

EDMOND A. LIM & GERD PALAND
Opposer,
- versus -

IPC 14-2004-00142

Opposition to:
TM Application No. 4-2000-002139

CATALINA SEE
Respondent-Applicant.

TM: "CROWN"

x-----x

Decision No. 2006-142

DECISION

This is an opposition proceeding that Edmond A. Lim and Gerd Paland (Opposer) instituted seasonably against Catalina See (Respondent). A brief description of the parties is certainly appropriate.

Opposer Edmond A. Lim is a Filipino citizen residing at No. 41 Valenzuela St., Barangay Batis, San Juan, Metro Manila. He is alleged as the exclusive distributor in the Philippine of "Crown" nipper made in Solingen, Germany. Opposer Gerd Paland is a German citizen at Felderstr 36A, 42651, Solingen, Germany. He is alleged as the owner of the above-described "Crown" mark. On the other hand, Respondent Catalina See is a Filipino citizen residing at Suite 602, Binondo Terrace, No. 842 Alvarado St., 1006 Binondo, Manila. She is the applicant for the registration of the "Jowika Device" mark.

On 26 October 2004, Opposers filed their verified opposition before the Bureau of Legal Affairs (*Bureau*), Intellectual Property Office (*Office*). This opposition proceeding was docketed essentially that Opposer Gerd Paland is the owner if the "Crown" mark, and therefore, Respondent has no right to register it in her name. Consequently, Opposer seek that Respondent's application for registration of the "Crown" mark be denied. The silent portions of their verified opposition are reproduced below, viz.:

Opposer Edmond A. Lim is the exclusive distributor in the Philippines of "Oro" nippers made in Solingen, Germany.

Opposer Gerd Paland, is the owner of the "Crown" mark having used the same in manufacture, marketing and distribution of its products, particularly nippers made in Solingen, Germany.

Gerd Paland has appointed Edmond A. Lim as his representative and attorney-in-fact in the Philippines, with specific authority to institute cases against unauthorized manufactures, importers of distributions of "Crown" Solingen nippers and unauthorized users of the mark "Crown & Device"

Sometime in August 2004, opposer Edmond Lim learned of respondent's application to register in her name the mark "Crown". The application was filed on 20 March 2000 and docketed as Serial No. 42000002139, for use in goods under class 8, namely nippers, scissors, nail cutters, cutlery, files, spoon, fork and knife.

The "Crown" mark being applied for registration by respondent in identical to the "Crown" mark being used by Gerd Paland on nipper products which are made in Solingen, Germany, and which are exclusively distributed in the Philippines by Edmond Lim.

Respondent-Applicant attached to her "Declaration of Actual Use" (DAU) samples of product packaging which bear the "Crown" mark. Printed on top of the plastic packaging is the representation of a crown. Above the mark appears the

sword "SOLINGEN", and below it is written "GERMANY". The packaging is accompanied by a tag that depicts the word "Crown" with similar geographical indication.

Respondent-applicant's packaging is exactly identical to the packaging of the "Crown" nipper products being manufactured by opposer Gerd Paland in Solingen, Germany and which are exclusively distributed in the Philippines by opposer Edmond Lim.

A copy of the label showing opposers' "Crown" mark as actually used in Germany and in the Philippines is attached as Annex "D".

Respondent-applicant's packaging shows that her products were made or manufactured in Germany. In Germany, the "Crown" mark is owned and used exclusively by opposer Gerd Paland. It is therefore clear that respondent-applicant is a mere importer of opposer's Solingen nipper products on which the subject mark is being used. She cannot therefore claim ownership of the mark she is applying for.

Respondent-applicant's label or packaging, which she submitted in support of her application for registration of the "Crown" mark, indubitably shows that the products are made in Solingen, Germany. Since the subject mark is owned and used exclusively by opposer Gerd Paland, the "Crown" Solingen products being distributed by Respondent-applicant must have originated from opposer Gerd Paland. Clearly, respondent-applicant is a mere importer or distributor, and not the originator producer maker of the Solingen products on which the mark "Crown" appears.

Opposer Gerd Paland, who started his business in 1950 under Gunter Schinding Solingen, which was later named as SchiSo-Cutlery, G. Schinding GmbH&Co. (no Gerd Paland Solingen), has been engaged in the manufacture and distribution of nipper products that are made in Solingen, Germany, for over 50 years now. As a registered manufacturer of genuine Solingen products in Germany, opposer Gerd Paland had acquired the right to use the word "Solingen" not only in his company name but also in connection with the brands or marks that he is using on his nipper products. Because of opposer's use of the words "Solingen" and/or "Germany" in all their products which carry the subject mark, the mark has become distinctive as to the origin of the products on which it is attached. By reason of the subject mark's acquired distinctiveness as to its origin, respondent-applicant cannot claim ownership of the mark. To do otherwise will allow respondent-applicant not only to ride on the goodwill of opposer Gerd Paland, but also to deceive the public as to the origin and quality of the products on which she may use the subject mark.

As respondent-applicant cannot be deemed to be using the mark as alleged owner thereof, she should not be allowed to register the same in her name, lest the essence of trademark protection be nullified.

With the filing of this Opposition, opposer's assert their right to the ownership and use of the "Crown" mark. In fact, opposer Edmond Lim had already filed an application for registration of "Crown & Representation of a Crown" on 7 January 2004 docketed as Application Serial No. 42004000096. The application is now being assigned to Gerd Paland.

On 15 December 2004, Respondent filed her Answer, Essentially, Respondent argued that she is the owner of the "Crown" mark, and therefore, she has the right to register it in her name. Consequently, Respondent seeks that the opposition be denied and that her application

for registration of the "Crown" mark be given due course. The salient portions of her Answer are reproduced below, viz.:

Opposer's claim in paragraph 8 that Respondent cannot claim ownership of the mark "Crown" as she is merely an importer of Opposer's Solingen nipper products is vehemently denied, the truth of the matter being that Respondent is the true owner of the subject mark and she is importing and distributing "Crown" cutlery products as trademark owner;

Paragraph 10 of the Notice of Opposition is denied by the Respondent. Respondent is importing and distributing nipper products bearing the "Crown" mark as a trademark owner and not as an appointed distributor of a brand owner. As trademark owner she is entitled to use and register the mark under her name;

Paragraph 12 of the Notice of Opposition is denied since Opposer Gerd Paland is not the owner of the mark "Crown" and although he can use the name Solingen in his products he has no exclusive right to use the said name because Solingen is a name of a city in West Germany in North Rhine- Westphalia; a major European center of the cutlery (Collins English Dictionary, 1983 ed.) and as such, is considered a geographically descriptive mark free to be used by any party who produces cutlery products in the said place or geographical location;

Opposers cannot claim ownership of the trademark "CROWN" for nipper and other cutlery products, on the grounds that Opposer Gerd Paland who claimed to be the owner of the mark "CROWN" has no registration of the said mark not only in the Philippines but also in Germany his very home country. It is amazing and unimaginable that Opposer Gerd Paland who claimed ownership of the mark and been in business in the manufacture and distribution of nipper products for over 50 years now did not bother to register even in his home the mark "CROWN". This only proved that indeed Opposer Gerd Paland is not the true owner of the mark;

Contrary to Opposer's claim Respondent is importing and distributing cutlery products as a trademark owner and not acting as the distributor of Opposer Gerd Paland;

Respondent derived her ownership of the mark "CROWN" by virtue of assignment of the said trademark from and Assignor who has the owner of the subject mark and who had been using the mark in the Philippines for a long period of time.

Moreover, Respondent being the first to apply for the registration of the mark "CROWN" is entitled to the ownership thereof to the exclusion of others following the first to apply/register system which is now the law that governs the acquisition of the ownership of trademark under Republic Act 8293 (Intellectual Property Code of the Philippines).

On 22 February 2005, pre-trial conference was held. The parties did not enter into any stipulation of facts, but they stipulated on certain issues. They agreed that their respective "Crown" marks are identical, and therefore, they will no longer adduce any evidence to prove it. They, however, submitted two issues for trial, namely: whether or not Respondent is merely an importer or distributor of Opposer Gerd Paland's nipper products on which the "Crown" mark appears and whether or not Respondent is entitled to have the "Crown" mark registered in her name.

On 10 March 2005, Opposer filed a Motion for Joint Trial of Inter Partes Case Nos. 14-2004-00142, 14-2004-00143, 14-2004-00144, 14-2004-00145, 14-2004-00146, and 14-2004-00174. The Bureau issued Order No. 2005-185 granting Opposer's motion. The salient portion of the subject order reads, viz.:

It appearing that the reasons adduced in the Motion are meritorious and there being no comment/objection filed therein by the Respondent-applicant, the Motion for joint trial of these cases is hereby GRANTED.

During the course of the trial, Opposers presented and offered their testimonial and documentary evidence. Their testimonial evidence consists of the testimonies of the Opposers Mr. Edmond Lim and Mr. Gerd Paland. On the other hand, their documentary evidence is reproduced below, viz.:

Description	Marking
1. "Affidavit" of Opposer Edmond Lim dated 20 May 2005.	Exhibits "A" to "A-6"
2. "A copy of the duly notarized and authenticated "Exclusive Distributorship Agreement" dated 15 December 2004 between Gerd Paland Solingen and Mondes International Beauty Products, Inc.	Exhibits "B" to "B-9"
3. A copy of the authenticated Certificate of Registration (with English translation) for the "CROWN Device" mark issued by the German Patent and Trade Office in favor of Opposer Gerd Paland.	Exhibits "C" to "C-6"
4. A copy of the authenticated Certificate of Registration (with English translation) for the "ORO" mark issued by the German Patent and Trade Office in favor of Opposer Gerd Paland.	Exhibits "D" to "D-6"
5. A copy of the authenticated Certificate of Registration (with English translation) for the "SCHISO and Device" mark issued by the German Patent and Trade Office in favor of Opposer Gerd Paland.	Exhibits "E" to "E-6"
6. A copy of the authenticated Certificate of Registration (with English translation) for the "JOWIKA and Device" mark issued by the German Patent and Trade Office in favor in Opposer Gerd Paland.	Exhibits "F" to "F-6"
7. A copy of the authenticated Certificate of Registration (with English translation) for the "STOCK Device" mark issued by the German Patent and Trade Office in favor of Opposer Gerd Paland.	Exhibits "G" to "G-6"
8. Photograph of sample product and packaging of Opposer's "STORK" nippers.	Exhibits "H"

- | | |
|---|-----------------------|
| 9. Photograph of sample product and packaging of Opposer's "JOWIKA" nippers. | Exhibits "I" |
| 10. Photograph of sample of product and packaging of Opposer's "SCHISO" nippers. | Exhibits "J" |
| 11. Photograph of sample product and packaging of Opposer's "ORO" nippers. | Exhibits "K" |
| 12. Photograph of sample product and packaging of Opposer's "CROWN" nippers. | Exhibits "L" |
| 13. Photograph of sample product and packaging of Opposer's "CROWN" nippers. | Exhibits "M" |
| 14. A sample of the "Special Power of Attorney" dated 6 July 2004 issued by Opposer Gerd Paland in favor of Opposer Edmond Lim. | Exhibits "N" to "N-3" |
| 15. Sales and Delivery Invoice dated 28 April 1985 for the shipment of "Stock" nippers from SchiSo-Cutlery, Gunter Schirnding GmbH & Co. to Trademan Commercial, Inc. P.O. Box 265, Manila, Philippines. | Exhibits "O" |
| 14. Sales and Delivery Invoice dated 5 March 1992 for the shipment of "Crown" nippers from SchiSo-Cutlery, Gunter Schirnding GmbH & Co. to Aaron Bros. & Co., Rm. 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines. | Exhibits "P" |
| 15. Sales and Delivery Invoice dated 30 March 1992 for the shipment of "YSL" nippers from SchiSo-Cutlery, Gunter Schirnding GmbH & Co. Rm. 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines | Exhibits "Q" |
| 16. Sales and Delivery Invoice dated 9 April 1992 for the shipment of "Jowika" and "SchiSo" nippers from Schiso-Cutlery Gunter Schirnding GmbH & Co., to Aaron Bros. & Co., Rm. 1303m Yujuico Building, 560 Q. Paredes St., Manila, Philippines | "Exhibits "R" |
| 17. Sales and Delivery Invoice dated 18 May 1992 for the shipment of "Oro" nippers from SchiSo-Cutlery Gunter Schirnding GmbH & Co., Rm. 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines | Exhibits "S" |
| 18. Sales and Delivery Invoice dated 26 May 1992 for the shipment of "Stork" nippers from SchiSo-Cutlery Gunter Schirnding GmbH & | Exhibits "T" |

Co., to Aaron Bros. & C.p., Rm 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines

19. Sales and Delivery Invoice dated 11 April 2002 for the shipment of "Crown", "SchiSo", "Oro" and "Stock" nippers from Schiso-Cutlery Gunter Schirnding GmbH & Co., to Aaron Bros. & Co., Rm. 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines

Exhibits "U"

20. Sales and Delivery Invoice dated 14 May 2003 for the shipment of "Crown", "Stock" and "Oro" and nippers from SchiSo-Cutlery Gunter Schirnding GmbH & Co., to Aaron Bros. & Co., Rm. 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines

Exhibits "V"

21. Sales and Delivery Invoice dated 17 February 1994 for the shipment of "Jowika" "SchiSo" nippers from SchiSo-Cutlery Gunter Schirnding GmbH & Co., to Wha An Trading & Co. Inc., 614 De Los Santos, St., Binondo, Manila, Philippines

Exhibit "W"

22. Sales and Delivery Invoice dated 23 August 1994 for the shipment of "SchiSo", "Crown" and "Jowika", nippers from SchiSo-Cutlery Gunter Schirnding GmbH & Co., to Wha An Trading & Co. Inc., 614 De Los Santos, St., Binondo, Manila, Philippines

Exhibits "X"

23. Sales and Delivery Invoice dated 29 October 1994 for the shipment of "SchiSo", "Crown", "Stock" and "Jowika", nippers from SchiSo-Cutlery Gunter Schirnding GmbH & Co., to Tong Tah Trading Enterprises, Singapore

Exhibits "Y"

24. Sales and Delivery Invoice dated 7 October 2003 for the shipment of "Jowika", "Oro", "YSL", "Stork" and "Crown" nippers from Gerd Paland Solingen to Joint Venture SLEC, Hong Kong.

Exhibits "Z"

24. Sales and Delivery Invoice dated 29 January 1985 for the shipment "SchiSo" nippers from SchiSo-Cutlery Gunter Schirnding GmbH & Co. to Trademan Commercial, Inc., P.O. Box 265, Manila, Philippines.

Exhibits "AA"

25. Certified true copy of Aaron Bros & Co.'s Articles of Partnership filed with the Securities and Exchange Commission.

Exhibits "BB" to "BB-4"

- | | |
|--|-------------------------|
| 26. Copy of respondent-applicant's "Declaration Actual Use" (DAU) dated 24 February 2003 filed with this Honorable Office in connection with Application No. 4-2000-0002135 for the "CROWN Device" mark. | Exhibits "CC" to "CC-2" |
| 27. Copy of respondent-applicant's DAU dated 24 February 2003 filed with this Honorable Office in connection with Application No. 4-2000-0002140 for the "ORO and Device" mark. | Exhibits "DD" to "DD-1" |
| 28. Copy of respondent-applicant's DAU dated 24 February 2003 filed with this Honorable Office in connection with Application No. 4-2000-0002137 for the "SCHISO and Device" mark. | Exhibits "EE" to "EE-1" |
| 28. Copy of respondent-applicant's DAU dated 24 February 2003 filed with this Honorable Office in connection with Application No. 4-2000-0002136 for the "JOWIKA and Device" mark. | Exhibits "FF" to "FF-1" |
| 29. Copy of respondent-applicant's DAU dated 24 February 2003 filed with this Honorable Office in connection with Application No. 4-2000-0002138 for the "Stock Device" mark. | Exhibits "GG to GG-1" |
| 30. "Affidavit of Opposer Gerd Paland dated 3 August 2005. | Exhibits "HH" to "HH-6" |

Respondent also adduced and offered her testimonial and documentary evidence. Her testimonial evidence consists of the testimonies of Mr. Se Ye Sze, Ms. Shiela S. Sy, and Respondent Catalina See-Gaw. On the other hand, her documentary evidence is reproduced below, viz.:

Description	Marking
Affidavit of Catalina See-Gaw	Exhibits "1", "1-A" to "C-1"
Certificate of Registration of Business Name of LENA'S Enterprise	Exhibits "2", "2-A"
Sample nipper bearing the trademark "ORO" as seen by Catalina See on display in Nightingale Bazaar sometime in 1968	Exhibits "3"
Sample nipper bearing the trademark "ORO" as seen by Catalina See on display in Nightingale Bazaar sometime in 1968	Exhibits "3-A"
Sample nipper bearing the trademark "CROWN" as seen by Catalina See on display in	Exhibits "3-B"

Nightingale Bazaar sometime in 1968	
Sample nipper bearing the trademark "INTIMATE" as seen by Catalina See on display in Nightingale Bazaar sometime in 1968	Exhibits "3-C"
Sample nipper bearing the trademark "PENGUIN" as seen by Catalina See on display in Nightingale Bazaar sometime in 1968	Exhibits "3-D"
Sample nipper bearing the trademark "JOWIKA" as seen by Catalina See on display in Nightingale Bazaar sometime in 1968	Exhibits "3-E"
Sample nipper bearing the trademark "STORK" as seen by Catalina See on display in Nightingale Bazaar sometime in 1968	Exhibits "3-F"
Application for registration of the trademark "JOWIKA" filed by Chai Seng Ng Ang with the Intellectual Property Office (IPO) on March 20, 2000 under Application No. 4-2000-0002136	Exhibits "4", "4-A", "4-B", "4-C"
Application for registration of the trademark "ORO" filed by Chai Seng Ng Ang with the Intellectual Property Office (IPO) on March 20, 2000 under Application No. 4-2000-0002140	Exhibits "5", "5-A", "6-B", "5-C"
Application for registration of the trademark "CROWN (word mark)" filed by Chai Seng Ng Ang with the Intellectual Property Office (IPO) on March 20, 2000 under Application No. 4-2000-0002139	Exhibits "6", "6-A", "6-B", "6-C"
Application for registration of the trademark "CROWN DEOVICE" filed by Chai Seng Ng Ang with the Intellectual Property Office (IPO) on March 20, 2000 under Application No. 4-2000-0002135	Exhibits "7", "7-A", "7-B", "7-C"
Application for registration of the trademark "STOCK (Bird Device)" filed by Chai Seng Ng Ang with the Intellectual Property Office (IPO) on March 20, 2000 under Application No. 4-2000-0002138	Exhibits "8", "8-A", "8-B", "8-C", "8-D"
Application for registration of the trademark "SCHISO & Device" filed by Chai Seng Ng Ang with the Intellectual Property Office (IPO) on March 20, 2000 under Application No. 4-2000-0002137	Exhibits "9", "9-A", "9-B", "9-C"
Assignment documents for the trademark "JOWIKA and Device" signed by Chai Seng Ng Ang in favor of Catalina See	Exhibits "10", "10-A", "10-B"

Assignment documents for the trademark "ORO & Device" signed by Chai Seng Ng Ang in favor of Catalina See	Exhibits "11", "11-A", "11-B"
Assignment documents for the trademark "CROWN (word mark)" signed by Chai Seng Ng Ang in favor of Catalina See	Exhibits "12", "12-A", "12-B"
Assignment documents for the trademark "CROWN Device" signed by Chai Seng Ng Ang in favor of Catalina See	Exhibits "13", "13-A", "13-B"
Assignment documents for the trademark "STORK (Birth Device)" signed by Chai Seng Ng Ang in favor of Catalina See	Exhibits "14", "14-A", "14-B"
Assignment documents for the trademark "SCHISO & Device" signed by Chai Seng Ng Ang in favor of Catalina See	Exhibits "15", "15-A", "15-B"
Affidavit of See Ye Sze	Exhibit "16"
Affidavit of Sheila S. Sy	Exhibit "17"
Web copy of the company brochure of W. Kretzer KG	Exhibit "18"
Web copy of the company brochure / primer of Gerd Paland Solingen	Exhibit "19"
Web copy of the company brochure of Gebruder Nipper GmbH & Co.	Exhibit "20"
Search material for the trademark YSL showing the registration of the mark YSL for Class 8 the name of Yves Saint Laurent.	Exhibit "21" "21-A"

In this opposition proceeding, the main issue is whether Respondent is entitled to register the "Crown" mark in her name. Evidently, it involves a question of ownership over the "Crown" mark. To arrive at a correct resolution, therefore, it is necessary to find out whether Respondent is merely an importer or distributor of Opposer Gerd Paland's nipper products bearing the "Crown" mark or whether she is truly a merchant selling nippers that Opposer Gerd Paland manufactured but employing her own "Crown" mark on them.

Opposer and Respondent both claim ownership over the "Crown" mark. Opposer Gerd Paland contended that he is the true and actual owner of the subject mark. To prove his claim, Opposer Gerd Paland testified that he is the owner of Gerd Paland Solingen, a company situated in Solingen, Germany that is engaged in the manufacturing of nippers and other cutlery products. He explained that his parent's started out the cutlery manufacturing business along time ago through predecessor companies Gunter Schinding Solingen and Schiso-Cutlery, G. Schirnding GmbH&Co., and he eventually succeeded them. He explained that the words Gunter Schinding forming part of the company Gunter Schinding Solingen is the name of his father. Later on, he elaborated, Gunter Schinding Soligen became Schiso-Cutlery, G. Schirnding GmbH&Co. apparently to conform to German laws on business organizations. He, however, continued the business under a new company, Gerd Paland Solingen, as earlier noted. Thus, he claimed that he has been engaged in the cutlery business for over 50 years now.

To bolster his arguments, he presented the trademark certificate for the “Crown” mark and several sales and delivery invoice of nipper products bearing the subject mark demonstrating sales to the Philippines, Hong Kong and Singapore. Finally, he concluded that Respondent is merely an importer and distributor of his nipper products bearing the subject mark.

Respondent, on the other hand, argued that she acquired ownership of the “Crown” mark through an act of assignment from an assignor who validly owned the subject mark. To show proof of her assertion, Respondent testified that her predecessors-in-interest, that is her, father and a certain Alex Ang, were the ones who first adopted and used the subject mark. Except for the nippers bearing the Schiso brand, she remarked that she is familiar with the nipper bearing the “Crown” mark because she saw such brand of nipper as early as 1968 in the Nightingale Bazaar, a store that her grandfather owned and that her father managed. Her father told her, she narrated, it was him and Mr. Alex Ang who supplied the “Crown” mark to the nipper products sold in the Nightingale Bazaar. In 1981, Respondent established Lena’s Enterprises and engaged in the business of wholesale of general merchandise. Among the items that her store sells are nippers bearing the “Crown” mark, and these are ordinarily ordered from Mr. Alex Ang and later on through his trading company, Aaron Bros. & Company.

To corroborate her assertion, Respondent presented and offered the testimonies of Mr. Se Ye Sze and Ms. Sheila Siy. Mr. Sze testified that he worked as a store assistant in the Nightingale Bazaar from 1962 to 1971. He noted that he was assigned at the warehouse with the principal responsibility of monitoring and moving stocks from the warehouse to the customers. He was aware that the stores either procures various goods from importers or orders certain goods to be manufactured, whether locally or abroad, using the trademark that Respondent’s father had adopted, among them, the “Crown” mark for nippers. On the other hand, Ms. Siy testified that she conducted a search in the internet concerning some nipper manufactures in Germany. In the course of her research, she found out Gerd Paland Solinge’s website featuring its nipper products. Browsing at its pages, she remarked, it does not show Opposer Gerd Paland’s ownership over the “Crown” mark.

Arguing that she and her predecessors-in-interest adopted and used the “Crown” mark for nippers as a trademark owner in transacting their business, Respondent concluded that she is not Opposer Gerd Paland’s distributor. To bolster her conclusion, she pointed out that neither Opposer Gerd Paland nor his predecessors-in-interest did execute a distributorship agreement with the Respondent. This, she explained, Opposer Gerd Paland or his predecessors could have conveniently done to protect their business interest had they been the true and actual owner of the subject mark. She emphasized that she is a merchant importing and selling nippers bearing her own trademark entitling her its registration.

A careful evaluation of the parties’ respective evidentiary portfolio is certainly apropos. Examining Opposers’ testimonial and pertinent documentary evidence, it demonstrates that Opposers Gerd Paland engaged in the business of manufacturing companies, Gunter Schinding Solingen and Schiso-Cutlery, G. Schirnding GmbH&Co., and presently through his very own company, Gerd Paland Solingen. This Bureau finds the foregoing reasonably credible and therefore resolves to give them due weight.

Nonetheless, merely establishing the existence of Gerd Paland Solingen and its predecessor companies as well as their engagement in the cutlery manufacturing business does not suffice to show Opposer Gerd Paland’s true and actual ownership over the “Crown” mark. Noticeably, Opposer Gerd Paland did not make any narrative on how his predecessors-in-interest adopted and used the “Crown” mark on nippers that they had manufactured and sold all through the years of their existence and operation except only recently. Neither did Opposer Gerd Paland offer any plausible explanation along this line. These uncertainties militate adversely against Opposer’s claim of ownership over the subject mark.

To acquire ownership of trademarks, trade names, or service marks, their proprietors must actually use them in their lawful trade or business. Under the old trademark law, the High Court noted that adoption alone of trademarks or trade names is not sufficient to confer ownership nor is it sufficient to give exclusive right over them. Making advertisement, issuing circulars, or giving out price lists cannot be considered as actual use unless the goods and services themselves upon which the trademark or trade name is used are sold in the market. Moreover, adoption and use must be in commerce and in the Philippines and not elsewhere. The use of a trademark or trade name must be in the country because foreign use creates no trademark right following the nationality principle upon which our trademark law rests. Notably, these principles still apply to our present trademark law because trademark is essentially a creation of use.

Nor did Opposer Gerd Paland's registration of the "Crown" mark in Germany confer upon it a conclusive right of ownership. Opposer's failure to establish their ownership over the subject mark through adoption and use in the Philippines renders Opposer Gerd Paland's registration in Germany of little or of no evidentiary value in Philippine jurisdiction. As already noted, our trademark law requires adoption and use in the country to acquire trademark ownership.

Moreover, it is readily apparent that Opposer Gerd Paland obtained trademark, protection in its home country only in 2004. Had her or his predecessors-in-interest been truly the owner of the "Crown" mark used on their nipper products, they should have secured its registration early on and not just recently. Products, they should have secured its registration early on and not just recently. Since Opposer Gerd Paland through his predecessors-in-interest has been engaged in the cutlery business for the past 50 years, either he or his predecessors-in-interest could have secured registration of the subject mark several years earlier.

On the other hand, Respondent's evidence pointed out pertinent circumstances of adoption and use of the "Crown" mark on nippers previously through her predecessors-in-interest, Mr. Joaquin See and Mr. Chang Seng Ang, and presently through Respondent herself. Notably, it discloses that Respondent's predecessors-in-interest engaged in the wholesale and retail business importing and selling goods through their store, the Nightingale Bazaar. During the existence and operation of their store, Respondent's predecessors-in-interest transacted with foreign manufactures for the production of nippers bearing their "Crown" mark. Early on, they obtained their nipper supply bearing the subject mark Hong Kong. Lately, however, they sourced them from Germany. In 1981, Respondent engaged in wholesale and retail business and established her own store, Lena's Enterprises. Through her store, she continued selling various goods, among the, nippers bearing the subject mark. This Bureau finds the foregoing circumstances reasonably credible and therefore resolves to give them due weight.

Except for the "Schiso" mark, Respondent satisfactorily substantiated her right of ownership over the "Crown" mark on nipper products. Her testimony that she has seen the subject mark on nippers sold in the Nightingale Bazaar in 1968 or even earlier deserves credence. It must be noted the Nightingale Bazaar is a store owned by her grandfather and managed by her father. Her stay in the store during weekends and vacation time gives her sufficient opportunity to be familiar with the nipper products bearing the "Crown" mark. Even if she was then eight years old, circumstances surrounding her recollection make her narrative reasonably credible.

Mr. Sze's testimony corroborated Respondent's factual narration in relevant and material points. Concededly, Mr. Sze may not be competent to testify on matters pertaining to the adoption of the "Crown" mark, but he is nevertheless competent to testify on the matters relating to its use as a store assistant, it must be noted that he is responsible in monitoring and in making an account of the store's stock of goods. His assigned tasks cover the requisition of various goods from a variety of suppliers upon the approval of her superior, the receipt of these goods upon their arrival to the store, and the delivery of these goods to customers upon their purchase. In discharging his duties, it is plausible to conclude that he had actually dealt with nippers bearing the subject mark. His assertion that as early as 1963 nipper products bearing the subject

mark were already on sale at the Nightingale Bazaar, therefore, deserves credence. This, notably, supports Respondent's claim of ownership over the "Crown" mark.

Having satisfactorily shown adoption and prior use of the "Crown" mark in the Philippines, Respondent is, therefore, the true and actual owner of the subject mark. Considering the parties' circumstance, Respondent cannot be considered simply as an importer and distributor of Opposer Gerd Paland or his predecessors-in-interest. Moreover, the absence of a distributorship agreement or any agreement denoting a principal-agent or a principal-distributors relation militates strongly against Opposer Gerd Paland's sale of nippers bearing the subject mark to Respondent. As earlier noted, Respondent through her predecessors in-interest commissioned foreign manufactures to produce nippers bearing the subject mark for local sale. Clearly, Opposers have not shown satisfactory evidence that Respondent is merely an importer and distributor.

Concededly, the existence of principal-agent or principal-distributor relationship does not necessarily depend on the existence of a written contract such as a distributorship agreement. Sound business practice, however, dictates that a written contract be made to protect the interest of both the principal and the distributor alike. Recognizing its importance – presumably – Opposer Gerd Paland appointed Mondes International Beauty Products, Inc. as its exclusive distributor. But it is interesting to note that Opposer Gerd Paland did this only 2004. Despite his claim that he has been selling nippers bearing the "Crown" mark to Respondent and her predecessors-in-interest since 1992, Opposer Gerd Paland or his predecessors-in-interest did not appoint nor did any of them enter into any distributorship agreement with Respondent or her predecessors-in-interest. Examining, therefore, Opposer Gerd Paland's circumstances vis-a-vis Respondent's circumstances, it cannot be plausibly concluded that a principal-agent or a principal-distributor relation existed between them. Respondent's adoption and prior and continuous use of the "Crown" mark on nippers in the Philippines negates the existence of such type of legal relationship.

Interestingly, Opposer Gerd Paland's company website does not show that he owns the "Crown" mark. Only the marks "Gepa," "Solingen," "Germany," "Combination from above," and "Your own trademark and wishes" appear as Opposer Gerd Paland or the company's trademarks. Even in the pictures of the product labels that are depicted in the company profile, only the marks "Gepa" and "Solingen" can be seen. The packaging materials or the labels bearing the marks "CROWN," "CROWN DEVICE," "ORO," "STOCK," and "JOWIKA" do not appear. Notably, a merchant having a website would ordinarily describe his company and advertise the goods or the services that his company sells or provides. Opposer Gerd Paland's omission clearly shows that he does not own the "Crown" mark used on his nipper products. Moreover, the product feature "Your own trademark and wishes" demonstrates that Opposer Gerd Paland and his predecessors-in-interest indeed manufactured nippers and other cutlery products affixing on them marks that their customers specified. For example, Opposer Gerd Paland manufactured nippers affixing on them the mark "YSL". It is worthy to note that Yves Saint Laurent owns the mark "YSL" and not Opposer Gerd Paland. This, therefore, strengthens Respondent's argument that her predecessors-in-interest for the production of manufacture of nippers affixing on them the customer's specified "Crown" mark. This also explains why the Opposer Gerd Paland and his predecessors-interest did not bother to register the "Crown" mark in the Philippines or in any other country. Even in its home country, as pointed out earlier, he obtained registration for the subject mark only in 2004.

Furthermore, it should be noted that Respondent's "Crown" mark used on or applied to nippers does not come under any of the enumerated statutory proscriptions. Specifically, a mark cannot be registered if it is, among others, identical to a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date in respect of the same goods or services. Notably, no earlier filed application for the same or identical mark can be cited to bar Respondent's trademark application over the mark "Crown" to be used on or applied to nipper products.

Finally, we noted that the parties stipulated that their respective trademarks are confusingly similar. As the declaration of confusing similarity of their marks as applied to their respective products come from the market players themselves, we give it considerable weight recognizing that they are practically in a better position to say so. In evaluating, nonetheless, the similarity between Opposer Gerd Paland and Respondent's respective "Crown" marks, it requires us to examine their appearance, sound, connotation, and commercial impression. Taking note of their striking similarity, if not, their identicalness ad the competing nature of their goods, we declare that a state of confusing similarity so exists.

From the foregoing disquisitions, it is certainly clear that Respondent is entitled to the registration of her "Crown" mark. Having discussed the main, critical, and the most important issues, we see no need to belabour the rest.

WHEREFORE, premises considered, the Notice of Opposition is DENIED. Consequently, application bearing serial no. 4-2000-002135 filed by Respondent Catalina See on 20 March 2000 for the mark "Crown" used on nippers, scissors, nail cutter, file, spoon, fork and knife is GIVEN DUE COURSE.

Let the filewrapper of the mark "Crown" subject matter of this case together with this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 22 December 2006.

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