

MAKATI FOOD SERVICES SYSTEMS, INC.,
Opposer,
- versus -

IPC 14-2004-00072

Opposition to:
TM Application No.
(Filing Date: 13 January 1992)

SIZZLER INTERNATIONAL MARKS, INC.
SIZZLER RESTAURANT, INT'L INC.
Respondent-Applicant.

TM: "SIZZLER STEAK, SEAFOOD,
SALAD"

X-----X

Decision No. 2007 – 145

DECISION

Before this Bureau is a Petition for Cancellation filed by Makati Food Service Systems, Inc., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at ODC International Plaza Condominium, 219 Salcedo Street, Legaspi Village, Makati, Metro Manila, against the registration of the trademark "SIZZLER STEAK, SEAFOOD, SALAD" bearing Registration No.52003 under Class 42, specifically for restaurant services and issued on 13 January 1992 in the name of Respondent-Registrant, Sizzler Restaurant International, Inc. and presently assigned to Respondent-Registrant, Sizzler International marks, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of California, with given address at 12655 W. Jefferson Boulevard, Los Angeles, California.

The grounds for cancellation of Trademark Registration No.52003 are as follows:

1. Registrant had not used for more than three (3) years from date of registration in violation of Section 2 (c) of Rule 8 of the Implementing Rules of R.A. 8293 known as Intellectual Property code of the Philippines; or more specifically, for failure to the said mark since its registration in 1992 up to the present, and therefore, not entitled to have the said mark to continuously be registered.
2. Thus, for reasons above-given, the registration of the composite mark, "SIZZLER, STEAK, SEAFOOD, SALAD" with the disclaimer must necessarily be cancelled for failure of the registrant to use the mark within the period provided by law and the rules.
3. In addition, the Respondent-Registrant had been found by the Regional Trial Court of Makati City to have impliedly admitted by default the claim of Petitioner Makati Food Services Systems, Inc. of its ownership of the Service mark SIZZLER as shown by the Order dated June 7, 2002 (Annex "A" hereof) issued in connection with the Complaint filed by the Respondent-Registrant (copy attached as Annex "B") to which Petitioner prepared an Answer (copy attached as Annex "C" hereof).

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

1. Petitioner has been engaged in the restaurant business in the Philippines as the owner-operator of the restaurant services since its incorporation in the year 1978 and had used as its service mark for its restaurants the word mark SIZZLER ever since.
2. When Petitioner first opened its restaurant at the Greenhills shopping mart in 1978, there was hardly any restaurant in the vicinity in 1978 much less a restaurant operating near the said area or at any area in the country with the name service mark SIZZLER.

3. The said name SIZZLER was adopted for the restaurant to cater to the rich clientele living in the vicinity of the Greenhills area such as the nearby Greenhills Subdivision in San Juan, Rizal (now Metro Manila) since said clientele shops regularly at the Grocery/supermarket owned partly by stockholders of the Petitioner Company, the Unimart Supermart.

4. The name SIZZLER was formulated by the sound of the steak meat being grilled of which the rich clientele from Greenhills Subdivisions were much fond of hearing when buying the item among others from the Greenhills restaurant of Petitioner.

5. The name was accordingly registered with the Bureau of Domestic Trade as required by the Rules and has been in use ever since its first registration up to the present that the name had acquired a secondary meaning to clienteles in Greenhills to refer to the restaurant Petitioner: in addition, the name of the restaurant SIZZLER had earned tremendous goodwill that Petitioner had to open another branch at the Glorietta in Makati City where the name restaurant had also not been used by anybody else much less by restaurants of at least the same category as that of the restaurant of Petitioner, investment-wise.

6. By reason of continuous sales and advertisement by Petitioner of its restaurant and the items it sells which are known not only of its own high quality of its culinarily good and palatable features, the restaurant's popularity as a favorite watering and refreshing place of a restaurant precedes the products it sell that Petitioner's trademark "SIZZLER" has become well-known in the restaurant business in the Philippines and its reputation was established even prior to the alleged date of its first use thereof by Petitioner.

7. Thus, the trademark "SIZZLER STEAK, SEAFOOD, SALAD" registered in favor of Respondent-Registrant as shown in the Certificate of Registration No. 50023; issued on January 13, 1992 which was obtained by Respondent-Registrant but had not used for more than three (3) consecutive years from date of issue in violation of the Rules must be cancelled pursuant to the Rules.

8. The mark of the Petitioner is a service mark representing restaurant and eatery business while the mark of the respondent was a trademark to represent products to be sold in restaurants that respondent was supposed to operate in the Philippines.

9. Respondent had impliedly admitted of Petitioner's continuous use of the service mark SIZZLER in the Philippines and its ownership thereof as indicated of the mark before the Regional Trial Court of Makati City.

The Notice to Answer dated 15 June 2004 was sent to Respondent-Registrant, through its Counsel, Federis & Associates, directing Applicant to file their Verified Answer within the prescribed period from receipt. Respondent-Registrant filed its Verified Answer on 09 July 2004.

Respondent in its Answer interposed ADMISSIONS and DENIALS

ADMISSION

a. "Respondent admit Opposer's allegations in the introductory paragraph with respect to their due incorporation and legal existence and Respondent SIM'S ownership of the trademark SIZZLER STEAK SEAFOOD SALAD. Respondents also admit that they are not doing business in the Philippines either through a licensee/franchisee or on their own, subject to the affirmative allegations and special and affirmative defenses set forth hereunder".

DENIALS

- a. "The allegations contained in paragraphs 1,2,3,4,5 and 6 of the Petitioner for Cancellation are denied for lack of knowledge and/or information.
- b. "The allegations contained in paragraphs 1 and 2 are specifically denied, the truth being that Respondent's non-use of the trademark SIZZLER STEAK SEAFOOD SALAD is not without valid cause or reason allowed by law.
- c. "The law allows a registrant to file an Affidavit of Non-use of its mark under special circumstances beyond the control of the registrant.
- d. "The Affidavit of Non-use can be filed by a registrant up to the 5th, 10th and 15th anniversary of the mark.
- e. "In case of Respondents, the infringing use by third parties, the Petitioner included, of the trademark SIZZLER (the words STEAK SEAFOOD SALAD being disclaimed) is effectively preventing Respondent's from using the SIZZLER STEAK SEAFOOD SALAD trademark. The Petitioner even registered Respondent's trademark SIZZLER as part of its business name with the Department of trade & Industry (DTI), which registration prevented Respondent from using the trademark. This "cause" has been deemed to be beyond the control of the Respondents by the Bureau of Trademarks (BOT) with the issuance of the Notice of Acceptance to said Affidavit of Non-use by the BOT, a photocopy of which is Annex "A".
- f. "Respondents have filed a Petition for Cancellation of business name registration against the Petitioner in the Department of Trade and Industry-Office of Legal Affairs (DTI-OLA) where it obtained a favorable decision. This administrative case is now under review by the Court of Appeals upon appeal of Petitioner. A photocopy of said Petition for Cancellation of business name registration is Annex "B".
- g. "A similar case have been filed by Respondents against Mr. Ramon G. Napkil and American Restaurant & Food Management Systems, Inc. in the DTI-OLA. A photocopy of the Petition for Cancellation of business name registration is Annex "C".
- h. "Respondents are willing and will be able to put into commercial use their SIZZLER STEAK SEAFOOD SALAD trademark as soon as the administrative case against the infringing users are finally resolved in their favor.
- i. "Accordingly, Section 2 © of Rule 8 of the Implementing Rules of the Intellectual Property Code (the "IP Code") cited by the Petitioner as basis for the Petition for Cancellation does not come into operation.
- j. "It must be noted that Respondent's trademark, SIZZLER STEAK SEAFOOD SALAD, was registered on January 13, 1992 prior to the effectivity of the IP Code on January 1, 1998. All vested rights of respondents acquired under the former trademark law, R.A. 166, are protected and enforceable under the IP Code pursuant to the preservation of rights principle enunciated in Section 236 thereof.
- k. "The allegations contained in paragraph 3, the truth being that the Petitioner's counterclaim in the damage suit for trademark infringement (Defendants therein) was dismissed. It must be noted that the dismissal of the damage suit for infringement was at the instance of the Respondents (Plaintiffs therein), not of the Petitioner on account of "global recession" and "international market decline" but "without waiver of its intellectual property rights over the subject marks'. Accordingly, there could not be any waiver or implied admission by default on the part of the Respondents.

l. “The dismissal order of the regional Trial Court of Makati City (branch 56) simply dismissed the complaint with prejudice. There was no ruling or resolution as to the ownership of the service marks contrary to the allusion of Petitioners. Plaintiffs were not declared having on right to the relief demanded in the complaint. As started earlier, Petitioner’s counterclaim was also dismissed.

m. “The allegations contained in paragraph 7 alleged as fact, the truth being that stated in paragraphs b to e.

n. “The allegations contained in paragraph 8 alleged as fact, the truth being that Respondent SIM trademark SIZZLER STEAK SEAFOOD SALAD is registered for “restaurant services.”

o. “The allegations contained in paragraph 9 alleged as fact, the truth being that no implied admission of the Petitioner’s continuous use of the SIZZLER could be reasonably deduced from Respondents’ act of withdrawing the damage suit against the Petitioner. A damage suit for Infringement and an administrative case of business name cancellation. Both actions are remedies afforded by law to the Respondents. Non-availment of a remedy and should not prejudice the other remedy resorted to or chosen by an injured party. In other words, the dismissal of one does not prejudice the other. Respondents simply decided to avail of the administrative remedy available in the DTI-OLA in the hope of a more speedy and cost effective relief.

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

1. “Respondent SRI was the former registered owner of the trademark SIZZLER STEAK SEAFOOD SALAD under Certificate of Registration No.52003 dated January 13, 1992. This registration was subsequently assigned to a sister company, Respondent SIM, the assignment of which was duly recorded with the Intellectual Property Office.

2. “Respondents, their predecessors-in-interest and subsidiaries are the registered of the trademark/service mark SIZZLER in many countries around the world. The name SIZZLER, either as a single word or in combination with other words has been registered in may countries including but not limited to, Argentina, Benelux, Canada, Chile, China, Costa Rica, Cyprus, Denmark, Egypt, Fiji, France, Greece, Guatemala, Hong Kong, Indonesia, Italy, Japan, Jordan, South Korea, Kuwait, Liechtenstein, Macau, Malaysia, Mexico, Norway, New Zealand, Oman, Papua New Guinea, Portugal, Qatar, Ras Al Khaima, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, United States of America, Venezuela, and Vietnam. There are at least 275 trademark/service names in different countries worldwide.

3. “The mark SIZZLER was first used in the United States in connection with food products and restaurant services on January 26, 1957.

4. “From its initial use of SIZZLER in the United States, the SIZZLER food and restaurant business expanded to other countries. In 1964, a SIZZLER restaurant was opened in Hawaii, in 1979 in Guam and in 1987 in Puerto Rico.

5. “Since its initial operation, the SIZZLER restaurant business experienced tremendous growth. The first SIZZLER restaurant in Europe was opened in 1972 in Hamburg, Germany. The first two SIZZLER restaurants in the Middle East were opened in Kuwait and Saudi Arabia in 1978. Thereafter, a SIZZLER restaurant was opened in Dubai and United Arab Emirates in 1980.

6. “The first SIZZLER restaurant in Australia was opened in 1986, The SIZZLER restaurant concept has been highly popular and successful in Australia, such that by 1989, there were 22 SIZZLER restaurants operating in Australia.

7. "Through its predecessor companies, subsidiaries and other related companies in the United States and throughout the world, Respondents have extensively used the name SIZZLER in connection with restaurant services. As of April 23, 1989, there were 628 restaurants operation worldwide. Of these restaurants, 23 were located outside of the United States. Since 1989, additional SIZZLER restaurants have been opened in the following countries outside of the United States, namely: Guatemala, Kuwait, Korea, Japan, Puerto Rico, Canada, Taiwan, Thailand, Indonesia and Singapore. As of 1999, there were 366 SIZZLER restaurants in operation, 271 of which were located in the United States, the remaining 95 in Australia, Japan, Taiwan, Indonesia, Puerto Rico, Thailand, Korea, Singapore, Guatemala and Guam. Of the 95 restaurants located outside the United States, 50 are located in Asia.

8. "In the Philippines, Respondents attempts to open restaurants are being forestalled because of the authorized use of the name SIZZLER by third parties, including Petitioner, in connection with the latter's restaurants. Since 1988, Respondents have received numerous inquiries from potential franchisees in the Philippines. Respondents pursued serious discussions with one of these potential franchisees. However, these prospective franchisees have been reluctant to enter into a franchise agreement with Respondents because of the existence of third party business name registrations.

9. "SIZZLER restaurants are presently well known in the United states and internationally. During the operational history of the SIZZLER restaurants, millions of dollars have been spend to advertise and promote the SIZZLER restaurant through television, newspaper and magazine advertisements, signage, posters, flyers and other promotional materials. Continuous advertising activities are being undertaken by Respondents within and outside the United States.

10. "The rights to the SIZZLER name has been legally recognized exclusively in favor of the Respondents. By reason of Respondents' consistent and extensive promotional activities, the SIZZLER name has enjoyed tremendous goodwill and well-known status in many countries worldwide. Respondents' SIZZLER restaurants have enjoyed wide patronage and acceptance, and have been successfully operated for many years in the territories and countries where they are located.

11. Respondents' SIZZLER trademark qualifies as an internationally well-known mark. This status of international fame and notoriety has been observed by the DTI-OLA in an administrative case (Petition for Cancellation of business name registration) involving Petitioner and Respondents, where the latter obtained a favorable ruling.

12. "Respondents' use of the SIZZLER mark was prior to the Petitioners' adoption of the mark for its restaurant business.

13. "Respondents have registered the SIZZLER mark ahead of the Petitioner.

14. "Petitioner has no valid cause of action against the Respondents and the Petitioner for Cancellation contains none.

From receipt of the Answer, a Pre-Trial Conference of the instant suit was held on 01 February 2005. There being no Stipulation of facts agreed upon, the following issues were proposed for resolution:

1. *"Whether or not the mark SIZZLER for goods falling under Class 42 such as SIZZLER STEAK, SEAFOOD, SALAD for restaurant service was used within three years from date of issuance of the certificate of registration on January 13, 1992; and Whether or not it continues to be used thereafter up to the present;*

2. *"Whether of not the declaration of Respondents-Registrant in default with prejudice in a case that Respondents-Registrant filed with the Regional Trial Court of*

Makati City wherein the ownership of the mark was in issue, among others, had the effect of impliedly ruling that Petitioner had claimed that the mark is its own business name since they issued it in 1982 to the present;

3. *“Whether or not Section 2 © of Rule 8 of the Implementing Rules of the IP Code come into operation as to warrant cancellation of the SIZZLER STEAK SEAFOOD SALAD trademark.*

In view of the elevation of the DTI-OLA case to the Court of Appeals, Respondents moved for the suspension of the proceedings pending resolution of the matter and issues involved therein. This Bureau, in Order No. 2006-671, resolved thus:

“The ruling rendered by the DTI-OLA was based on the law on registration of business name covered by Act 3883, as amended whereas the instant case was filed under the Republic Act 8293, particularly the law on the registration and cancellation of trademarks, tradenames and service marks. The subject matter involved in the instant case is the cancellation of a servicemark while the subject matter involved in the DTI-OLA is the cancellation of a business name. There is an immense difference between a servicemark and a business name. The registration of business name and the registration of servicemarks are governed by two entirely different laws. Therefore, both cases may be filed and heard simultaneously.”

xxx

Due to the foregoing resolution of this Bureau, the case at bar proceeded to trial on the merits. When it was turn for Respondents-Registrant to present and adduce evidence to rebut Petitioner’s claim, Respondents-Registrant failed to appear on two successive hearing dates which prompted this Bureau, upon Petitioner’s oral motion, to declare Respondents- Registrant to have waived their rights to present evidence. This bureau in Order No.2007-705, granted said motion, and declared thus:

“The records show that on 08 March 2007, this Bureau issued Order No. 2007-411 admitting in evidence Petitioner’s Exhibits “A” to “C” for the purposes they have been offered and, accordingly, setting the case on 22 March 2007 and 12 & 25 April 2007 at 10:00 a.m. for the reception of Respondents evidence. The said Order was duly served to Respondents on 12 March 2007. However, at the scheduled hearing on 12 April 2007, Respondents failed to appear. Respondents likewise failed to appear at the 25 April 2007 hearing.

Consequently, for such failure to appear at the scheduled presentation of their evidence, Respondents are deemed to have waived the right to present their evidence.”

xxx

In support of its prayer for the cancellation of the Registration No. 52003 for the trademark SIZZLER STEAK, SEAFOOD, SALAD, Petitioner’s evidence consisted, among others, the Affidavit of Atty. Federico Ples, Administrative Officer of Makati Food Service Systems Inc. (Exhibit “A”); Certification issued by DTI-NCR, Emma C. Asusano, Regional Caretaker of the Department of trade and Industry (Exhibit “B”); True copy of the subject Certificate of registration No. 52003 (Exhibits “C to C-2”);

The main or focal issue for this Bureau to essentially pass is whether or not the facts and evidence of the case would warrant cancellation of Respondent-Registrant’s registration of the trademark SIZZLER STEAK, SEAFOOD, SALAD issued by the virtue of Certificate of Registration No. 52003.

In evaluating the facts found in 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 with the style these marks were printed or presented or with the device used thereon but the mark or word SIZZLER appear both in the labels of the contending parties. Below is a side-by-side comparison of the competing marks:



Petitioner's mark



Respondent-Registrant's mark

Except for a minor difference in the printing of the labels which may be considered as negligible, their overall appearance shows striking similarities. Both marks spelled and uttered the same way and contain the prominent or dominant word SIZZLER. The word SIZZLER remains the prominent and distinctive feature in the subject mark, the combination or addition of the words STEAK SEAFOOD SALAD is insignificant as to yield a distinct appearance not only because it is printed in small letters and is placed just below the very prominent SISZZLER but the word SIZZLER has continued to create confusion between the competing marks.

In the case of Emerald Garment Mfg. Corp. vs. Court of Appeals, 251 SCRA 600, the court ruled thus:

"While it is true that there are other words such as "STYLISTIC", printed in the appellant's label, such word is printed in such small letters over the word "LEE" that it is not conspicuous enough to draw the attention of ordinary buyers whereas the word "LEE" is printed across the label in big, bold letters and of the same color, style, type and size of lettering as that of the trademark of the appellee. The alleged difference is too insubstantial to be noticeable."

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 effects 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 mark as to be likely to be deceive or cause Confusion;"

An examination of the documentary evidence confirms Respondents-Registrant's earlier application of the mark SIZZLER STEAK SEAFOOD SALAD. Between the two contending parties, trademark application of Respondents came earlier by more or less eight (8) years vis-à-vis Petitioner's application in 2004. However, one crucial factor that led this Bureau to dig deep into the records of the case is the Petitioner's establishment of prior adoption of the mark or label SIZZLER. To support this claim of prior use, petitioner presented evidence of earlier DTI business name registration in 1979 for the adoption of the SIZZLER mark which was not rebutted by the Respondent-Registrant but had in fact confirmed this claim in paragraph (e) of Respondent's Answer stating thus:

e. "In the case of respondents, the infringing use by third parties, the Petitioner included, of the trademark SIZZLER (the words STEAK SEAFOOD SALAD being disclaimed) is effectively preventing Respondents from using the SIZZLER STEAK SEAFOOD SALAD trademark. The Petitioner even registered Respondent's trademark SIZZLER as part of its business name with the Department of Trade & Industry (DTI), which registration prevented Respondent from using the trademark. This "cause" has been deemed to be beyond the control of the Respondents by the Bureau of Trademarks (BOT with the issuance of the Notice of Acceptance to said Affidavit on Non-use by the BOT, a photocopy of which is Annex "A."

For failure of Respondents-Registrant to use the registered SIZZLER mark within the three-year-period following the registration in the principal register, the said registration is now the subject of this cancellation proceeding primarily for non-use which is confirmed likewise by the Respondents in their Answer under paragraph 8 of its Affirmative Defenses and is quoted below, to wit:

8. *In the Philippines, Respondents attempts to open restaurants are being forestalled because of the unauthorized use of the name SIZZLER by the third parties, including the Petitioner, in connection with the latter's restaurants. Since 1988, Respondents have received numerous inquiries from potential franchisees in the Philippines. Respondents pursued serious discussions with one of these potential franchisees. However, these prospective franchisees have been reluctant to enter into a franchise agreement with Respondents because of the existence of third party business name registrations.*

As provided under the regulations on inter parties proceedings, specifically Section 2 of Rule 8 on Cancellation of Registration of Marks, a petition for cancellation may be filed in this manner, thus:

"Section 2. When may a petition be filed. The petition for cancellation of the registration of a mark may be filed:

xxx

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of at least three (3) years.

It is basic tenet under the trademark law that rights to trademark 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 clear that adoption alone of a trademark would not give exclusive right thereto, such right "grows out of their actual use." Adoption is not use. One may

make advertisements, issue circulars, give out price lists on certain goods; but these alone would not give exclusive right of use. For trademark is a creation of use.”

Respondents’ defense is its continued filing and submission of the requisite Affidavit of Non-use. A trademark registrant may be allowed to file this particular affidavit when use thereof are hindered by reasons outside the control of the registrant. The unauthorized use of the SIZZLER mark by virtue of third party business name registrations, the market and investment climate in the Philippines and the absence or difficulty of finding potential franchisees are not legitimate reasons for non-use of the subject mark.

Corollarily, for failure of Respondents to show prior commercial use and adoption of the questioned mark, this Bureau now turns its attention on the rightful owner of the mark SIZZLER.

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, Petitioner allegation of prior adoption in 1979 with the registration of its business name with the Department of Trade and Industry was not disproved by the Respondents-Registrant and in fact admitted the same when the latter stated in paragraph (e) of its Answer to the effect that:

e. “In the case of respondents, the infringing use by third parties, the Petitioner included, of the trademark SIZZLER (the words STEAK SEAFOOD SALAD being disclaimed) is effectively preventing Respondents from using the SIZZLER STEAK SEAFOOD SALAD trademark. The Petitioner even registered Respondent’s trademark SIZZLER as part of its business name with the Department of Trade & Industry (DTI), which registration prevented Respondent from using the trademark. This “cause” has been deemed to be beyond the control of the Respondents by the Bureau of Trademarks (BOT with the issuance of the Notice of Acceptance to said Affidavit on Non-use by the BOT, a photocopy of which is Annex “A.”

And to fortify its claim of being the rightful owner in the Philippines of the mark SIZZLER, Petitioner presented DTI certification issued on July 26, 2006 by the DTI-NCR Regional Caretaker, Emma C. Asusano (Exhibit “B”, Petitioner) who certified that following business names were not registered with the Department of Trade and Industry:

1. SIZZLER RESTAURANTS INTERNATIONAL, INC.
2. SIZZLER INTERNATIONAL MARKS, INC.

Petitioner was granted registration for its SIZZLER business name to prove actual commercial use of the mark SIZZLER. Subsequent applications of Respondents-Registrants with the then BPTTT (now IPP) for the same mark SIZZLER to be used for the same restaurant services were filed some years later than the date of Petitioner’s business name registration in 1979. At any rate, inspite of Respondents-Registrant’s trademark registration being shown and presented to this forum (Exhibit “C-C2”, Petitioner), Petitioner still emerged as the prior user under the old trademark law, R.A. 166, as amended. Even more persuasive and compelling reason to tilt the scale of justice in favor of Petitioner is Respondents-Registrant failure to prove actual commercial use in the Philippines of its trademark SIZZLER.

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), Respondent can not be considered an owner in the Philippines of the SIZZLER mark, thus:

“The trademark Law is 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

Philippines 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 zippers sent the Philippines were to be use as "samples" and "of not 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 Respondents-Registrant in its Answer. Respondents-Registrant argued that the mark SIZZLER is well-known.

It follows that it is R.A. 166, as amended, that must be applied with regard to the determination of whether or not a mark is well-known because the application and registration of the subject mark were filed and obtained when the old trademark law was still effective. In determining whether a trademark is well-known, we used under the old law as standards an international treaty: the Paris Convention for the Protection of Industrial Property or Article 6bis and as national guidelines, the November 20, 1980 Memorandum issued by then Minister of Trade and Industry, the Hon. Luis Villafuerte. The scope of protection of well-known marks under the aforementioned standards and guidelines covers only trademarks use for identical or similar goods. Worth mentioning at this point is the ruling of the court in the case of Canon Kabushiki Kaisha vs. Court of Appeals (G.R. No. 120900, July 20, 2000), Which is one case relevant to and decisive of this particular point when the court ruled:

"Petitioner, as this office sees it, is trying to seek refuge under its protective mantle, claiming that the subject mark is well known in this country at the time the then application of NSR Rubber was filed. However, the then Minister of Trade and Industry, the Hon. Roberto V. Ongpin, issued a memorandum dated 25 October 1983 to the Director of Patents, a set of guidelines in the implementation of Article 6bis (sic) of the treaty Paris. These conditions are:

- a) the mark must be internationally known;*
- b) the subject of the right must be a trademark, not a patent or copyright or anything else;*
- c) the mark must be for use in the same or similar kinds of goods; and*
- d) the person claiming must be the owner of the mark*

From the set of facts found in the records, it is ruled that the Petitioner failed to comply with the third requirement of the said memorandum that is the mark must be for use in the same or similar kinds of goods. The Petitioner is using the mark "CANON" for products belonging to class 2 (paints, chemical products) while the Respondent is using he the same mark for sandals (class 25). Hence, Petitioner's contention that its mark is well-known at the time the Respondent filed its application for the same mark should fail."

xxx

In the case at bar, notwithstanding the fact that services of both parties in the adoption of the mark SIZZLER were the same, still Respondent-Registrant mark SIZZLER to this date remains a valid registration without actual commercial use in the Philippines. Although it does not show an intention on the part of the Respondent-Registrant to abandon the use thereof, by and large, Respondent-Registrant failed to prove commercial use in the Philippines. On this score alone, this Bureau can not declare Respondent's trademark to be well-known in the Philippines without actual use notwithstanding Respondents-Registrant's many registration abroad and worldwide use of the SIZZLER mark, when it is very clear that the record is wanting in proof to show adoption and in use in the Philippines.

In view of the foregoing discussions, the Bureau finds the grounds relied upon and the arguments raised by Petitioner to be meritorious and with basis to cancel the subject trademark registration.

WHEREFORE, premises considered, the Petition for Cancellation is, as it is hereby GRANTED. Consequently, Registration No. 52003 issued on 13 January 1992 in favor of Respondent-Registrant for the mark "SIZZLER STEAK SEAFOOD SALAD" for use on restaurant services is, as it is hereby CANCELLED.

Let the filewrapper of SIZZLER STEAK SEAFOOD SALAD, subject matter of this case together a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 08 October 2007

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