KWOK PUN,	}	INTER PARTES CASE NO. 1636
Junior Party-Applicant,	}	Interference:
	}	Serial No. : 363753
	}	Date Filed : Nov. 29, 1978
-versus-	}	Trademark : "MAXIM'S TEA
	}	HOUSE" and
	}	Serial No. : 34447
MANILA MIDTOWN COMMERCIAL	}	Date filed : Feb. 10, 1978
CORPORATION,	}	Trademark : "MAXIM'S"
Senior Party-Applicant.	}	Decision No. 2004 - 14

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D E C I S I O N

This refers to an Interference declared by this Office between Application bearing Serial No. 34447 filed on February 10, 1978 by the herein Senior Party-Applicant, MANILA MIDTOWN COMMERCIAL CORPORATION, for the trademark "MAXIM'S" for use on "party shop and restaurant services", and Application bearing Serial No. 36753 filed on November 9, 1978 by the herein Junior Party Applicant, KWOK PUN, for the mark "MAXIM'S TEA HOUSE" for use on "business of restaurant management".

Records show that the herein Senior Party-Applicant MANILA MILDTOWN COMMERCIAL CORPORATION is a corporation duly recognized and existing under the law of the Philippines, located at Pedro Gil St., Corner Adriatico, Malate, Manila, while the Junior Party-Applicant, KWOK PUN, is a Filipino citizen, doing business under the name and style MAXIM'S TEA HOUSE, a single proprietorship located at 965 – 67 Ongpin St., Sta. Cruz Manila.

Having filed an earlier application on February 10, 1978, Manila Midtown Commercial Corporation was declared as the Senior Party-Applicant and the KWOK PUN whose application was filed only on NOVEMBER 9, 1978, was considered as the Junior Party-Applicant and is, therefore, regarded as having the burden of proof under Rule 184 of the Revised Rules of Practice in Trademark Cases.

Upon recommendation of the Examiner this Interference was declared by the then Director of the former Bureau of Patents, Trademarks and Technology Transfer, now the Intellectual Property Office pursuant to Section 10-A of R.A. No. 166 as amended, which provides as follows:

> " *SECTION 10-A. Interference.* – An Interference is a proceeding instituted for the purpose of determining the question of priority of adoption and use of a trademark, tradename, or service-mark between two or more parties claiming ownership of the same or substantially similar trademark, tradename or service-mark.
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> Whenever application is made for the registration of a trademark, tradename or service-mark which so resembles a mark or tradename previously registered by another, or for the registration of which another had previously made application, as to be likely when applied to the goods or when used in connection with the business or services of the applicant to cause confusion or mistake or to deceive purchasers, the Director may declare that an interference exists.
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> Upon the declaration of interference the Director shall give notice to all parties and shall set the case for hearing to determine and decide the respective rights of registrations.

> In any interference proceeding the Director may refuse to register any or all of several interfering marks or tradenames, or may register the mark or marks or tradename or tradenames for the person or persons entitled thereto, as the rights of the parties cant be established in the proceedings. (As amended by R.A. No. 638)"

Accordingly, after the notices of interference were sent to both parties, pursuant to Rule 182 of the Revised Rules of Practice in trademark cases, the case was scheduled for PRE-TRIAL.

The Pre-trial Conference was thereafter terminated and hearing on the merits was conducted.

Under Rule 184 of the Revised Rules of Practice in Trademark Cases, the Junior Party-Applicant is regarded as having the burden of proof. Hence, the Junior Party-Applicant presented "MR. JOHNSON C. POON", who is the son of "KWOK PUN", the Junior Party-Applicant in this case as his lone witness.

Thereafter, the *Junior Party-Applicant* marked and formally offered Exhibits "A" to "W" inclusive of sub-markings (Order No. 1999 - 154) dated 29 April 1999.

On the other hand, Senior Party-Applicant, Manila Midtown Commercial Corporation, presented "Mrs. Merle Norma A, de Guzman, as its witness, a former Administrative Officer of the Corporate Legal Department, which handles the legal requirements of all Gokongwei Group of Companies and Mr. Rene Tady, Stores Manager of Manila Midtown Hotel.

The *Senior Party-Applicant* thereafter formally offered Exhibits "1" to "12" inclusive of sub-markings Order (Order No. 2003 - 347) dated 21 August 2003.

The only issue to be resolves in this case is the determination of who between the parties has the priority of adoption and use of the trademark in question in accordance with the provisions of SECTION 10-A OF R.A. No. 166 as amended as the two (2) marks applied for by both parties are substantially identical or confusingly similar.

Whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is resolved by applying the "TEST OF DOMINANCY".

There is no doubt that the dominant feature of the contending marks MAXIMS'S and MAXIM'S TEA HOUSED is the word MAXIM'S which is the name in SPELLING, PRONOUNCIATION and MEANING as well.

The Supreme Court in the case of "PHILIPPINE NUT INC. VS. STANDARD BRANDS INCORPORATED, et. al. 65 SCRA 575, 579, stated:

> In cases involving infringement of trademark brought before the court, it has been consistently held that there is infringement of trademark when the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity; whether or not a trademark causes confusion and is likely to deceive the public is a question of fact which is to be resolved by applying the "TEST OF DOMINANCY", meaning, if the competing trademarks contain the main or essential or dominant features of another by reason of which confusion and deception are likely to result, then infringement takes place: *That* duplication or imitation is not necessary. A similarity in the dominant features of the trademarks would be sufficient." (CO TIONG SA vs. DIRECTOR OF PATENTS, 1954, 94 Phil. I, citing viz CLARKE vs. MANILA CANDY CO., 36, Phil. 100;

ALHAMBRA CIGAR & CIGARETTE CO., vs. JAO OGE, 47 Phil. 75, ETEPHA A.G. vs. WESTMONT PHARMACEUTICALS INC., No. L-20635, March 31, 1996, 16 SCRA 495)

It must be noted that SEC. 2-A of Republic Act No. 166, as amended provides as follows:

> "Sec. 2-A. *Ownership of trademarks, trade names and service marks how acquired.* Anyone who lawfully produces or deals in merchandise of any kind or engages in any lawful business or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, a trade name or a service mark not so appropriated by another to distinguish his merchandise, business or service of others x x x."

The evidence adduced by both parties established the following:

The Junior Party-Applicant has registered the business name "MAXIM'S TEA HOUSE" with the Bureau of Domestic Trade, Quezon City on *August 14, 1979* under Reg. No. 22376 with the business of RESTAURANT at Greenhills, San Juan, Metro Manila. (Exhibit "T".)

Further, Junior Party-Applicant has registered the business name "MAXIM'S TEA HOUSE" with the Department of Trade and Industry, National Capital Region issued to different persons or entities engaged in the business of REATAURANT in different localities in Metro Manila which were franchises of the herein Junior Party-Applicant. (Exhibit "A" to "Q".)

On the other hand, the Senior Party-Applicant has not registered the business name "MAXIM'S with the Department of Trade and Industry/Bureau of Domestic Trade as certified to by "LUWINA S. ENECIO", Director, DTI-NCR (Exhibit "W").

Mr. Rene Tady, who has been working as Stores Manager of Respondent, Manila Midtown Hotel Corporation since August 1984 testified that in the course of the performance of his duties, he has supervised or encountered the restaurant of MAXIM'S in the forms of ordering cup, cake boxes, matches guest checks and also on reports of financial cost accounting and cost control reports; that to his knowledge, Maxim's has been in the hotel since July 1977 because before he was the Store's Manager of Manila Midtown, he was a Systems Analyst and sometimes he was assigned there at Manila Midtown; that the reason why he still remember this was because of the doughnuts which is very famous in Maxim's. that's big doughnuts, and the taste also; that Maxim's is a specialty shop specializing in pastries and cookies and serving also beverages that the trademark MAXIM'S are on the signages where Maxim's is, also on boxes, caked boxes and paper bags and also on guest checks. He presented cake box, two different sized of plastic bags of Maxim's and Exhibit "5" Maxim's Pastry Shop Guest Check but there was no date indicated therein. (See TSN pp. 6 to 10, July 2, 2003).

Although there was a testimony of the witness as to the date of use MAXIM'S IN July 21, 1977, no evidence was presented to substantiate the claim of first use.

However, Rule 173, of the Rules of Practice in Trademark Cases provides:

> In all inter partes proceedings, the allegations of date of use in the application for registration of the applicant or of the registrant cannot be used as evidence in behalf of the party making the same. In case no testimony is taken as to the date of use, the party will be limited to the filing date of the application as the date of his first use. (Underscoring provided)

Therefore, considering that the Senior Party-Applicant failed to substantiate the date of first use, July 21, 1977, indicated in its trademark application, the allegations of date of use in the application cannot be used as evidence in behalf the Senior Party-Applicant. However, in accordance with Rule 173, the Senior Party-Applicant will be limited to the filing date of the application as the date of its first use. Hence, February 10, 1978 which was the date of actual filing of the application for registration of MAXIM'S shall be considered as the constructive date of first use by the Senior Party-Applicant.

During the cross examination of Mr. Rene Tady, Dated July 2, 2003, he admitted that "MAXIMS" located in Manila Midtown Hotel stopped operation since May 2003, as shown on page 28 of the transcript of stenographic notes to wit:

"Atty. Aguas:	I will reform my question, you said that the hotel is not anymore functioning as a hotel, can you tell me since when?
Witness:	Since May.
Atty. Aguas:	Since May 2003? And all these that you pointed a while ago, this amenities or services that you pointed a while ago have ceased to operate also?
Witness:	Temporarily."

However, the admission by the witness, Mr. Rene Tady that it stopped operation since May 2003 will not prejudice Senior Party-Applicant because temporary non-use of a mark cannot be considered as abandonment. As held by the Supreme Court, abandonment, which is in the nature of a forfeiture of a right, must be shown by clear and convincing evidence (74 Am. Jur 2d, p. 722). To work an abandonment, the disuse must be permanent and not ephemeral; it should be intentional and voluntary, and not involuntary or even compulsory (Philippine Nut v. Standard Brands, Inc, 65 SCRA 575).

Finally, after consideration of the records and evidences presented, this Office finds that the Senior Party-Applicant having a constructive date of use as of the date of filing, that is February 10, 1978, has the better right over the mark MAXIM'S, the Junior Party-Applicant having registered its business with the Department of Trade and Industry (DTI) only in August 1979 and a filing date on November 9, 1978. Bases on the foregoing, the herein Senior Party-Applicant, Manila Midtown Commercial Corporation is the prior adopter and user and therefore, the rightful owner of the mark MAXIM'S.

WHEREFORE, premises considered, this interference is at it is, hereby DISSOLVED. Accordingly, the application for the trademark "MAXIMS' by the Senior Party-Applicant under Serial No. 34447 filed on February 10, 1978 is hereby GIVEN DUE COURSE. Consequently, the application of Junior Party-Applicant for the registration of the mark "MAXIM'S TEA HOUSE" under Serial No. 36753 filed on November 9, 1978 is hereby REJECTED.

Let the records of this case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSDB) for appropriate action in accordance with this DECISION with a copy furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, 11 October 2004.

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