

EDMOND A. LIM & GERD PALAND, Opposers,	}	IPC No. 14-2004-00146
	}	Opposition to:
-versus-	}	
	}	Application Ser No. 4-2000-002137
CATALINA SEE, Respondent-Applicant.	}	Trademark: Schiso & Device
	}	Decision No. 2006-148
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## 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., Brgy Batis, San Juan, Metro Manila. He is alleged as the exclusive distributor in the Philippines of Schiso nippers made in Solingen, Germany. Opposer Gerd Paland is a German citizen residing at Felder Str 36A, 42651, Solingen, Germany. He is alleged as the owner of the Schiso 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 "Schiso" 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 as Interpartes Case No. 14-2004-00146. In their verified opposition, Opposer contended essentially that Opposer Gerd Paland is the owner of the "Schiso" mark, and therefore, Respondent's application for registration of the "Schiso" 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 "Schiso" nippers made in Solingen, Germany.

Opposer Gerd Paland, is the owner of the "Schiso & Device" 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 manufacturers, importers or distributors of "Schiso" Solingen nippers and unauthorized users of the mark "Schiso & Device".

Sometime in August 2004, opposer Edmond Lim learned of respondent's application to register in her name the mark "Schiso". 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, file, spoon, fork and knife.

The "Schiso" mark being applied for registration by respondent is identical to the "Schiso" 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 "Schiso" mark. Printed on top of the plastic packaging is the representation of a Schiso. Above the mark appears the sword "SOLINGEN", and below it is written "GERMANY". The packaging is accompanied by a tag depicts the word "Schiso" with similar geographical indication.

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

A copy of the label showing opposers' "Schiso" 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 "Schiso" 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 "Schiso" 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 "Schiso" 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 or maker of the Solingen products on which the mark "Schiso" appears.

Opposer Gerd Paland, who started his business in 1950 under Gunter Schinding Solingen, which was later named as SchiSo-Cutlery, G. Schimding GmbH&Co. (now Berd Paland Solingen)m 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 "Schiso" mark. In fact, opposer Edmond Lim had already filed an application for registration of "Schiso & Representation of Schiso" on 7 January 2004 docketed as Application Serial No. 42004000094. 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 "Schiso" 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 "Schiso" 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 "Schiso" 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 "Schiso" 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 "Schiso" mark as a trademark owner and not as an appointed distributor of a brand owner. As a 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 "Schiso" 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 "SCHISO" for nipper and other cutlery products, on the grounds that Opposer Gerd Paland who claimed to be the owner of the mark "SCHISO" has no registration of the said mark not only in the Philippines but also in Germany – his very own 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 "SCHISO". This only proves 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 "SCHISO" 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 "SCHISO" 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 "Schiso" 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 "Schiso" mark registered in her name.

On 10 March 2005, Opposer filed a Motion for Joint Trial of Interpartes Case Nos. 14-2004-00142, 14-2004-00143, 14-2004-00144, 14-2004-00145, 14-2004-00146, and 14-2004-00147. 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 (wit 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"

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| 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  | Exhibits "Q"          |

SchiSo-Cutlery, Gunter Schirnding GmbH & Co. Rm. 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines

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| 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 & Co., to Aaron Bros. & C.p., Rm 1303, Yujuico Building, 560 Q. Paredes St., Manila, Philippines                                | Exhibits "T"  |
| 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  | Exhibits "Y"  |

SchiSo-Cutlery Gunter Schirnding GmbH & Co., to Tong Tah Trading Enterprises, Singapore

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| 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 Nightingale Bazaar sometime in 1968	Exhibits "3-B"
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", "5-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	Exhibit "21" "21-A"

name of Yves Saint Laurent.

In this opposition proceeding, the main issue is whether Respondent is entitled to register the “Schiso & Device” mark in her name. Evidently, it involves a question of ownership over the “Schiso & Device” 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 “Schiso & Device” mark whether she is truly a merchant selling nippers that Opposer Gerd Paland manufactured but employing her own “Schiso & Device” mark on them.

Noticeably, Opposers and Respondent both claim ownership over the “Schiso” 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 parents’ started out the cutlery manufacturing business along time ago through predecessor companies Gunter Schirnding Solingen and Schiso-Cutlery, G. Schirnding GmbH & Co., and he eventually succeeded them. He explained that the words Gunter Schirnding forming part of the company Gunter Schirnding Solingen is the name of his father. Later on, he elaborated, Gunter Schirnding Solingen 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 “Schiso” mark and several sales and delivery invoices 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 “Schiso” mark through an act of assignment from an assignor who validly owned the subject mark. In her testimony, she remarked that she was familiar with certain brands of nippers such as Crown, Jowika, Oro, Storck, etc., excepting, noticeably, nippers bearing the Schiso brand.

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 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 store either procures various goods from importers or orders certain goods to be manufactured, whether locally or abroad, using the trademarks that Respondent’s father had adopted, among them, the “Schiso” mark for nippers. On the other hand, Ms. Siy testified that she conducted a search in the *world-wide-web* concerning some nipper manufacturers in Germany. In the course of her research, she found out Gerd Paland Solingen’s website featuring its nipper products. Browsing at its pages, she remarked, it does not show Opposer Gerd Paland’s ownership over the “Schiso” mark.

Respondent contended that she and her predecessors-in-interest used the “Schiso” mark for nippers in transacting their general merchandising business. 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 interests had they been the true and actual owner of the subject mark. Respondent, therefore, concluded that she is not merely Opposer Gerd Paland’s distributor of nippers bearing the “Schiso” mark.

A careful evaluation of the parties’ evidentiary portfolio is certainly apropos. Examining Opposers testimonial and pertinent documentary evidence, it demonstrates that Opposer Gerd Paland engaged in the business of manufacturing nippers and other cutlery products previously through his very own company, Gerd Paland Solingen. This Bureau finds the foregoing reasonably credible and therefore resolves to give them due weight.

Establishing the existence of Gerd Paland Solingen and its predecessor companies as well as their engagement in the cutlery manufacturing business is sufficient to show Opposer Gerd Paland's true and actual ownership over the "Schiso" mark. Opposer Gerd Paland's explanation concerning the origin and the development of Gerd Paland Solingen's predecessor-companies lends credence to Opposers claim of ownership over the "Schiso" mark. It must be noted that the subject mark forms part of the company name of one of Opposer Gerd Paland's predecessor company, Schiso-Cutlery, G. Schirnding GmbH&Co. The importation in the Philippines of nippers bearing the subject mark, therefore, inures to its benefit. As earlier noted, Opposer Gerd Paland's "Schiso" mark forms part of one his predecessor companies, i.e., Schiso-Cutlery G. Schirnding GmbH & Co. thus, it is plausible to conclude that Opposer Gerd Paland is the true and actual owner of the "Schiso" 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 advertisements, 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. This notion of commercial usage covers importation of goods bearing the mark in the Philippines. Using a mark through this means inures to the benefit of foreign manufacturer even if it is not licensed to do business or is not actually doing business in the country. Notably, this doctrine still applies to our present trademark law because trademark is essentially a creation of use.

Opposer Gerd Paland's registration of the "Schiso" mark in Germany shows its conclusive right of ownership over the subject mark. Concededly, Opposer Gerd Paland and his predecessors-in-interest may have belatedly sought registration of the "Schiso" mark, but this, certainly, did not affect their right over the subject mark. Having met the twin requirements of adoption and commercial use, Opposer Gerd Paland acquired a right over the mark "Schiso" in the Philippines. Under Philippine trademark law and jurisprudence, it can be said that Opposer Gerd Paland's registration constitutes merely as an administrative act declaratory of his pre-existing right of ownership that he has acquired through actual commercial use of his "Schiso" mark. Thus, Opposer Gerd Paland's registration of the subject mark in Germany deserves to be given considerable evidentiary value in our jurisdiction.

On the other hand, Respondent's evidence pointed out pertinent circumstances of use of the "Schiso" 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 predecessor-in-interest transacted with foreign manufacturers for the production of nippers bearing various marks, among them, the "Schiso" mark. Early on, they obtained their nipper supply bearing the subject mark from Hong Kong, but lately, 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 them, nippers bearing the subject mark. This Bureau finds the foregoing circumstances reasonably credible and therefore resolves to give them due weight.

Respondent's testimony that she has seen nippers bearing the subject mark for sale in the Nightingale Bazaar in 1968 or even earlier deserves credence. It must be noted that 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 "Schiso" mark. Even if she was then eight years old, circumstances surrounding her recollection make her narrative reasonably credible.

To corroborate her assertions, Respondent presented and offered Ms. Sze's testimony. Mr. Sze testified that as a store assistant he was 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 his 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, he pointed out, he dealt with several nippers specifying its brands without reference to nippers bearing the "Schiso" brand.

Noticeably, Respondent and Mr. Sze's testimonies failed to allege relevant circumstances showing that Respondent's predecessors-in-interest have adopted and used the "Schiso" mark as trademark owner. Although Respondent satisfactorily substantiated her right of ownership over the other brands or marks of nippers, she nonetheless failed to do the same for the "Schiso" mark. This apparent uncertainty militates adversely against Respondent.

Nonetheless, Respondent's circumstances cannot be construed as making her the distributor of Opposer Gerd Paland's nippers bearing the "Schiso" mark. The absence of a distributorship agreement or any agreement denoting a principal-agent of a principal-distributor relation whether oral or written militates strongly against Opposer Gerd Paland's contention. Neither can such inference be drawn from the sale of nippers bearing the subject mark by Opposer Gerd Paland's predecessor-in-interest to Respondent's predecessor-in-interest. The parties' circumstances negate the existence of such type of legal relationship.

Moreover, it is interesting to note that despite Opposer Gerd Paland's claim that he has been selling nippers bearing the "Schiso & Device" 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-à-vis Respondent's circumstances, it cannot be plausibly concluded that a principal-agent or a principal-distributor relation existed between them. Respondent and her predecessors-in-interest merely imported and sold Opposer Gerd Paland's nippers bearing the "Schiso" mark.

In conclusion, Opposer Gerd Paland has satisfactorily shown his right of ownership over the "Schiso" mark through adoption and prior and continuous commercial use of nippers bearing the "Schiso" mark in the Philippines. Consequently, Respondent is merely an importer and seller of nippers bearing the "Schiso" mark.

At the outset, this Bureau 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 comes from the market players themselves, we give them considerable weight recognizing that they are practically in a better position to say so. In evaluating, nonetheless, the similarity between Opposers and Respondent's "Schiso" mark, it requires us to examine their appearance, sound, connotation, and commercial impression. Taking note of their striking similarity, if not, their identicalness and the competing nature of their goods, we declare that confusing similarity so exists between Respondent-Applicant's "Schiso" mark and Opposer's "Schiso" mark used on nippers.

From the foregoing, disquisitions, it clearly appears that Respondent is not entitled to the registration of the "Schiso & Device" mark. Having discussed the main, critical, and the most important issues, we see no need to belabor the rest.

WHEREFORE, premises considered, the Notice of Opposition is, as it is, hereby SUSTAINED. Consequently, application bearing serial no. 4-2000-002137 filed by Respondent Catalina See on 20 March 2000 for the mark "Schiso & Device" used on nippers, scissors, nail cutter, file, spoon, fork, and knife is REJECTED.

Let the filewrapper of the mark "Schiso & Device" 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, 22 December 2006.

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