



OFFICE OF THE DIRECTOR GENERAL

AMBER GOLDEN PLATE,
Appellant,

APPEAL NO. 14-2013-0046
IPC No. 14-2009-00250
Petition for Cancellation:

-versus-

Registration No. 4-2008-012242
Date Issued: 09 March 2009
Trademark: AMBER'S BEST

AMBER'S BEST RESTAURANT,
Appellee.

X-----X

NOTICE

MR. GEORGE TEVES
General Manager
Amber Golden Plate
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LENY B. RAZ
Director, Bureau of Trademarks
Intellectual Property Office
Taguig City

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IPOPHL LIBRARY
Documentation, Information and
Technology Transfer Bureau
Intellectual Property Office
Taguig City

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office
Taguig City



LIBRARY

DATE: 10/08/14

BY: [Signature]

GREETINGS:

Please be informed that on 18 September 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 26 September 2014.

Very truly yours,

[Signature]

ROBERT NEREO B. SAMSON
Attorney V



[Signature]

Office of the Director General



OFFICE OF THE DIRECTOR GENERAL

AMBER GOLDEN PLATE,
Petitioner-Appellant,

-versus-

AMBER'S BEST RESTAURANT,
Respondent-Appellee.

X-----X

Appeal No. 14-2013-0046

IPC No. 14-2009-00250

Petition for Cancellation

Reg. No. 4-2008-012242

Date Issued: 09 March 2009

Trademark: AMBER'S BEST

DECISION

AMBER GOLDEN PLATE ("Appellant") appeals the decision¹ of the Director of Bureau of Legal Affairs ("Director") dismissing the Appellant's petition to cancel the registration of the mark "AMBER'S BEST" issued in the name of AMBER'S BEST RESTAURANT ("Appellee").

Records show that the Appellant filed a "PETITION FOR CANCELLATION" dated 02 October 2009 alleging that it has exclusively used the name "Amber" since 1988 when it was first established and came into operation. The Appellant claimed that its business grew and expanded into an extensive, multi-branch catering and food delivery. The Appellant averred that it was featured several times in prominent national publications and that it has advertised in national dailies. The Appellant asserted that the Appellee came into existence only in the late 1990s and that the Appellee's owner is its former treasurer who took advantage of her knowledge of the marketability of the name "Amber". According to the Appellant, there clearly exists bad faith in the filing and registration of AMBER'S BEST and that the registration and use of this mark were meant merely to ride and cash-in on the reputation already established by the Appellant and to confuse and deceive the Appellant's customers and the general buying public.

The Appellee filed on 12 March 2010 a "VERIFIED ANSWER" denying the material allegations in the Appellant's petition and maintained that the Appellant has neither legal nor factual basis to claim that the Appellee's registration and use of AMBER'S BEST were made in bad faith. The Appellee alleged that it has used AMBER'S BEST in good faith since 2004 and that its use of this mark was with the authorization and approval of the majority stockholder and founder of the Appellant. The Appellee claimed that it entered into yearly lease contracts with the Appellee for the lease of a space in the operation of its restaurant business, unequivocally showing the

¹ Decision No. 2013-47 dated 21 June 2013.

ROBERT WERDO C. RAMOS
Office of the Director General

Appellant's knowledge of, and acquiescence to, the Appellee's use of the word "AMBER". According to the Appellee, it has established the use and prior registration and true ownership of the AMBER'S BEST and, thus, the Appellant's petition should be dismissed.

After the appropriate proceedings, the Director held that there is no proof of the authority of Rhoda F. Fernandez to sign the verification and certification of non-forum shopping on behalf of the Appellant and much less to give authority to the Appellant's counsel to represent it in this case. The Director ruled that the petition was not validly verified and that there was no compliance with the requirement of non-forum shopping and, hence, the petition should be dismissed. Moreover, the Director stated that while the Appellant's use of the word "AMBER" in restaurant business preceded that of the Appellee's, the Appellant has not established that the Appellee's use and registration of AMBER'S BEST was in bad faith or tainted with fraud.

Not satisfied with the decision of the Director, the Appellant filed on 12 August 2013 a "MEMORANDUM OF APPEAL" assigning the following errors:

- I. THE HONORABLE DIRECTOR OF THE BUREAU OF LEGAL AFFAIRS COMMITTED REVERSIBLE ERROR IN RULING THAT RHODA F. FERNANDEZ WAS WITHOUT AUTHORITY TO FILE THE PETITION FOR CANCELLATION AS THERE WAS NO PROOF THAT SHE WAS AN OWNER OR AN OFFICER OF APPELLANT CORPORATION
- II. THE HONORABLE DIRECTOR OF THE BUREAU OF LEGAL AFFAIRS COMMITTED REVERSIBLE ERROR IN RELYING SOLELY ON THE AFFIDAVIT OF MANUEL ESPIRITU ON THE ISSUE OF BAD FAITH COMMITTED BY APPELLEE AMBER'S BEST RESTAURANT

The Appellant contends that Rhoda F. Fernandez is its vice president and that it was within her powers and authority to cause the filing of the petition for cancellation. The Appellant argues that it was erroneous for the Director to invoke a mere technicality as one of the justifications for the dismissal of the petition. The Appellant maintains that it is the originator of the name and mark "AMBER" in the restaurant business and that that the Appellee came into existence sixteen (16) years after as a copycat competitor. The Appellant claims that the Appellee's "copycat" actuation is the fact that the Appellee's owner and president is a relative of the owners of the Appellant and was a former treasurer of the Appellant. Thus, according to the Appellant, the Appellee is in bad faith in registering AMBER'S BEST.

The Appellee filed a "COMMENT/OPPOSITION" dated 30 September 2013 claiming the necessity of a Board Resolution or Secretary's Certificate authorizing a

company officer or any other person to perform a corporate act. The Appellee avers that even assuming that Rhoda F. Fernandez is an officer and stockholder of the Appellant, this fact alone does not automatically grant her the license to file this case. Thus, according to the Appellee, the Director was justified in dismissing this case for failure by the Appellant to show the authority of Ms. Rhoda F. Fernandez to file this case and to sign the verification and certification of non-forum shopping. The Appellee maintains that there was no bad faith when it applied and obtained the certificate of registration for AMBER'S BEST.

On 10 October 2013, this case was referred to the IPOPHL Alternative Dispute Resolution (ADR) Services pursuant to Office Order No. 154, Series of 2010, Rules of Procedure for IPO Mediation Proceedings. Subsequently, on 05 March 2014, this Office received a copy of the "MEDIATOR'S REPORT" stating that the parties failed to settle the case through mediation.

The issue in this appeal is whether the Director was correct in dismissing the Appellant's petition to cancel the registration of AMBER'S BEST in the name of the Appellee.

There is no dispute that both the Appellant and the Appellee are both engaged in restaurant business that specializes in cooked foods like barbecue products, *pancit malabon*, and *pichi-pichi*. Accordingly, their use of "AMBER", gives the impression that they are similar or related businesses engaged in food and restaurant services. In this regard, a certificate of registration for the mark "AMBER" or in this case AMBER'S BEST gives the registrant or the Appellee the exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.² The certificate of registration issued in the name of the Appellee granted it the exclusive right to use AMBER'S BEST in the following goods and services:

pork barbecue, chicken barbecue, fried chicken, garlic chicken, soy chicken, lumpiang shanghai, pancit malabon, pichi-pichi niyog and cheese; and

restaurant services; catering services; food-to-go delivery services; cafeteria; bar; snack bar; canteens; rental of chairs, tables, table linen, and glassware³

Accordingly, the Appellant's interest in using "AMBER" in its business enterprise and business operations is affected by this certificate of registration. Sec. 151 of the IP Code provides that:

² Intellectual Property Code, Sec. 138.

³ Registration No. 4-2008-012242.

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ROBERT ABEL M. SAMSON
Office of the Director General

SEC. 151. Cancellation.- 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:

(a) Within five (5) years from the date of the registration of the mark under this Act.

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services or in connection with which it has been used.

(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.

Thus, the Appellant seeks the cancellation of the Appellee's certificate of registration to prevent the damage to it of the continued registration of the Appellee's mark AMBER'S BEST. Not only would the Appellant be barred from using "AMBER" in its business transactions, it would also have no control on the quality of products and services by the Appellee.

In dismissing the Appellant's petition, the Director held that the petition was not validly verified and that there was no compliance with the requirement of certification of non-forum shopping.

However, this holding by the Director on the defects on verification and certification of non-forum shopping should have been done when the Appellant filed its petition for cancellation and not after appropriate proceedings have been undertaken by the Bureau of Legal Affairs that led to the submission for decision of the Appellant's petition for cancellation. Rule 2 Section 8 of the Regulations on Inter Partes Proceedings, as amended, contains the following provisions:

Section 8. *Action on the Notice of Opposition or Motion for Extension to File Notice of Opposition, and Petition.* -(a) A case is deemed to have commenced upon the filing of a notice of opposition, or a motion for extension of time to file a notice of opposition, or a petition for cancellation or compulsory licensing.

(b) The notice of opposition or petition may be dismissed outright and/or *motu proprio* for having been filed out of time, due to lack of jurisdiction, and/or failure to state

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COMPTON TRADE CO., INC.
DATE: _____
ROBERT M. GARCIA, SAISON
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Office: 1000 La Salle, General

a cause of action. Likewise, a motion for extension of time to file notice of opposition shall be denied outright if the opposer fails to state meritorious grounds.

(c) The opposer, including those who file a motion for extension of time to file notice of opposition, or the petitioner shall be given a period of ten (10) days from receipt of the order to complete or to cure any of the following defects:

- (1) Non-payment in full or in part of the filing fees and other applicable fees;
- (2) Failure to attach the originals of the following documents:
 - (i) Verification;
 - (ii) Certification of non-forum shopping;
 - (iii) Special Power of Attorney of representative(s) who signed the pleadings, the verification, and the certification of non-forum shopping; the proof of authority to issue or execute the Special Power of Attorney; and
 - (iv) Proof of authentication by the appropriate Philippine diplomatic or consular office, of the foregoing documents, if executed abroad.

Provided, that if what are attached to the opposition or petition are mere photocopies of the abovementioned documents, the opposer or petitioner shall be required to submit the originals within 10 days from receipt of the order.

The 10-day period to complete or cure the defects in the filing may be extended for another 5 days upon motion by the opposer or petitioner based on meritorious grounds which must be explicitly stated in the motion, and upon payment of the applicable fees. A second 5-day extension may be granted based on the aforementioned conditions. No third extension shall be allowed.

Failure to complete or cure the defect shall cause the dismissal of the case.

(d) If the opposition or petition is determined to be compliant with the requirements, or upon compliance with the order provided in par. (c), the Bureau shall immediately issue a Notice to Answer, addressed to and served upon the respondent or representative/agent on record.

In this instance, the Bureau of Legal Affairs issued a notice to answer directing the Appellee to answer the petition for cancellation. This gives the impression that the Appellant's petition is compliant with the requirements required in the filing of a petition for cancellation. Otherwise, the Appellant shall be ordered to comply with the requirements provided in the Regulations on Inter Partes Proceedings. Moreover, neither did the Appellee raise in the proceedings in the Bureau of Legal Affairs any issue on the validity of the verification and certification of non-forum shopping. Consequently, fairness dictates that this case should be decided in the merits and not merely on technicalities. That this case should be decided on the merits is consistent to the principle that the law abhors technicalities that impede the cause of justice. In a case decided by the Supreme Court of the Philippines, it was held that:

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ROBERTO S. ALONSO
Office of the Secretary

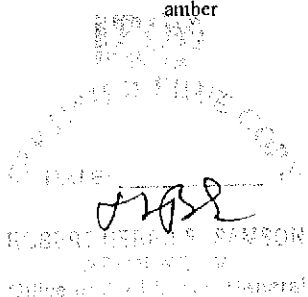
The court's primary duty is to render or dispense justice. "A litigation is not a game of technicalities." "Lawsuits unlike duels are not to be won by a rapier's thrust. Technicality, when it deserts its proper office as an aid to justice and becomes its great hindrance and chief enemy, deserves scant consideration from courts." Litigations must be decided on their merits and not on technicality. Every party litigant must be afforded the amplest opportunity for the proper and just determination of his cause, free from the unacceptable plea of technicalities. Thus, dismissal of appeals purely on technical grounds is frowned upon where the policy of the court is to encourage hearings of appeals on their merits and the rules of procedure ought not to be applied in a very rigid, technical sense; rules of procedure are used only to help secure, not override substantial justice. It is a far better and more prudent course of action for the court to excuse a technical lapse and afford the parties a review of the case on appeal to attain the ends of justice rather than dispose of the case on technicality and cause a grave injustice to the parties, giving a false impression of speedy disposal of cases while actually resulting in more delay, if not a miscarriage of justice.⁴

The Director's belated reliance on technicalities is anathema to equity and fairness. It is contrary to the sound administration of justice for the Director to suddenly disown actions like the issuance of notice to answer and the order requiring the submission of position papers. In addition, the Appellee willingly participated in the proceedings, submitted its answer and evidence, attended the preliminary conference, and submitted position paper. Like the Appellant, the Appellee was expecting a decision on the merits.

The interest of substantial justice requires that this case be decided on the merits, so as to settle the issue of whether the Appellee's certificate of registration for AMBER'S BEST is valid or whether there is merit to the Appellant's contention that this registration should be cancelled. Moreover, the requirements of verification and certification of non-forum shopping are formal requirements and not jurisdictional which would prevent the Director from determining the validity of the registration of AMBER'S BEST.

While compliance with the formal requirements in filing a petition for cancellation is strictly sought with, it merely underscores its mandatory nature in that it cannot altogether be dispensed with or its requirements completely disregarded, but it does not prevent substantial compliance on this aspect under justifiable circumstances. In this instance, the records in this appeal show the "Secretary's Certificate" proving the authority of Ms. Rhoda Fernandez to represent the Appellant. Thus, considering that both parties have been given ample opportunities to present the merits of their case, this Office finds justification in relaxing the rule requiring the verification and certification on non-forum shopping.

⁴ Great Southern Maritime Services Corporation v. Jennifer Anne B. Acuña, G.R. No. 140189, 28 February 2005.



This relaxation in this case is not to undermine the importance of the formal and procedural requirements but only because of the nature of this case and the surrounding circumstances that justify the need to rule on the validity of the registration of a mark.

Significantly, the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁵

In this instance, the Appellee's ownership of the mark "AMBER" is put in question by its own admission of the prior use by the Appellant of this mark. The Appellant has proven that it has used "AMBER" since 1988 in its restaurant business. The Appellee knew of this fact because its president used to be an officer of the Appellant. Moreover, the pieces of evidence show that the Appellee is a lessee of the Appellant. It is, therefore, surprising, why the Appellee would want to have an exclusive right over the use of "AMBER", when it knew that the Appellant has used this mark much earlier and continues to use it in products and services related to its goods and services.

The Appellant's petition for cancellation is, therefore, meritorious. The continued registration of AMBER'S BEST would damage the interests of the Appellant. It is indeed surprising why the Appellee would seek the registration of a mark which it knew to be a creation of another person or entity if there is no intent to ride on the goodwill created this mark. As stated by the Supreme Court in one case:

Of course, as in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark.⁶

In addition, even if this Office would sustain the Appellee's position that it is in good faith in using AMBER'S BEST, this cannot be equated to its right to register this mark. On pain of redundancy, the essence of trademark registration is to give protection to the owner of the mark. As the records show that the Appellee was not the first to use "AMBER", was not its creator, and was not its originator, the Appellant has legal basis to ask for the cancellation of AMBER'S BEST. The Appellee has "millions of terms and combinations of letters and designs" to register in the Trademark Registry. The Appellee's registration of "AMBER" betrays its real intention which is to take advantage of the goodwill generated by this mark.

⁵ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

⁶ American Wire & Cable Company vs. Director of Patents, G. R. No. L-26557, 18 February 1970.

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REGISTERED TRADEMARK
DATE: _____
ROBERTA S. SAMSON
Office of the Director General

Wherefore, premises considered, the appeal is hereby granted.

Let a copy of this Decision be furnished to the Director of Bureau of Legal Affairs and the Director of Bureau of Trademarks for their appropriate action and information. Further, let a copy of this Decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for records purposes.

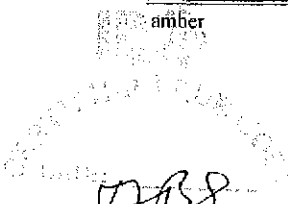

SO ORDERED.

18 SEP 2014, Taguig City.


RICARDO R. BLANCAFLOR
Director General

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ROBERT M. SISON
Director General
Office of the Director General