

LYLE & SCOTT LIMITED	)	INTER PARTES CASE NO. 3350
Petitioner,)	
	)	PETITION FOR CANCELLATION:
)	
	)	Cert. of Regn. No. 39206
	)	Issued : June 13, 1988
	)	Registrant : William Kuo
	)	Trademark : LYLE & SCOTT &
	)	EAGLE DEVICE
- versus -	)	Used on : Briefs, sport-
	)	shirts, jeans,
	)	jackets, socks,
	)	shorts, belts,
	)	handkerchiefs,
	)	toys in Class (es)
	)	24, 25 & 28
)	
	)	<u>DECISION NO. 92-10 (TM)</u>
WILLIAM KUO,)	
Respondent-Registrant.	)	April 28, 1992
x-----x)	

DECISION

This pertains to a "Petition for Cancellation" of the certificate of Trademark Registration numbered 39206 issued by this Office on June 13, 1988 in favor of William Kuo for the trademark "LYLE & SCOTT & EAGLE DEVICE" used on briefs, sportshirts, jeans, jackets, socks, shorts, belts, handkerchiefs, toys in Classes 24, 25 and 28.

Petitioner LYLE & SCOTT LIMITED is a foreign corporation duly organized and existing under the laws of the United Kingdom with principal place of business of Liddesdale Road, Hawick, Scotland, while Respondent-Registrant WILLIAM KUO is a Filipino citizen residing at Valenzuela, Bulacan, Philippines.

The grounds for opposition are as follows:

- "a) That the registration was obtained fraudulently or contrary to the provisions of Sec. 4(d), Chapter II-A of Republic Act 166, as amended; and
- "b) That cancellation is authorized by other provisions of Republic Act 166, as amended."

On October 25, 1990, upon motion of Petitioner, the Office declared William Kuo in default for failure to file his Answer to the above petition despite notice thereof as evidenced by Registry Return Receipt No. 3363 dated April 15, 1989 and issued by the Makati Central Post Office, Makati, Metro Manila. Subsequently, the trial of this case proceeded with the ex-parte presentation of Petitioner's evidence. No motion to lift the order of default was ever filed. Eventually, Petitioner formally offered its evidence and together with its memorandum. On February 12, 1991 Order No. 91-131 was issued admitting the evidence of Petitioner and declaring the case as submitted for decision.

As borne by the evidence presented, Petitioner LYLE & SCOTT LIMITED has in its favor two trademark registrations issued by the Patent Office of the United Kingdom, to wit:

1.) Registration No. A1109611 issued on February 16, 1979 and renewed on February 16, 1986 for the trademark "LYLE & SCOTT" used on "jumpers and cardigans for men and women; knitted articles of underclothing for men and boys," all under Class 25.

2.) Registration No. A1074948 issued on February 25, 1977 and renewed on January 25, 1984 for the trademark "EAGLE DEVICE" used on "knitted articles from knitted materials, all for men and boys, but not including footwear, all under Class 25.

On August 09, 1988 the trademark Applications bearing Serial Nos. 65454 and 65453 for the trademarks "LYLE & SCOTT" and "EAGLE DEVICE", respectively, were filed with this Office by the Petitioner. And in support thereto Petitioner likewise submitted the above-mentioned foreign registrations of the same trademarks. However, evidence does not show any commercial use by the Petitioner of the said trademarks within the Philippine territory.

In the meanwhile, on June 13, 1988, Certificate of Trademark Registration No. 39206 was issued in the name of Respondent for the mark "LYLE & SCOTT & EAGLE DEVICE" for use on "briefs, sportshirts, jeans, jackets, socks, shorts, belts, handkerchiefs, toys" in Classes 24, 25 and 28.

Hence, the following issues are submitted for consideration and resolution of this Honorable Office, to wit:

1. Whether or not the Petitioner has acquired priority of use, registration and goodwill over the trademarks "LYLE & SCOTT" and "EAGLE DEVICE" to the exclusion of the use and registration of the same by Respondent?
2. Whether or not the trademark of Respondent is confusingly similar with that of Petitioner?

Considering the above-mentioned facts established by the evidence presented, this Office resolves the first issue against the Petitioner.

Admittedly, it is the Petitioner who used and registered the subject trademarks but all such use and registrations were all done and obtained from territories outside and distinct from the Philippines.

There was never a showing of even just a single use of the said trademarks within the Philippines. Consequently, Petitioner cannot now claim protection from the Philippine government as "the use required as the foundation of the trademark rights refers to local use at home and not abroad. The prior use of a mark by another in some country is not fatal, if one claiming protection is able to show that he was the first to use it in this country" (2 Callman, Unfair Competition and Trademarks, Sec. 76.4, p. 1006).

The law of trademark rests upon the doctrine of nationality or territoriality. Thus, it was held in the case of Sterling Products vs. Farbenfabriken, 27 SCRA 1214, "the United States is not Philippines. Registration in the U.S. is not the registration in the Philippines. X X X What is to be secured from unfair competition in a given territory is the trade which one has in that particular territory. There is where this business is carried on; where the goodwill symbolized by the trademark has immediate value; where the infringer may profit by infringement".

In addition, the Office finds the evidence to be insufficient to qualify the Petitioner's marks as well-known in the Philippines or marks already belonging to a person entitled to the benefits of the Paris Convention. So far, Petitioner has obtained registration of its marks only from the United Kingdom. And the promotional materials submitted show on their face that the same are circulated only to a limited number of countries, Philippines not included.

With regards to the second issue, although this Office finds the contracting marks to be undoubtedly similar, such finding, however, loses its materiality in view of the aforesaid conclusion/finding.

WHEREFORE, premises considered, the above-entitled Petition for Cancellation is, as it is hereby, DENIED and DISMISSED.

Let the records of this case be forwarded to the EDP for appropriate action in accordance with this Order. Likewise, let a copy of this Order be furnished the Applications, Issuance and Publications Division for purposes of publication of a notice of cancellation in the Official Gazette pursuant to Sec. 19, R.A. 166.

SO ORDERED.

IGNACIO S. SAPALO
Director