in 2002, there are about 122,000 Filipinos working in Hong Kong alone. Filipinos there are exposed to CAFÉ DE CORAL restaurant and actually come to CAFÉ DE CORAL restaurants to enjoy authentic Chinese fast food dishes.

“17 It is undisputed that many more Filipino visit Hong Kong as tourist. And with the strategic locations of CAFÉ DE CORAL’s restaurants, Filipino tourists are also exposed to CAFÉ DE CORAL restaurant and likewise enjoy CAFÉ DE CORAL’s authentic Chinese food.

“18. In addition to its well-placed locations, CAFÉ DE CORAL restaurants enjoy massive television exposure, print advertisements, and Internet campaigns, which Filipino resident workers and tourist are expectedly exposed.

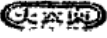
CAFÉ DE CORAL Services Mark Portfolio in the Philippines

“19. In the Philippines, CAFÉ DE CORAL (work mark in stylized form) was originally registered under Supplemental Registration No. 5892 issued on 4 May 1982.

“20. The CHINESE CHARACTERS mark was likewise originally registered under Supplementary Registration No. 6000 issued on 3 September 1982.

“21 Unable to find qualified Philippine licensee or franchisee. CAFÉ DE CORAL allowed this Philippine supplement registration to lapse.

“22. In 2001 it applied to register the word mark CAFÉ DE CORAL, under Application No. 4-2001-998225 dated 31 October 2001, also for class 42 services. This application also lapsed due to the non-filing of a declaration of actual use form within the 3 year period.

“23. With favorable business conditions now prevailing, CAFÉ DE CORAL plans to establish a chain of CAFÉ DE CORAL restaurants in the Philippines. In May 2005 CAFÉ DE CARAL re-applied to register its mark  with the Philippine Intellectual Property Office – signaling its business expansion thrust in the Philippines. This application bears Application No. 4-2005-003969 and covers service class 42 (restaurant, self-service restaurant, snack-bar, café, cafeteria, bar and catering services).

CAFÉ DE CORAL Group’s Business Expansions: Its Activities and Plans in the Philippines

“24 From its Hong Kong base, where it has 124 CAFÉ DE CORAL restaurants CAFÉ DE CORAL expanded to the People’s Republic of China (PRC) by recently opening up eight more CAFÉ DE CORAL restaurants—bringing the total count to 22 outlets in Southern China Region, with one store in Macau. Following its business expansion plans, it now to intend to open a chain of CAFÉ DE CORAL restaurants in the Philippines

“25. CAFÉ DE CORAL has always set its eyes in the Philippine market, and it has bolstered its presence with its 2003 acquisition of Oliver’s Super Sandwiches, a quick service sandwich restaurant. It has 12 Oliver’s super sandwiches outlets in Hong Kong, and 8 in the Philippines, operated through a franchise-by Oliver’s Super Sandwiches Philippines, Inc., a Philippine corporation.

“26. CAFÉ DE CORAL is poised to invest in the Philippines, but its planned investments—through the establishment of its flagship CAFÉ DE CORAL restaurant—are now imperiled by Mr. Dominciano Abing’s predatory adoption of CAFÉ DE CORAL and LOGO and CAFÉ DE CORAL. (word mark).

“27. Domiciano Abing is not an authorized license, distributor, importer, retailer, or franchisee of CAFÉ DE CORAL Group nor is he in any authorized to use, promote, or register any of CAFÉ DE CORAL’s family of marks.

“28. Dominciano Abing has adopted the same CAFÉ DE CORAL word mark --- the exact replica of a mark owned by CAFÉ DE CORAL. The exact similarity of the mark and the equivalence of services portray his predatory intent and bad faith to trade on the goodwill and CAFÉ DE CORAL’s family of marks.

“29. In support of the Petition for Cancellation, attached is a Declaration of Mr. YUN WAI LUN, the company Secretary of CAFÉ DE CORAL Assets Limited – marked as Exhibit “B”, with sub-markings.

The Notice to answer dated 08 January 2007 was sent to Respondent-registrant, though it’s Counsel, Atty. Jorge Cesar M. Sandiego, directing Applicant to file their Verified Answer within a prescribed period from receipt. Respondent-Registrant filed its Verified Answer on 15 March 2007.

Respondent in its Answer interposed the following ADMISSIONS and DENIALS:

“Respondent-Applicant DENIES the entire materials allegation mentioned/discussed in all the paragraphs of the Notice of Opposition (and the Petition for Cancellation) for lack of knowledge or information to form a belief as to the truth

thereof and/or for being statement of law that are self serving and/or conclusions of law. Likewise, this denial is subject to and/or the truth of the matter is those raised in the affirmative defenses hereunder discussed.”

and raised in its Answer the following Affirmative Defenses, to wit:

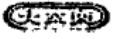
1. As discussed in the par. 33 of the Notice of Opposition (and in the Petition for Canceling), the application of the Opposer for the registration of the mark “Café de Coral” device in the Philippines was filed on 25 May 2005 under Application No. 2005-003969 of (5) years after the Respondent applicant filed this application presently being opposed.

- 1.1 Thus under the principle of the “first to file” rule in trademarks, the Respondent-Applicant is the owner of the mark “Café de Coral” mark in the Philippines.
- 1.2 On the issue of the prior registration of the said mark in the Philippines under No 5892 issued in 1982, it should be noted that the said registration was under the Supplemental Registry under RA 166. It should also be noted that such registry was abolished under the present law RA 8293.
- 1.3 On the other hand, under RA 166 the Supplemental Registry neither does nor provide for any rights but only an evidence of adoption of the mark.
- 1.4 Furthermore, such registration (proof of adoption) did not vest ownership over the mark in question. Ownership stems from use in the Philippines of which the Opposer can not establish. In fact, in pars. 31, 32 and 33 of the Opposition (and in the Petition for Cancellation), the Opposer virtually admitted that it has no use of the mark in question in the Philippines.
- 1.5 The mark “Café de Coral” is not internationally known in favor of Opposer. In Par. 19 of the Notice of Opposition, Opposer admitted that it is only in the following countries where they have been issued or their application pending: China, Hong Kong, United Kingdom, USA, Indonesia, Malaysia, Singapore, South Korea, Taiwan and in the Philippines.
- 1.6 However, it should be noted that Macau, Hong Kong, Taiwan are technically part of China. Consequently, only in the following countries are covered by the applications/registrations – China, USA and Malaysia which is not the world.
- 1.7 On the other hand, the application in the Philippines was filed on a later date than the filing date of the application herein opposed as discussed above.
- 1.8 Although there is registration in these countries, there is no evidence of use therein.
- 1.9 The mark CAFÉ DE CORAL is used in the Philippines by the Respondent.

- 1.10 The Verification/certification of Non-forum Shopping in both initiatory pleading are defective as the person who signed them has no authority from the Board of Director of the Opposer to sign the same.
- 1.11 The said Verification/Certification of Non-forum shopping of both initiatory pleading was not authenticated before the Philippine consulate in the jurisdiction stated therein.

From the receipt of the Answer, a reply was subsequently filed by the Petitioner on 23 March 2007. A Preliminary Conference of the instant suit was held on 18 April 2007. In view of the absence of Respondent's Counsel, Petitioner's Counsel moved for the termination of the said conference. In open court on the same day, this Bureau granted the instant motion and thereafter resolved to submit the case for decision.

Considering that the case was mandatory covered by the Summary Rules under Office Order No.79, this Bureau required Opposer to submit its position paper. Opposer filed its position paper on 28 May 2007.

In support of its prayer for the cancellation of Registration No.4-1999-00531 for the mark , Petitioner's evidence consisted, among other, of the Authenticated Certification of Rosaline Oi Wan Cheung (legal custodian) of CAFÉ DE CORAL's extensive worldwide Trademark Registrations (Exhibit "A"); certificates of Registration, their Renewal, Merger, Recordal of Assignment for CAFÉ DE CORAL family of marks in Hong Kong and People's Republic of china or PRC, Indonesia, Macau, South Korea, Taiwan, Malaysia, Sabah, Sarawak, Singapore (Exhibit "A-1" to "A-120"); Authenticated Declaration of Mr. YUN Wai Lun, Company Secretary of CAFÉ DE CORAL Assets Limited (Exhibit "B"); Corporate Annual Reports of CAFÉ DE CORAL Assets Limited (Exhibit "B-1, B-1-A to E"); List of CAFÉ DE CORAL's Recognition and Awards including plaques given and copy of Asian magazines showing awards and associations conferring recognition to CAFÉ DE CORAL Assets Limited (Exhibit "B-2" to "B-13-C"); Several Internet website pages (Exhibit "B-14" to "B-18"); Certified true copy of SR 5892 dated 4 May 1982 for the mark CAFÉ DE CORAL covering goods under classes 29 & 30, the Deed of Assignment of SR 5892 which expired on 05 November 2002 (Exhibit "B-25", "B-25-A" & "B-25-B"); Certified true copy of SR 6000 dated 3 September 1982 for the mark CAFÉ DE CORAL & LOGO covering goods under classes 29 & 30, Status of SR-6000 which expired on 04 March 2003 and the Petition for Amendment and Deed of assignment of SR-6000 (Exhibit "B-26", "B-26-A", "B-26-B" & "B-26-C"); Notarized Declaration of Atty. Gideon G. Sison (Exhibit "B-30").

Attached as documentary evidence, among others, for the Respondent-Registrant are the affidavit-testimony of Respondent himself, Dominciano Abing (Exhibit "2"); Photographs of Respondent's outlet using the word mark CAFÉ DE CORAL (Exhibits "3", "3-A" to "B");

The main or focal issue for this Bureau of essentially pass upon is whether or not the facts and evidence of the case would warrant cancellation of Respondent-Registrant's registration of the trademark CAFÉ DE CORAL issued by virtue Certification of Registration No. 4-1999-005031.

In evaluating the facts of the record and weighing the evidence presented this Bureau must first determine or make a finding on the similarity or dissimilarity of the two marks. There is no issue that the marks involved are identical, not thereon but the mark or words CAFÉ DE CORAL appears both in the label of the contending parties. Below is a side-by side comparison of the competing marks:



Petitioner's mark
As shown in SR No. 5892



Respondent-Registrant's mark
as shown in Registration
No. 41999005031

Except for minor differences in the printing of the labels which may be considered as negligible, their overall appearance shows identicalness or perfect similarity. Both marks are spelled and uttered the same and contain three words without any accompanying logo. Having shown and proven resemblance of the two marks, we now delve on the matter of ownership and priority in application which certainly have decisive effect in the adjudication of the case.

A cursory reading of paragraph (d) of R.A 8293 with emphasis on prior registration and/or application of the same mark states that:

“Section 123. Registrability. -123.1 A mark cannot be registered if it:

xxx

(d) is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;”

xxx

An examination of the documentary evidence confirms Respondent-Registrant's earlier application of the mark CAFÉ DE CORAL. Between the two contending parties, trademark application of Respondent came earlier by more or less six (6) years vis-à-vis Petitioner's application in 2005. However, one crucial factor that led this Bureau to dig deep into the records if the case is Petitioner's establishment of prior adoption of the mark or label CAFÉ DE CORAL. Petitioner presented evidence of earlier supplemental registration (Exhibits “B-25” and “B-26”) in 1982 for the word mark CAFÉ DE CORAL in stylized form with SR No.5892. *Le Chemise Lacoste, S.A. vs. Fernandez*, 129 SCRA 373, is one case relevant to and decisive of this particular point when the court ruled:

“Registration in the Supplemental register, therefore, serves, as notice that the registrant is using or has appropriated the trademark. By the very fact that the trademark cannot yet be entered in the Principal Register, all who deal with it should be on guard that there are certain defects, some obstacles which the user must still be overcome before he can claim of an exclusive right to the use of the same. It would be deceptive for a party with nothing more than a registration in the Supplemental register to posture before courts of justice as if the registration is in the Principal Register.”

For failure of Petitioner to cure the defect following registration in the supplemental register, the said SRs lapsed and cancelled due to non-use as alleged by Petitioner in this Cancellation and is quoted below, to wit:

“21. Unable to find qualified Philippine licensee or franchisee, CAFÉ DE CORAL allowed this Philippine supplemental registration to lapse. It is basic tenet under trademark law that rights to trademarks accrue from use, not merely adoption. Thus, the ruling in Sterling Products International, Inc. vs Farbenfabriken Bayer Aktiengesellschaft, et al., G.R. No. L-19906, April 30 1969, is one case relevant in point, to wit:

“It would seem quite that adoption alone of a trademark would not given exclusive right thereto. Such right “grows out of their actual use.” Adoption is not use. One may make advertisement, issue circulars, given out price list on certain goods; but these alone would not give exclusive right of use. For trademark is a creation of use.”

Corollary, for failure of Petitioner to show prior commercial use and adoption of the questioned mark, this Bureau now turns its attention on the rightful owner of the mark CAFÉ DE CORAL.

The right to register trademarks, trade names and service marks is based on ownership. Only the Owner of the mark may apply for its registration (Bert R. Bagano v. Director of Patents, et. al., G.R. No. L-20170, August 10, 1965) and where a trademark application is opposed, the Respondent-Applicant has the burden of proving ownership (Marvex Commercial Co., Inc. v. Peter Hawpia and Co., 18 SCRA 1178). In the instant case, Respondent-Registrant presented proof of an earlier application in 1999 which was not disproved by Petitioner. And to fortify its claim of being the rightful owner in the Philippines of the mark CAFÉ DE CORAL, Respondent presented pictures of a restaurant presently being operated by him at Ongpin St., Manila (Exhibits “3 and 3B” Respondent) to prove actual commercial use of the mark to be use for the same services, after its supplemental registrations lapsed and accordingly cancelled, were in the years 2001 and 2005, again, these two applications were filed some years later than the date of Respondent’s application which was in the year 1999. At any rate, inspite of Opposer’s tow supplemental registration being shown and presented to this local forum, Respondent-Registrant still emerged as the first of prior applicant under the “First-to-File” rule of R.A. 8293 considering that the Intellectual Property Philippines or IPP for brevity has already abolished and cancelled registration in the supplemental register. Not only that, an even more persuasive and compelling reason is Petitioner’s failure to prove actual commercial use in the Philippines of its trademark CAFÉ DE CORAL. Petitioner’s reliance on the existence of its other business such as the operation of Oliver’s Super Sandwiches in the Philippines as alleged in paragraph 15 of this petition can not be considered equivalent to use of Petitioner’s CAFÉ DE CORAL, both businesses stand on different footing and pursue different ends.

And pursuant to the Supreme Court’s ruling in the case of PAGASA Industrial Corporation vs. Court of appeals, et al., 204 Phil 162 (G.R. No. L-54158, November 19, 1982), Petitioner can not be considered an owner in the Philippines of the mark CAFÉ DE CORAL, thus:

“The Trademark Law is a very clear. It requires actual commercial use of the mark prior to its registration. There is no dispute that Respondent Corporation was the first registrant, yet it failed to fully substantiate its claim that it used in trade or business in the subject mark; it did not present proof to invest it with exclusive, continuous adoption of the trademark which should consist among others, of considerable sales since its first use. The invoices submitted by respondent which were dated way back in 1957 show that the zipper sent to the Philippines were to be used as “samples” and “of no commercial value.” The evidence for respondent must be clear definite and free from inconsistencies.”

Having resolved the above issues in point, this Bureau deems it necessary to consider and further discuss the remaining issues raised by Petitioner. Petitioner argued that the mark CAFÉ DE CORAL is well-known citing authorities and provisions for the protection of well-known marks contained in Article 6bis of the Paris convention, thus:

“i. “The countries of the Union undertake, ex officio if their legislation so permits or 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 as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods.”

x x x

Petitioner further bolstered its argument invoking R.A 8293 (the Intellectual Property Code of the Philippines) which took effect on January 1, 1998.

The particular provisions applicable in cancellation proceeding are contained in Section 123.1 (e) in relation to Sections 131.1 and 147, which provide, inter alia, that:

“Section 123. Registrability - 123.1. A mark cannot be registered if it:

x x x

e) *Is identical with, or confusingly similar to, or constitutes a translation if a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used to identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;”*

x x x

“Section 131.3. Priority Right. x x x – Nothing in this section shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country: Provided, That, notwithstanding the foregoing, the owner of a well-known mark was defined in Section 123.1 (e) of this Act, that is not registered in the Philippines, may, against an identical or confusingly similar mark, oppose its registration, or petitions the cancellation of its registration or sues for unfair competition, without prejudice to availing himself of other remedies provided under the law”.

x x x

“Section 147. Rights Conferred-147.1 The owner the registered of the registered mark shall have exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs or containers for goods or services which identical or similar to those in respect of which the trademark is registered were such use would result in a likelihood of confusion. Incase of use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.”

X X X

It is clear that the foregoing section apply in the case at bar because the subject trademarks registration was issued under the new Intellectual Property Code, it follows that it is R.A. 8293 that must be applied with regard to the determination or whether or not a mark is well-known. In determining whether a trademark is well-known, we used Section 123.1 paragraph (e) of the foregoing section because the services involved in this instant suit are similar. The scope of protection of well-known marks under the afforested standards and guidelines covers unregistered trademarks for use on similar services.

With the evidence on record, this Bureau finds it difficult to concur with Petitioner's declaration that their trademark is internationally well-known, record is bereft of adequate basis to justify this claim considering that almost all registration obtained abroad were in the following countries alone: Hong Kong, Taiwan, and the People's Republic of China, if there are other registrations to consider outside of the aforecited countries, Petitioner only presented USA and Malaysia and few others. Hence, Petitioner's trademark registrations are not worldwide in scope.

It may well be worthy to note that as early as the year 1982, Petitioner obtained supplemental registration of the trademark CAFÉ DE CORAL on the products falling under classes 29 & 30. This registration, however, lapsed and subsequently cancelled due to non-use. Although it does not show an intention of the part of the petitioner to abandon the use thereof as it has made several applications after its cancellation, by and large, petitioner still failed to prove commercial use in the Philippines. On this score alone, this Bureau or any other competent authority for that matter, can not declare Petitioner's trademarks to be well-known inspite of Petitioner's many recognition and awards received abroad for being one of the outstanding companies in Asia (Exhibit "B-2" to "B-13-C", Petitioner) and Petitioner's reliance on the many registrations obtained in other countries (Exhibit "A-1" to "A-120", Petitioner), when it is very clear that the record is wanting in proof to show adoption and use in the Philippines.

This Bureau quotes with approval the pronouncement of the Court in the case of Sterling Products International, Inc. vs. Farbenfabriken Bayer Aktiengesellschaft, et al., G.R. No. L-19906, April 30, 1969, when it said:

"The United States is not the Philippines. Registration in the United States is not registration in the Philippines."

Moreover, par. 21 of petitioner's petition is proof that very few Filipinos know and patronize CAFÉ DE CORAL & DEVICE which accounted for the facts that petitioner found no qualified license or franchisee in the Philippines.

Base on the foregoing and despite Petitioner's reliance on the existence of supplemental registrations which were subsequently cancelled and on well-know ness of the mark CAFÉ DE CORAL in neighboring countries such as Hong Kong, Taiwan and the People's Republic of China, this Bureau revolves to deny this Petition to cancel Respondent-Registrant's registration for the mark CAFÉ DE CORAL.

WHEREFORE, premises considered, the Petition for Cancellation is, as it is hereby DENIED. Consequently, Trademark Registration No. 4-1999-005031 issued on 28 April 2006 in favor of Dominiciano Abing for the trademark "CAFÉ DE CORAL" for use on restaurant and catering business remains VALID and SUBSISTING unless sooner terminated as provided for by law.

Let the filewrapper of CAFÉ DE CORAL, subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 29 June 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office