



**PMFTC INC. (formerly TALLYHOE  
MANUFACTURING CO., INC.),**  
Petitioner,

**-versus-**

**N.V. SUMATRA TOBACCO TRADING  
COMPANY,**  
Respondent-Registrant.

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**IPC No. 14-2014-00034**  
Cancellation of:  
Date Issued: 23 July 2001  
Reg. No. 4-1996-108884  
TM: "JACKPOT"

x-----x

**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2015 - \_\_\_\_ dated July 14, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 14, 2015.

For the Director:

**Atty. EDWIN DANILO A. DA...**  
Director III  
Bureau of Legal Affairs



**PMFTC INC. (formerly TALLYHOE  
MANUFACTURING CO., INC.),**  
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- versus -

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**IPC No. 14-2014-00034**  
Cancellation of:

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Date Issued: 23 July 2001  
Trademark: **"JACKPOT"**

Decision No. 2015 - \_ \_ \_

### DECISION

PMFTC INC. (formerly TALLYHOE MANUFACTURING CO. INC. ("Petitioner")<sup>1</sup> filed a petition for cancellation of Trademark Registration No. 4-1996-108884. The registration, issued to N.V. SUMATRA TOBACCO TRADING COMPANY (Respondent-Registrant)<sup>2</sup>, covers the mark "JACKPOT" for use on goods under class 34 namely: *all kinds of cigarettes, i.e. kretek cigarettes, klobot cigarettes, white cigarettes, cigarette papers, virginia tobacco, cut tobacco, filter cigarettes, cigarette paper books, cut of clove, kawung cigarettes, tobacco pipes, tobacco pocket, woor tobacco, matches, ashtray, gas matches and lighters.*<sup>3</sup>

The Petitioner alleged the following grounds for the instant petition:

"a. Petitioner is the true owner of the trademark JACKPOT based on its predecessor's and assignor's prior use dating back to 1979, which use has conferred ownership rights pursuant to the old Trademark Law, R.A. 166 as amended, and which rights are preserved under the Intellectual Property Code, Rep Act No. 8293 ('IP Code'), thereby rendering illegal and susceptible of cancellation the subsequently issued Trademark Registration No. 4-1996-108884 for JACKPOT in the name of Respondent-Registrant.

"b. Said Registration No. 4-1996-108884 should also be deemed abandoned pursuant to Section 12 and 17 of the Old Trademark Law and Section 151 (b) and (c) of the IP Code as Respondent-Registrant has not actually used the mark in the Philippines, at least before the filing date and during three (3) years from issuance and even up to ten (10) years from such issuance.

"c. Registration for Respondent-Registrant's JACKPOT should now be deemed fraudulent on the ground that despite its lack of any commercial use, Respondent-Registrant submitted the Fifth (5th) Anniversary Affidavit of Use on March 5, 2007 and Tenth (10th) Anniversary Affidavit on September 22, 2011.

"d. Respondent-Registrant's registration is also a bad faith registration, as it likely had knowledge of Petitioner's extensive commercial use of the JACKPOT mark at the time such registration was applied for.

<sup>1</sup> A corporation organized and existing under and by virtue of the laws of the Philippines, with principal place of business at Plants C & D, Champaca Street, Brgt. Fortune, Marikina City.

<sup>2</sup> An Indonesian company with address at Jalan Pattimura No. 3, Pematang Siantar Indonesia.

<sup>3</sup> The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

"e. If not cancelled, Respondent-Registrant's Registration No. 4-1996-108884 unjustly blocks Petitioner's legitimate application for registration of its trademark JACKPOT & DEVICE, thus, damaging Petitioner's ownership and trademark rights."

The facts are provided as follows:

"3. Petitioner PMFTC Inc. was formed after the business combination between Philip Morris Philippines Manufacturing Inc. ('PMPMI') and Fortune Tobacco Corporation ('FTC') in February 2010, whereby both companies contributed select assets and liabilities to Petitioner.

"4. One of the select assets contributed is the trademark JACKPOT of FTC.

"5. Records of FTC confirm that JACKPOT is a cigarette trademark owned in the 1970s by a company named Las Buenas Fabrica De Cigarillos, Inc. and at that time, was apparently covered by two (2) trademark certificates in that company's name: Registration No. 260666 issued on November 16, 1979 and Registration No. 4045-C issued on July 23, 1980.  
x x x

"6. FTC, as could be gleaned from this January 6, 1981 letter, took steps to secure new registration in its name in replacement of Las Buenas, a day after the recordal of the Assignment of Mark.

"7. To legitimize its commercial use of JACKPOT, FTC also registered the JACKPOT brand of cigarette with the Bureau of Internal Revenue on August 110, 1983.

"8. FTC actively sold JACKPOT cigarettes, continuously over a long period of time, with records showing sale in 1991 up to 2009, and thereafter, by Petitioner, from 2010 up to 2013.

"9. In exercise of its continuing ownership over the trademark JACKPOT based on actual use, FTC, on May 2, 2007, filed an application for trademark registration, namely, Trademark Application No. 4-2007-004448 for 'JACKPOT' for cigarettes under Class 34.

"10. Records for this application case show that FTC assigned the application to TALLYHOE MANUFACTURING CO., INC., as evidenced by the Assignment of Mark submitted with the Bureau of Trademarks and recorded on February 25, 2010.

"11. In the meantime, TALLYHOE MANUFACTURING CO., INC. changed its name to the present PMFTC INC., which is the present Petitioner herein, and on September 30, 2010, the change of name was also recorded in the records of the application case. Reference therefore to Petitioner is reference to FTC, and vice versa.

"12. In 2008, a year after the filing of the application, Petitioner was first apprised of the existence of JACKPOT owned by Respondent-Registrant under the challenged Trademark Registration No. 4-1996-108884, when on August 23, 2008, Official Action was issued citing Registration No. 4-1996-108884 as blocking the application. Based on records, this registration was applied for in March 8, 1996.

"13. To defend against the blocking registration, Petitioner conducted an inquiry into its background.

"14. Thus, to identify the entity selling Respondent-Registrants JACKPOT cigarettes, Petitioner verified with the records of the Intellectual Property Office ('IPO') which revealed that Respondent-Registrant did file a Fifth (5th) Anniversary Affidavit of Use on March 5, 2007 and a Tenth (10th) Anniversary Affidavit of Use on September 22, 2011. The entity cited as using the mark is a Sanctus Bell Trading, Inc., with address at 9780-A Kamagong Street, San Antonio Village, Makati City, Philippines, 1203.

"15. To determine if this entity did actually sell JACKPOT cigarettes, Petitioner conducted field investigation which confirmed to it that no JACKPOT cigarettes have been sold and distributed in the Philippines by the Respondent-Registrant and/or Sanctus Bell Trading, Inc.

"16. It has also surveyed important government issuances dealing with sale of cigarettes, and it determined that all references to JACKPOT cigarettes have been consistently in respect of Petitioner's JACKPOT products, not Respondent-Registrant's."

The Petitioner's evidence consists of the following:

1. Affidavit of Antonio Tiu;
2. Photograph of actual JACKPOT cigarette product;
3. Fortune Tobacco Corporation ("FTC") letter dated 08 August 1983 to the Bureau of Internal Revenue ("BIR") requesting permit to manufacture JACKPOT Menthol 100s cigarettes;
4. Letter dated 10 August 1983 by Deputy Comm. Tomas Toledo of the BIR granting FTC's request;
5. Letter dated 19 July 1991 to Comm. of BIR amending the set-up length from 75-25 mm to 30-20mm;
6. Letter dated 29 July 1991 by Comm. Jose U. Ong of BIR, granting request for amendment by FTC on permit to manufacture JACKPOT Menthol cigarettes;
7. FTC letter dated 02 August 1991 submitting Manufacturer's Declaration for JACKPOT;
8. Price surveys conducted by FTC;
9. Proof of FTC's JACKPOT sales receipts and invoices;
10. Summary of receipts;
11. Affidavit of Wilfredo Sebastian, Manager Wholesale at PMFTC, Inc.;
12. Photographs of marketing materials by retailers of PMFTC JACKPOT;
13. Receipts, cash invoices, consignment forms of JACKPOT sales for 2010 - 2013;
14. Summary of receipts;
15. Affidavit of Paolo Isagani Singson, Director Area Sales of PMFTC;
16. Affidavit of Catherine De Asa, Senior Tax Manager of PMFTC;
17. Statements of Production and Removal of FTC filed with the BIR;
18. Official Registry Books of PMFTC from January 2010 to December 2013;
19. PMFTC's Manufacturer Declarations dated 20 December 2011 and 20 May 2013;
20. Affidavit of Jan Abigail L. Ponce;
21. Corporate Secretary's Certificate issued by PMFTC;
22. FTC letter dated 06 January 1981 to the Philippine Patent Office for the recordal of Registration No. 260666 assignment;
23. Deed of Absolute Sale dated 04 August 1980 of Registration No. 4045-C;
24. Amended Articles of Incorporation showing change of name from Tallyhoe Manufacturing Co., Inc. to PMFTC Inc.;
25. Deed of Assignment of JACKPOT from FTC to Tallyhoe Manufacturing Co., Inc.;
26. Certificate of Filing of the Amended Articles of Incorporation showing change of name of Tallyhoe Manufacturing Co., Inc. to PMFTC Inc.;
27. Certified true copy of the Certificate of Application o. 4-2004-002854 for JACKPOT;
28. Certificate of Application No. 4-2007-004448 for JACKPOT;
29. Certified true copy of Certificate of Application No. 4-2013-006839 for JACKPOT MENTHOL 100s LABEL;



30. Certified true copy of Certificate of Application No. 4-2013-006839 for JACKPOT FILTERS LABEL;
31. Certified true copy of Fifth (5th) and Tenth (10th) Anniversary Affidavit of Use filed by N.V. Sumatra Tobacco and Trading Co.;
32. Joint Affidavit of Diana P. Sarigumba and Jaime Dela Cruz in 2011 and 2014;
33. Photographs of establishment and stores during 2011 and 2014 market survey;
34. Photographs of 9780-A Kamagong St. San Antonio Village, Makati City, Philippines.

On 27 May 2014, Respondent-Registrant filed its Answer containing the following affirmative allegations and defenses:

"4. N.V. SUMATRA TOBACCO TRADING COMPANY is a manufacturer and exporter of tobacco and cigarette products and has earned a reputation worldwide for its high quality products. It was established in 1952 manufacturing tobacco and cigarette products in Indonesia and has exported its various brands of tobacco and cigarette products since the 1980s. Currently, it exports its products to Singapore, Indo China, Middle East, Africa, America Latin, the Philippines and other major consumer markets worldwide.

"5. Respondent-Registrant owns numerous trademark registrations and pending applications worldwide, for the trademark JACKPOT.

"6. In 2007, the Respondent-Registrant appointed Sanctus Bell Trading, Inc. of 9780-A Kamagong Street, San Antonio Village, Makati City, Philippines as its distributor for all its tobacco and cigarette products including its JACKPOT cigarette products.

"7. Sale of JACKPOT cigarettes in the Philippines coming from Respondent-Registrant through Sanctus Bell Trading, Inc. was in 2007 with a net sale of P 1,260.00.

"8. A copy of the invoice showing the said commercial use of the mark 'JACKPOT' is attached.

"9. By virtue of Respondent-Registrant's commercial use of its registered trademark JACKPOT in the Philippines, the Petition for Cancellation filed by PMFTC INC. against its trademark registration for the mark should necessarily fail being without basis in fact and in law.

"10. In the Philippines, by virtue of the issuance of Trademark Registration No. 4-1996-108884 for the mark 'JACKPOT' in favor of the Respondent-Registrant, the Philippine Intellectual Property Office has granted the Respondent-Registrant the exclusive right to use its trademark featuring the dominant work 'JACKPOT' for its cigarette products under Class 34.

"11. The onerous claim by the Petitioner that Respondent-Registrant was in bad faith when it applied for its trademark registration is both absurd and unfounded as it was only after a thorough and circumspect investigation of the facts then obtaining that a final determination was made by the Honorable Intellectual Property Office that the Respondent-Registrant was entitled to trademark protection for its 'JACKPOT' trademark. Apparently or mostly assuredly, at the time the Respondent-Registrant filed its trademark application in 1996, the Petitioner had no trademark rights to the mark that could have come to the attention to the then Bureau of Patents Trademarks and Technology Transfer.

"12. Neither does the alleged required two (2) months prior use under Section 47 (f) of Republic Act No. 166 a requirement for reciprocal applications filed with a claim for convention priority under the Paris Convention as in the application filed by the Respondent-Registrant for its JACKPOT trademark in 1996.

"13. Nevertheless, the Petitioner could have immediately opted to file an Opposition against the trademark application of the Petitioner soon as it was published for opposition if the claim that it has formidable right over the mark is to be believed.

"14. Then again, the instant Petition was filed almost 13 years after the Respondent-Registrant's mark has been registered and therefore, this Petition for Cancellation is now barred by reason of laches.

"15. Certificate of Trademark Registration No. 4-1996-108884 of Respondent-Registrant is prima facie evidence of the validity of its registration. It is a substantive evidence of the registrant's ownership of the mark as against the Petitioner.

"16. In view thereof, Respondent-Registrant has the right, to the exclusion of all others, specially the Petitioner, to use the same in connection with the goods and those that are related thereto specified in the certificate.

"17. Clearly, the use of the trademark 'JACKPOT' by the Petitioner in class 34 for cigarette and related products violates herein Respondent-Registrant's exclusive rights as the said use causes confusion to the line of business and products manufactured and sold by Respondent-Registrant. At the very least, the confessed infringing use by the Petitioner and its predecessors-in-interest of the trademark 'JACKPOT' has merely been tolerated by the Respondent-Registrant but it is not in anyway to be construed as a surrender of its rights and interests over its trademark."

The Respondent-Registrant's evidence consists of the following:

1. Special Power of Attorney in favor of Bucoy Poblador & Associates;
2. Affidavit of Lewis Lionel Chanderson;
3. Company Certification signed by Timin Bingei, Director;
4. List of Trademark Registrations for JACKPOT;
5. Certificate of SEC Registration and Articles of Incorporation of Sanctus Bell Trading, Inc.;
6. Affidavit of Conrado D. Agtani.
7. Invoice showing commercial use in Philippines;
8. Trademark Application and Trademark Registration No. 4-1996-108884.

Thereafter, the Preliminary Conference was held and terminated on 07 January 2015. The Petitioner and the Respondent-Registrant filed their position papers on 27 January 2015, respectively.

Should Respondent-Registrant's trademark JACKPOT be cancelled?

It is emphasized that 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 out into the market a superior 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.<sup>4</sup>

Section 151.1, Republic Act No. 8293, also known as the Intellectual Property Code ("IP Code") provides:

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<sup>4</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

x x x 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

(b) At any time, if the registered mark becomes 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. x x x

In relation, Sec. 123.1 (d) of the IP Code provides:

A mark cannot be registered if it:

x x x

(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 a mark as to be likely to deceive or cause confusion;

Records show the mark JACKPOT was originally owned by Las Buenas Fabrica De Cigarillos, Inc. which at that time was covered by Registration No. 260666 issued on 16 November 1979; and Registration No. 4045-C issued on 23 July 1980. The said mark was then assigned to Fortune Tobacco Corporation (FTC)<sup>5</sup> through a recordal of the assignment<sup>6</sup>, as covered by of a Deed of Absolute Sale of the said mark<sup>7</sup>. FTC then filed its own application for the mark JACKPOT which was later assigned to Tallyhoe Manufacturing Co. which later changed its name to PMFTC Inc..<sup>8</sup> The Respondent-Registrant, on the other hand, filed its application for the registration of the mark JACKPOT on 03 August 1996; and was issued Certificate of Reg. No. 4-11996-108884 on 23 July 2001<sup>9</sup>, the subject matter of this instant petition.

Obviously, the contending marks contain the identical word mark JACKPOT. With or without a device distinguishing one mark from another, or the difference in the marks' font, what appears to define both marks is the word mark JACKPOT. Other matters are inconsequential because the mark is unique. It has no relation to the kind, nature or purpose of the goods involved, and therefore is a highly distinctive mark.

Moreover, the competing marks are used on goods that are similar or closely related to each other, and which cater to same cluster of purchasers and flow on the same channels of trade, particularly falling under Class 34. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:<sup>10</sup>

<sup>5</sup> Exhibit "W" and "W-2" of Petitioner.

<sup>6</sup> Exhibit "W-1" of Petitioner.

<sup>7</sup> Exhibit "X" of Petitioner.

<sup>8</sup> Exhibit "AA" of Petitioner.

<sup>9</sup> File wrapper records.

<sup>10</sup> Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Hence, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff which, in fact does not exist.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of 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.<sup>11</sup>

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

Section 2: Trademarks  
Article 15  
Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration of trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Member may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

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<sup>11</sup> Pribhdas J.Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.



Article 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights prescribed above shall not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademark (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguish the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code states:

Sec. 122. How Marks are Acquired. - The rights in a mark shall be acquired through registration made validly in accordance with the provision of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be validly in accordance with the provision of the law.

Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. - A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (Emphasis Supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.<sup>12</sup> The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property right over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *E.Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity Machinery Co. Ltd.*<sup>13</sup>, the Supreme Court held:

RA 8293 espouses the "first-to-file" rule as stated under Sec. 123.1(d) which states:

x x x

<sup>12</sup> See Sec. 236, IP Code.

<sup>13</sup> G.R. No. 184850, 20 October 2010.

Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

Sec. 134 of the IP Code provides that "any person who believes that he would be damaged by the registration of a mark x x x" may file an opposition to the application. The term "any person" encompasses the true owner of the mark, the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

In this instance, the Petitioner proved that it is the owner of the contested mark after sufficient proof of ownership based on its predecessor's and assignor's prior use, as mentioned in the foregoing discussion. It has substantiated its claim on ownership of the mark JACKPOT, consisting of its prior and continued commercial use of the same. The evidence include letter exchanges between FTC and the Bureau of Internal Revenue requesting permit to manufacture JACKPOT cigarettes and the Manufacturer's Declaration for JACKPOT in the years 1983 and 1991<sup>14</sup>; documents duly filed with the Bureau of Internal Revenue such as Statements of Production and Removal of FTC from August 1991 to February 2010<sup>15</sup>, Official Registry Books of PMFTC from January 2010 to December 22013 showing the JACKPOT cigarettes production and the corresponding excise tax paid<sup>16</sup>, and the PMFTC's Manufacturer Declarations dated 20 December 2011 and 20 May 2013<sup>17</sup>. The Petitioner likewise submitted actual sales receipts and invoices showing the commercial use of JACKPOT cigarette with various dealers /retailers as early as 1991<sup>18</sup>, and the market survey in the years 2011 and 2014 confirming the absence of market sales and distribution of Respondent-Registrant's JACKPOT cigarettes.<sup>19</sup>

Thus, to allow the continued registration of Respondent-Registrant is to cause confusion to the public of the presence of identical marks on goods that are covered by Petitioner's mark or goods closely related thereto, it will also deprive the true and actual owner of the mark. The Petitioner proved that the Respondent-Registrant was not the actual owner and user of the subject mark long before the filing of the said mark. The Petitioner has never abandoned the use of the mark as shown by its continuous and actual use of the mark JACKPOT on its business.

In contrast, Respondent-Registrant submitted a single Delivery Receipt dated 18 July 2007 of several articles including 3 reams of JACKPOT<sup>20</sup>. It failed to corroborate further its claim on ownership

<sup>14</sup> Exhibits "C", "D", "E", "F" and "G" of Petitioner.

<sup>15</sup> Exhibit "R" of Petitioner.

<sup>16</sup> Exhibit "S" of Petitioner.

<sup>17</sup> Exhibit "T" of Petitioner.

<sup>18</sup> Exhibits "J", "L", "N", "O" of Petitioner.

<sup>19</sup> Exhibits "HH" and "II" of Petitioner.

<sup>20</sup> Exhibit "7" of Respondent-Registrant.

of JACKPOT marks through sufficient evidence of actual and continued use in commerce. As discussed above, the mark is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Registrant to have come up with the same mark practically for similar goods by pure coincidence. Clearly, the Respondent-Registrant is not the owner of the mark.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the million of terms and combination of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.<sup>21</sup>

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

**WHEREFORE**, premises considered, the instant Petition for Cancellation of Trademark Registration No. 4-1996-108884 is hereby **GRANTED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 14 July 2015.

**Atty. NATALIA S. AREVALO**  
*Director of Bureau of Legal Affairs*

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<sup>21</sup> American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.