



W LAND HOLDINGS, INC.,
Petitioner,

-versus-

STARWOOD HOTELS AND
RESORTS WORLDWIDE, INC.,
Respondent-Registrant.

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} IPC No. 14-2009-00143
}
} Petition for Cancellation:
} Registration No. 4-2005-011847
} Issued: 26 February 2007
} TM: "W"
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}
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2012 - 91 dated May 11, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 11, 2012.

For the Director:

For **Atty. ADORACION U. ZARE**
Hearing Officer, BLA

CERTIFIED TRUE COPY
Sharon S. Alcantara
SHARON S. ALCANTARA
Records Officer II



W LAND HOLDINGS, INC.,
Petitioner,

-versus-

STARWOOD HOTELS AND
RESORTS WORLDWIDE, INC.,
Respondent-Registrant.

x-----x

Inter Partes Case No. 14-2009-00143
Petition for Cancellation:
Registration No. 4-2005-011847
Issued: 26 February 2007
Trademark: "W"

Decision No. 2012-91

DECISION

W LAND HOLDINGS, INC. ("Petitioner")¹ filed on 29 May 2009 a petition for the cancellation of Trademark Reg. No. 4-2005-011847. The trademark registration, issued in favor of STARWOOD HOTELS AND RESORTS WORLDWIDE, INC. ("Respondent")², covers the mark "W" for use on *"hotel, motel, resort hotel, and motor inn services; restaurant, bar and catering services, café and cafeteria services, provision of conference, meeting and social function facilities"* under Class 43 and *"beauty salon and hair dressing services"* under Class 44 of the International Classification of goods.¹

The Petitioner alleges, among other things, the following:

x x x

"8. Meanwhile, based on the database of this Honorable Office, Respondent's Application No. 4-2005-011847 was already deemed registered as of 26 February 2007 with Registration No. 4-2005-011847.

"9. As earlier stated, the filing date of respondent's application for its trademark Registration No. 4-2005-011847 was on 02 December 2005.

"9.1 However, to date, or more than three (3) years later, respondent has no establishment whatsoever in the Philippines, much less any business using the mark 'W' in the Philippines.

"9.2 Respondent HAS FAILED, AND CONTINUES TO FAIL, to use the mark 'W' Under Registration No. 4-2005-011847 in the Philippines for hotel, motel and resort services; food and beverage and restaurant services, or for beauty salon and dressing services.

"10. Under Section 151.1(c) of the IP Code, a petition to cancel a registration of a mark may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under the IP Code at any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines. Thus: x x x

"10.1 Stated differently, for a trademark registration to be cancelled there are two facts that the petitioner must prove: (1) that petitioner believes that he is or will be damaged by the registration of

¹ A corporation duly organized and existing under Philippine laws with address at W Tower, 39th Street, Bonifacio Triangle, Bonifacio Global City, Taguig.

² With address at 1111 Westchester Avenue, White Plains, New York.

a mark; and (2) that the registered owner of the mark without legitimate reason fails to use the mark within the Philippines.

"10.02 Both facts exist in the instant petition.

"11. Without prejudice to petitioner's arguments in IPC No. 14-2007-00084, it is indisputable that petitioner is damaged by respondent's Registration No. 4-2005-011847 because it is the mark that the Honorable Office has considered to be a bar to petitioner's trademark Application No. 4-2006-004147 for the mark 'W' for Nice Class 36, albeit petitioner maintains its position that the said marks are not confusingly similar.

"12. As regards the second requisite, to date, respondent has no business establishment in the Philippines pertaining to the covered services under the subject Registration No. 4-2005-011847 which use the mark 'W', and thus has failed to use the mark in the Philippines."

The Petitioner's evidence consists of the print-out of webpage of the Intellectual Property Office of the Philippines website showing the Respondent-Registrant's Trademark Reg. No. 4-2005-011847, certified copy of the Petitioner's Trademark Application Serial No. 4-2006-004147 for the mark "W", and certified copy of Decision No. 2008-72 rendered by this Bureau on 23 April 2008 on IPC No. 14-2007-00084.³

The Respondent-Registrant filed on 23 October 2009 its Answer alleging, among other things, the following:

x x x

"6. Respondent Starwood admit that it was the applicant and is the current registrant for the mark 'W (Wordmark)' under Certificate of Registration No. 4-2005-0011847, filed on 2 December 2005 and registered on 26 February 2007, for classes 43 and 44.⁴

"7. Respondent Starwood admits that an opposition *inter partes* case (IPC Case No. 14-2007-000814 is pending between the parties, wherein the respondent opposed the trademark application of the petitioner (Application No. 4-2006-004147, filed on 20 April 2006 for class 36⁵.) for a confusingly similar 'W' mark in relation to respondent's own "W" mark with earlier filing date (Application No. 4-2005-011847 and Application No. 4-2005-011848, both filed on 2 December 2005).

"7.1 It is also admitted that this Honorable Office rendered its Decision, dated 23 April 2008, finding merit in the respondent's opposition to petitioner's application for registration of its own mark 'W.'

"7.2 A Motion for Reconsideration of said Decision filed by petitioner W Land is pending with this Honorable Office.

x x x

"9. First off, the Petition for Cancellation should be outrightly dismissed or considered as not having been filed for being unverified and without a certification of non-forum shopping.

"10. Rule 8, Section 5 and Rule 2, Sections 7 and 9 of the Regulations of *Inter Partes* Proceedings (as amended by IPO Office Order No. 79, Series of 2005) require a Petition for Cancellation being filed to be verified and with a certification of non-forum shopping. Pertinently, they state that:

³ Marked as Annexes "A" to 'C'.

⁴ Hotel, motel, resort hotel, and motor inn services; restaurant, bar and catering services, café and cafeteria services, provision of conference, meeting and social function facilities, and Beauty salon and hair dressing services (Class 44).

⁵ Real estate affairs

x x x

"11. From the foregoing, it is very clear that should a Petition for Cancellation be unverified and/or lack a certification of non-forum shopping, the said petition must be dismissed outright and not be considered as having been filed.

"12. A mere visual inspection shows that the petitioner W Land failed to have its Petition for Cancellation verified in addition to its failure to make a non-forum shopping certification.

"13. A copy of the petitioner's Secretary's Certificate does not, by any stretch, suffice as a replacement of the mandatory requirement of verification and certification of non-forum shopping.

"14. Applying the abovementioned Rules and Regulations of *Inter Partes* proceedings and the applicable jurisprudence to the case at hand, the instant Petition for Cancellation of the petitioner should be dismissed outright and be considered as not having been filed.

"15. At all events, as previously stated above, petitioner W Land filed the present Verified Petition for Cancellation, knowing fully well that there is a pending *inter partes* opposition proceedings before this Honorable Office, involving the same parties, the same issues, and reliefs sought.

"16. As admitted by the petitioner (par. 6, Verified Petition), an *inter partes* opposition proceedings (docketed as IPC No. 14-2007-00084) is pending between the parties, albeit a decision has been rendered already by the Bureau of Legal Affairs in favor of herein respondent Starwood in that Opposition case. Said decision has been appealed by the petitioner W Land.

"17. The said opposition case, as also admitted by the petitioner, involves the same 'W' mark of this present Cancellation case. These admitted facts clear show a violation of the petitioner of the non-forum shopping rule and also show that the doctrine of *litis pendencia* applies in the case at hand.

"18. A test of forum-shopping is when the elements of *litis pendencia* are present or where a final judgment in one case will amount to *res judicata* in another—whether in the two or more pending cases, there is an identity of (a) parties (or at least such parties as represent the same interests in both actions), (b) rights or causes of action, and (c) reliefs sought.

"19. *Litis Pendencia* as a ground for dismissal of an action refers to that situation wherein another action is pending between the same parties for the same cause of action and the second action becomes unnecessary and vexatious.⁶

"20. In the present case, these requisites are present.

20.1 The parties involved are also the very same parties involved in the Opposition case. There is, likewise, identity of the rights asserted and reliefs prayed for.

20.2 The petition for Cancellation was filed by the petitioner W Land on its claimed right over its applied for 'W' mark, the same right it is claiming in the pending Opposition case. The pending Opposition case also involves the determination of the issue of confusing similarity between the parties' marks, which is the very same determination that is required from this Honorable Office to make to decide on the element of damage that may occur to the petitioner. The resolution of the present case would likewise require presentation of the same evidence from the parties on the same issue decided in the said opposition proceedings.

20.3 Verily, the judgment sought in one proceeding would amount to the adjudication of the merits on the other—that is a favorable ruling from this Honorable Office in favor of petitioner W Land in the opposition case will make it unnecessary for the petitioner to continue with the present cancellation

⁶ *University Physicians Services Inc., v. Court of Appeals*, 381 Phil.54, 67 (2000).

case; in the same vein, a declaration of the ownership of the mark in favor of the respondent Starwood in the opposition case will render moot and academic any ruling in the present cancellation case.

"21. Indeed, the underlying principle of *litis pendencia* is the maxim that a party should not be allowed to vex another more than one chance regarding the same subject matter and for the same cause of action. This theory is founded on the public policy that the same subject matter should not be the subject of controversy in court more than once in order that possible conflicting judgments may be avoided, for the sake of the stability of the rights and status of persons.⁷

"22. The petitioner W Land may have recognized this doctrine when it failed to submit a verification and certification of non-forum shopping in order to avoid the risk of being administratively and/or criminally liable. **However, that does not excuse them from the necessary consequence of its violation of the non-forum shopping doctrine, namely, the dismissal of the present case.**

"23. Assuming *arguendo* that the petitioner was able to properly comply with the mandatory procedural requirements discussed above and the instant petition should not be dismissed outright, the requirements for the respondent Starwood's 'W (wordmark)' trademark to be considered abandoned are nevertheless clearly absent in the case at bar.

"24. The petitioner anchored its petition for cancellation on the main ground that the respondent has no business establishment in the Philippines pertaining to the covered services of its registration which use the mark 'W (wordmark)' and thus has failed to use the mark in the Philippines, pursuant to Section 151.1 (c) of the IPC.

"25. The petitioner's argument is misplaced. It must be pointed out that not every disuse of the mark will be considered an abandonment of the owner's right to it.

"26. To amount to abandonment, the disuse must be permanent and not ephemeral; it must be intentional and voluntary, and not involuntary or even compulsory. There must be a thoroughgoing discontinuance of any trademark use of the mark in question.⁸ Such is not the case for the subject mark.

A. Declaration of Actual Use ('DAU')

"27. The petitioner cannot claim that respondent Starwood permanently abandoned its 'W (wordmark)' trademark by non-use for the principal reason that, on 2 December 2008, it filed with the Director of Trademarks of this Honorable Office a notarized DAU with accompanying Evidences of Use, after payment of appropriate filing fees.

A copy of the said DAU and its supporting documents are attached herein as **EXHIBIT '2'**.

"28. From the evidences of use attached to the DAU, it can be seen that the subject mark is used on newsletters and e-mail notifications sent to respondent Starwood hotel's loyalty program members.

B. Interactive websites and Philippine Internet domain names.

"29. Respondent Starwood was incorporated in 1980 and is now one of the world's largest hotel and leisure companies. Respondent Starwood conducts the hotel and leisure business both directly and indirectly through subsidiaries and franchisees. Its hotel business emphasizes the global operation of hotels and resorts primarily in the luxury and upscale segment of the lodging industry, and it seeks to acquire interests in, or management or franchise rights with respect to, properties in this segment.

⁷ *Tirona v. Alejo*, G.R. No. 129313, 10 October 2001, 367 SCRA 17, citing *Tourist Duty Free Shops, Inc. v. Sandiganbayan*, 323 SCRA 358 (2000).

⁸ *Romero v. Maiden Form Brassiere*, G.R. No. L-18289, 31 March 1964

"15.(sic) As of December 31, 2008, respondent Starwood's property portfolio includes owned, leased, managed, and franchised properties (inclusive of hotels) of more than 940 properties with approximately 285,000 rooms in approximately 100 countries.

"17.(sic) Opposer's hotel resort and property brand names include: SHERATON, ST. REGIS, W, LE MERIDIEN, ELEMENT, ALOFT, THE LUXURY COLLECTION, WESTIN and FOUR POINTS (the 'Starwood Brand of Hotels').

"30. Thus, it is important to note, for purposes of the instant case, that the respondent Starwood operates complete and interactive internet websites for its W hotels and W Residences in order to accommodate its potential and loyal clients worldwide <http://www.starwoodhotels.com/whotels/index.html>; www.whotels.com

"31. The said interactive websites allow Philippine residents to make reservations and bookings, apart from viewing agents, discounts, promotions and other marketing fields being offered by the respondent Starwood and its W Hotels. Clearly, this presupposes clear and convincing use of its 'W (wordmark)' in the Philippines.

"32. Also, with the foregoing mentioned brand names, the respondent Starwood is well represented in most major markets around the world by reason of the said websites or domain names.

"33. In fact, respondent Starwood owns also the following registered internet websites or domain names in order to feature in detail its official website in the Philippine market catering to its Philippine clients: < www.whotels.ph >; < www.whotel.ph >; < www.wresidences.ph >; < www.wresidence.ph >. As of current time, all said websites are fully operational.

"34. To illustrate the improving and increasing website visits and interactions from Philippine residents to the W Hotels website < www.whotels.com >, the number of visits increased dramatically from the year 2003 to reach 45,340 website visits (or 'hits') in the year 2008.

Attached as EXHIBIT '3' is a copy of the abovementioned data retrieved by the respondent Starwood from Omniture, a publicly-held United States of America ("USA") online marketing and web analytics company based in Utah, USA, and also inserted herein below for ease of reference:

Page Views	2003	2004	2005	2006	2007	2008
Whotels.com	1,069	8,834	10,545	20,472	24,913	45,340
Site Total	2003	2004	2005	2006	2007	2008
Whotels.com	20,964,208	22,037,138	22,328,972	33,755,813	36,182,644	38,855,309
Source: Omniture						

Note: page views by Geosegmentation to Whotels.com are understated in 2003 due to a feature that was not turned on for the entire year. Geosegmentation capability came on some time in 2003. 2008 is YTD Jan thru Jun.

C. Advertising and media relations in the Philippines.

"35. Moreover, respondent Starwood cannot be said to have abandoned its "W wordmark" for non-use because of the extensive advertising and media relations program the respondent pursued from the start and until the present time.

"36. Respondent Starwood's 'W' trademark and its formative marks for the foregoing classes of goods have been in continuous use in advertising in Asia Pacific and the Philippines and worldwide for a sufficiently long period of time. Regional and local magazines like Business Traveller and an American Express Magazine/catalogue distributed for Philippine clients are examples.

"37. Respondent Starwood has invested heavily in advertising the W Brand of Hotels worldwide. In fact, the total advertising expenses spent for the W Marks and W Brand of Hotels worldwide in 2002 was in excess of USD 5 Million; in 2003, in excess of USD 7 Million; and in 2004, in excess of USD 8 Million.

"38. The long use of, and the large amounts spent by the respondent Starwood, its licenses, subsidiaries, or agents for advertisement and promotion/ publicity worldwide for its various goods and services bearing the subject 'W (wordmark)' trademark, which, together with the volume of sales and services, have contributed immensely to the international recognition as well as Philippine recognition acquired by the goods and services of the respondent Starwood, identified by the said mark. By reason of this worldwide promotion/ publicity, it positively affected the worldwide revenue for the W Brand of Hotels, which was more than USD 350 Million in 2002; USD 400 Million in 2003; and USD 450 Million in 2004.

"Samples of print advertisements and print-outs of internet weblogs/ features, including a new print feature from Cecille Van Straten of the Philippine Star on 7 of December 2008, of the 'W' trademark and its formative marks are separately submitted and mark as an advertising distributed and promoted in the Asia Pacific and the Philippines are attached collectively as EXHIBIT '4.'

"39. The extensive advertising program has led respondent Starwood's 'W' trademark to become a very strong and popular mark with a well-established goodwill and solid business reputation throughout the world, including the Philippines.

"40. The actual bookings by Philippine nationals and residents, coupled with the consistent and continuous publicity, advertisement, and promotion of the respondent Starwood's W Hotels and Residences brand both in the Philippines and worldwide constitute actual use in the Philippines.

"41. It cannot be denied that modern forms of transportation and communication defy boundaries and render static legal concepts obsolete.⁹ Consequently, trademark ownership may extend even beyond the selling and advertising zones.¹⁰ As to sophisticated travelers, such as the clients of respondent Starwood, the name of a fine hotel may become an international hallmark even without the aid of newspapers and broadcast media.¹¹ Into whatever markets the use of a trademark has extended or its meaning has become known, there will be the manufacturer or trader whose trade is pirated by an infringing use be entitled to protection and redress.¹²

"42. It should be noted that a hotel is a unique establishment and business. Unlike manufacturing concerns, there is no 'product' or 'goods' to be sold in the place where the hotel is physically located. Hence, actual bookings, promotions and advertisements should suffice to constitute 'actual use.'

⁹ Callman, Unfair Competition, Trademarks and Monopolies, § 19.20 (2001).

¹⁰ *Peaches Entertainment Corp. v. Entertainment Repertoire Assocs.*, 62 F. 3d 690, 35 U.S.P.Q. 2d (BNA) 1772, 1776 (5th Cir. 1995); *Champions Golf Club v. Champions Golf Club*, 78 F. 3d 1111, 38 U.S.P.Q. 2d (BNA) 1161, 1170 (6th Cir. 1996).

¹¹ *Ritz Carlton Hotel Co. v. Ritz Carlton Hotel Corp.*, 66 F. Supp. 729 (S.D. Fla. 1946); *Tisch Hotels Inc. v. American Inn, Inc.*, 350 F. 2d. 609 (7th Cir. 1965); *Tisch Hotels v. Atlantica Americana Motor Hotel Corp.*, 254 F. Supp. 743 (N.D. Ga. 1966); *Hotel Statler Co. v. Chase*, 104 F. Supp. 533, (S.D. Cal. 1952).

¹² *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 36 S. Ct. 357, 60 L. ed. 713; *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 39 S. Ct. 48, 63 ; Ed. 141; *Denison Mattress Factory v. Sprint-Air Co.*, 308 F. 2d 403 (5th Cir. 1962); *Clinton Co. v. Health Quest Management Corp.*, 230 U.S.P.Q. (BNA) 865 (N.D. III. 1986).

"43. Accepting room reservations or bookings is an important and indispensable facet of any hotel's business. The business transactions of every hotel anywhere in the world commence with the placing of room reservations, usually by or through a travel agent. Said reservation is first communicated to the reservations and booking assistant tasked to handle the transaction. After the reservation is made, the specific room reserved for the guest will be blocked and will not be offered to another guest. As such, on the specified date of arrival, the room reserved will be available to the guest. It is in this regard that the actual existence or presence of a hotel in one place is not necessary before it can be considered as doing business therein.

"44. In any case, as held in the cases of *La Chemise Lacoste, S.A. v. Fernandez*¹³ and *Converse Rubber Corporation v. Universal Rubber Products, Inc.*¹⁴, it is not necessary that use of the mark be made directly by the owner of the mark. The travel agencies need not be owned, controlled, or managed by respondent Starwood. In *Lacoste*, the Supreme Court recognized that Lacoste products were being sold not by La Chemise Lacoste S.A., but by a local distributor, Rustan Commercial Corporation. On the other hand, in *Converse*, sales of Converse footwear were made by various local retailers and not by Converse Rubber Corporation itself. In the same vein, reservations in Starwood and W Hotels accomplished through its complete and highly interactive websites and through local travel agents are sufficient to prove actual use in commerce and under Intellectual Property Code.

"45. On another important note, the significance of trademark advertising in this modern age was explained by this Honorable Court in *Mirpuri v. Court of Appeals*,¹⁵ as follows: x x x

"46. It is through advertising that companies are able to create, protect and promote goodwill. As mentioned above, millions of dollars have been spent in advertising the W Hotels in the Philippines, Asia-Pacific and worldwide, and various other promotional activities were undertaken to promote its goodwill and reputation.

"47. Consequently, from the actual bookings made in the Philippines and the continuous and widespread advertisement of its hotels, respondent Starwood should be deemed to have actually used, promoted, and advertised their hotel chain within the Philippines and made their hotels available to Philippine clients and customers, as in fact they were patronized by many Filipinos.

"48. It must also be noted that respondent Starwood is currently conducting negotiations with three (3) potential investors for a W Hotel development in the Philippines. Due to normal business practice of requesting confidentiality of the on-going negotiations, respondent Starwood cannot reveal the identities of the potential investors as of this present time.

"49. While the global economic recession admittedly affected and delayed the on-going negotiations, there is no intention by the parties to discontinue the negotiations.

"50. It is very clear, therefore that there is neither permanent nor voluntary abandonment of the 'W (wordmark)' mark by respondent Starwood. In fact, extensive efforts, as described above have been and are being made by the respondent to promote and market its mark, business and goodwill to the Philippine residents, as well as to its Asia Pacific Market."

This Bureau resolves first the technical issues raised by the Respondent-Registrant.

This Bureau finds that there was compliance by the Petitioner of the verification and certification of non-forum shopping requirements. The Petitioner submitted via its Reply the "Verification/Certification of Non-forum Shopping" signed by Francis Wee, the Petitioner's Executive Vice-President and Corporate Secretary. There is reason to believe the Petitioner's claim that the failure to attach the document to the petition for cancellation was only due to the

¹³ 129 SCRA 373 (1984).

¹⁴ 147 SCRA 155, 161 (1987).

¹⁵ 318 SCRA 516, 535-6 (1999).

inadvertence. As can be gleaned from the records, attached to the petition filed on 29 May 2009 is the Secretary's Certificate showing, among other things, Wee's authority to sign the verification and certification of non-forum shopping. The Secretary's Certificate was dated and notarized on 25 May 2009 while the "Verification/Certification of Non-Forum Shopping" submitted by the Petitioner was notarized on 26 May 2009. Hence, these prove that the "Verification/Certification of Non-Forum Shopping" was prepared and executed before the filing of the petition.

This Bureau also finds untenable the Respondent-Registrant's contention that the instant Petition should be dismissed on the ground of *litis pendentia*, citing Inter Partes Case No. 4-2006-004147 which is the opposition of the Respondent-Registrant to a trademark application filed by the Petitioner. Aptly, the issue in the opposition case is whether or not the Petitioner has the right to register the mark "W". On the other hand, the issue in the instant petition is whether or not the conditions cited under Sec. 151.1 par. (c) of the IP Code concur so as to warrant the cancellation of Reg. No. 4-2005-011847. Moreover, in *The Clorox Company vs. Director of Patents*¹⁶, the Supreme Court ruled:

"Neither may we consider the argument of herein respondent that the petitioner is not totally deprived of its right to question the registration of the trademark in question because it may still pursue a cancellation proceeding under Sections 17 to 19 of Republic Act No. 166, and Rules 191 to 197 of the Rules of Practice in Trademark Cases. The opposition to a registration and the petition for cancellation are alternative proceedings which a party may avail of according to his purposes, needs, and predicaments (*Anchor Trading Company vs. Director of Patents*, G.R. No. L-8004, May 30, 1956), and herein petitioner has the right to choose which remedy it deems best for the protection of its rights."

Going now to the main issue, the Petitioner claims that the Respondent-Registrant's mark should be cancelled pursuant to Sec. 151.1 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") which states, among other things, that:

151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows: x x x

(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 three (3) years or longer.

As a party using or intending to use the mark W, the Petitioner obviously has interests that are adversely affected by the registration, and with it the exclusive use, of the mark by the Respondent-Registrant for the goods covered by such registration. Hence, the Petitioner has the right under the above-cited provision to file the instant petition.

In seeking the cancellation of Trademark Reg. No. 4-2005-011847, the Petitioner points out that since the filing in 2005 by the Respondent-Registrant of the application for the registration of the mark W, the latter does not have or provide the services (or facilities) covered by the trademark registration in the Philippines. On this point, the Respondent-

¹⁶ G.R. No. L-19531, 10 Aug. 1967.

Registrant, instead of submitting evidence that it has established and operated the services and facilities indicated in its trademark registration in the Philippines, argues that such absence or lack of establishments does not amount to a permanent abandonment of the mark. It submitted though a copy of the Declaration of Actual Use ("DAU") it filed with the Bureau of Trademarks on 02 December 2008, together with the attachments thereto consisting of photocopies of advertising materials including brochures/catalogues, advertisements in magazines, a newspaper write-up, and printout of the pages of the website <http://chuvaness.livejournal.com>.

After a scrutiny and thorough evaluation of the records and evidence, this Bureau finds that Trademark Reg. No. 4-2005-011847 should be cancelled pursuant to Sec. 151.1, par. (c) of the IP Code.

It must be emphasized that this case is not about whether the Respondent-Registrant has permanently abandoned its mark. Sec. 151.1, par. (c) of the IP Code simply prescribes a ground or the concurrence of conditions for the cancellation of a trademark registration. Corollarily, in order to avoid the cancellation of a trademark registration, the registrant must prove that the ground or conditions under Sec. 151.1 par. (c) of the IP Code do not exist or concur.

In this regard, the DAU and the attachments thereto submitted by the Respondent-Applicant do not prove that the said party has used the mark W in the Philippines for the goods or services covered by its trademark registration. Neither is there any proof that the Respondent-Registrant has been operating beauty salons and hair dressing services in the Philippines.

This Bureau noticed that most of the brochures/catalogues and advertisements were of foreign origin or publications some of which do not even refer to the mark W but to such words or names as "Aloft" or "Westin". Assuming *in arguendo* that the magazine "*Business Traveller*" is available to readers in the Philippines, what was advertised therein is a hotel named "H2O". Also, the write-ups or articles in the "*Philippine Star Lifestyle*" on 07 December 2008 and in the website <http://chuvaness.livejournal.com> are authored by persons whose connection with the Respondent-Registrant has not been established. While the contents of these write-ups and articles may have in effect promoting the "W hotels", this Bureau however cannot make an assumption that these were done at the behest of the Respondent-Registrant in order to qualify as advertisements.

But what is truly objectionable to these documents as proof of use of the mark in the Philippines is that all of these refer to hotels or establishments that are located abroad. It must be emphasized that the Respondent-Registrant sought and obtained trademark registration for services under classes 43 and 44. Class 43 of the International Classification refers to "*Services for providing food and drink; temporary accommodation*" while Class 44, for "*Medical services, veterinary services; hygienic and beauty care for human beings or animals; agriculture; horticulture and forestry services*". The Respondent-Registrant must have proof that it is providing these services in the Philippines under the mark W.

The Respondent-Registrant's reliance on the Supreme Court rulings in *La Chemise Lacoste, S.A. v. Fernandez* and *Converse Rubber Corporation v. Universal Rubber Products, Inc.* is misplaced. In the cited cases, the use of the marks by persons or entities other than the

trademark owners, were done in the Philippines by local distributors, retailers and partners, not abroad or in other country.


This Bureau also finds *Mirpuri v. Court of Appeals, et al.* not relevant to this case. There is nothing in the decision of the Supreme Court in the cited case that says that advertisement is tantamount to use of a trademark. And assuming *in arguendo* that advertisement helps in earning goodwill and reputation, use of the mark is another matter. The current information and communication technologies indeed make it possible for a mark or a brand to be known in places where the trademark owner does not do, or even does not intend to do, business. The fact remains, however, that the consumers cannot purchase in those places the goods or services to which the mark or brand is attached.

While advertisement of a product or service is concededly a significant management tool and strategy particularly for public information and promotion purposes, it is still incidental to the business enterprise and is not, for obvious reasons, the product or service itself. Succinctly, the use of a trademark as a business tool and as contemplated under Sec. 151.1, par. (c), refers to the actual attachment thereof to goods and services that are sold or availed of and located in the Philippines.

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of the Trademark Reg. No. 4-2005-011847 be returned, together with a copy of this decision, to the Bureau of Trademark for information and appropriate action.

SO ORDERED.

Taguig City, 11 May 2012.


ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs

