

CHENGYI CHEN,	}	IPC NO. 14-2008-00100
Opposer,	}	Case Filed o: May 2, 2008
	}	
-versus-	}	Opposition to:
	}	App. Serial No. 4-2006-012987
ANTONIO B. SEE,	}	Date Filed: 04 December 2006
Respondent-Applicant.	}	TM: "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE"
	}	
x-----x	}	DECISION NO. 2009-01

DECISION

Before us is a Verified Notice of Opposition filed against the application for registration of the mark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" used for cake, pastry, bread, rolls under Class 30 of the international classification of goods bearing Application Serial No. 4-2006-012987 which was published in the Intellectual Property Office Electronic Gazette

Opposer, CHENGYI CHEN, is a Chinese citizen, with business and postal address at Shui Tou Street, Kui Feng District, Nan'an City, Fukien (Fujian), People's Republic of China. Respondent-Applicant, on the other hand, ANTONIO B. SE, is a Filipino citizen with address at 836 Benavidez Street, Binondo, Manila.

Accordingly, the grounds for opposition are as follows:

1. Respondent-Applicant is not entitled to register the trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" in his name considering that:

a. Opposer is the lawful owner and prior user of "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" both as a trademark and as a trade name, and therefore entitled to register the same in his name.

b. Approval of Application Serial No. 4-2006-012987 violates Article 16 of the TRIPS Agreement, as well as Article 8 of the Paris Convention, and Section 165 of the IP Code.

c. Respondent-Applicant filed Application Serial No. 4-2006-012987 fraudulently and in bad faith and without the consent of Opposer.

d. Opposer has been damaged and will continue to be damaged by the approval of Application Serial No. 4-2006-012987.

The Opposer relied on the following facts to support its opposition:

"1. Opposer is the lawful owner and prior user of "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" both as a trademark and a trade name and therefore, the one entitled to register the same in his name.

a. Opposer operates a chain of pastry and bakery shops in the People's Republic of China under the trade name "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" with the main branch located at Xiasheng Road, Shuitou Town, Nan'an City, Fujian, People's Republic of China.

b. The trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" is duly registered in favor of Opposer in the People's Republic of China under Registration No. 1193192 issued on July 21, 1998 for use on bread,

pastries, cakes, cookies, pies, stuffed buns, glutinous rice cakes and pan cakes falling under Class 30.

c. Opposer is widely and notoriously known to be the owner of a chain of pastry and bakery shops in the People's Republic of China under the name "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" for the last seventeen (17) years. The first "XIN YI LONG" pastry and bakery shop was opened and operated by Opposer's grandfather over one hundred (100) years ago.

Filipinos and Filipino-Chinese alike visiting the People's Republic of China invariably purchase Opposer's product bearing his registered mark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" as pasalubong.

d. On December 7, 2006, Opposer as lawful owner and prior user entitled to its registration pursuant to Section 3 of the IP Code, filed application Serial No. 4-2006-013165 for the registration of the trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" in his name for use on goods falling under Class 30 and services (bakery shop) falling under Class 35.

e. The trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" which Respondent-Applicant is seeking to register in his name under Application Serial No. 4-2006-012987 for use on goods falling under Class 30, is identical to Opposer's trade name and trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE".

f. Approval of Respondent-Applicant's Application Serial No. 4-2006-12987 violates Article 16 of the Trips Agreement, as well as Article 8 of the Paris Convention and Section 165 of the IP Code.

2. Respondent-Applicant filed Application Serial No. 4-2006-012987 fraudulently and in bad faith and without the consent of the Opposer.

a. Prior to December 4, 2006 when Respondent-Applicant filed Application Serial No. 4-2006-012987, Opposer and Respondent-Applicant were using the trade name and trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" in the Philippines.

b. On August 28, 2006, Opposer and Respondent-Applicant opened their pastry/bakery shop at 836 Benavidez Street, Binondo, Manila. The opening/inauguration of the XIN YI LONG pastry/bakery shop at 836 Benavidez Street, Binondo, Manila was well publicized.

c. At the time Respondent-Applicant filed Application Serial No. 4-2006-012987, he knew that the trade name and trademark "XIN YI LONG WITH CHINESE CHARACTERS & DEVICE" is actually being used by Opposer and duly registered in his favor.

d. Respondent-Applicant filed Application Serial No. 4-2006-012987 without the knowledge, much less, without the consent of Opposer. Respondent-Applicant filed its application three (3) days ahead of the filing by Opposer of his Application Serial No. 4-2006-013165 on December 7, 2006.

3. Opposer has been damaged and will continue to be damaged by the approval of Respondent-Applicant Serial No. 4-2006-012987.

a. Opposer has been operating his pastry/bakery business under the trade name and trademark "XIN YI LONG WITH CHINESE CHARACTERS &

DEVICE” for the last seventeen (17) years, gaining the confidence of both Chinese and Filipinos customers due to the high quality of his pastry and bakery products.

b. When he agreed with Respondent-Applicant to open a pastry/bakery shop in Manila, Opposer made it very clear that the said pastry/bakery shop will be treated and considered a Philippine Branch of Opposer’s XIN YI LONG pastry shop.

c. In accordance with his agreement with Respondent-Applicant, Opposer supplied the XI YI LONG Philippine branch with the necessary machineries, raw materials, technical and manpower support and various brochures, flyers and plastic bags.

d. Opposer personally visited Manila several times prior to the opening/inauguration of the XIN YI LONG pastry bakery shop at 836 Benavidez Street, Binondo, Manila. In 2006 alone, Opposer came and stayed in Manila from August 25, 2006 to September 11, 2006 to attend the opening/inauguration and see to it that it operates and does business like his other branches. He came back on and stayed from October 29, 2006 to December 14, 2006 to attend to post-opening problems of the branch.

e. The filing by Respondent-Applicant of Serial No. 4-2006-012987 and its approval will deceive and confuse the relevant sector of the consuming public into thinking that Respondent-Applicant’s pastry/bakery shop at 836 Benavidez Street, Binondo, Manila which still carries the XIN YI LONG name continues to be part of Opposer’s business and that its operation and products are with the blessing and support, technical and otherwise, of Opposer, when in fact, Respondent-Applicant now wanted to register in his name and trademark “XIN YI LONG WITH CHINESE CHARACTERS & DEVICE”.

5. For being not the owner but a mere usurper, Respondent-Applicant is not entitled to register the trademark “XIN YI LONG WITH CHINESE CHARACTERS & DEVICE” in his name.”

Together with the verified Notice of Opposition, Opposer submitted the following evidence:

Exhibits	Description
“A”	Certified copy of Opposer’s Passport No. G00792760 issued on January 21, 2001 at Fujian, People’s Republic of China
“B” to “B-2”	Certified copy of Opposer’s Passport No. G17750168 issued on May 27, 2006 at Fujian, People’s Republic of China.
“C”	Duly notarized Special Power of Attorney executed by Opposer on February 29, 2008
“D”	Certified and authenticated copy of Opposer’s current business license issued by China Council for the Promotion of International Trade
“E”	Certified and authenticated copy of Certificate of Registration No. 1193192 for the trademark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE issued on July 21, 1998.

"F"	Brochure published by Opposer on January 1, 2002 using the picture taken on the occasion of the 10 th anniversary of his XIN YI LONG Pastry House Shop
"G"	Flyers published by Opposer on April 8, 2004 announcing the opening of two (2) more branches
"H"	Flyer published by Opposer on April 2, 2005 listing nine (9) branches
"I"	Flyer published by Opposer on November 16, 2005 listing ten (10) branches
"J"	Flyer published by Opposer on January 23, 2006 listing twelve (12) branches
"K"	Brochure published by Opposer in the second half of 2006 with indication in the Company Profile about the opening of a branch in Manila
"K-1"	Opposer's Company Profile
"L"	Certified copy of Opposer's Application Serial No. 4-2006-013165 for the registration of the trademark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE filed on December 7, 2006
"M"	Print-out of Respondent-Applicant's mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE as published in the E-Gazette released on February 8, 2008
"N" to "N-3"	Pages 27-30 of World News (August 27, 2006 issue) announcing the opening and inauguration on August 28, 2006 of the XIN YI LONG's Philippine Branch at 836 Benavidez Street, Binondo Manila
"O"	Brochure printed in China for the distribution during the opening of the Philippine Branch
"P"	Flyer printed on the occasion of the opening of the Philippine Branch
"Q"	Round brochure for Moonquake Festival (September 2006) showing the various available products and with indication of the location of the Philippine Branch
"Q-1"	Plastic bag showing the XI YI LONG's pastry/bakery shops including the Philippine Branch
"R" to "R-6"	Various photographs taken during the opening/inauguration on August 28, 2006 of Philippine Branch
"S"	Duly notarized Affidavit of Simon Tsang

On 13 May, 2008, a Notice to Answer was issued by this Bureau and the same was served personally on May 22, 2008 to Respondent-Applicant's address. After granting two (2) motions for extension of time to answer, Respondent-Applicant filed his verified Answer on August 4, 2008 stating the following Special and Affirmative Defenses:

"1. Respondent-Applicant is the sole owner and operates of XIN YI LONG CAKE SHOP as bakery specializing in cakes, bread, pastries, rolls and other bakery products and the trademark applicant for XIN YI LONG WITH CHINESE CHARACTERS with Serial No. 4-2006-012987 dated December 4, 2006 for use

in cakes, bread, pastries, rolls and other bakery products with the Intellectual Property Office.

2. In August 26, 2006, Respondent-Applicant opened the main branch of XIN YI LONG CAKE SHOP located at Benavidez Street, Binondo, Metro Manila and had the name registered with the Department of Trade and Industry (DTI) on September 7, 2008. At present Respondent-Applicant has established several branches located at 826 Ongpin St., Binondo, Manila and 168 Mall also in Manila.

3. Respondent-Applicant personally knew herein Opposer for the fact that the latter is the supplier of almost all of the baking equipments of the former's bakery contrary to his claim that there was an agreement that the business of the former is a branch of his shop. In fact, there is no evidence with respect to the agreement claimed presented in the verified opposition. There is no document presented as evidence purporting to the agreement claimed by the Opposer considering the huge amount of money involved and the expected profit is lucrative.

4. As supplier of bakery equipments, Opposer, sent his technical team to train the personnel and staff of Respondent-Applicant for the operation of the supplied equipment. Thus, it is not surprising that the Opposer, the members of his family including the attorney-in-fact and technical personnel were present in the early stages of the Respondent-Applicant's bakery operation. All the time there was acquiescence to the use of the name XIN YI LONG and its logo and Opposer never bothered to object to such use. This is contrary to his claim that he sustained damage to its use by the Respondent-Applicant.

5. The dispute arise when the herein Opposer noticed that the business of Respondent-Applicant within a very short span of time started to gain steady flow of customer in the Chinese community. He prodded the latter that he will establish a manufacturing facility and effectively making herein Respondent-Applicant a distributor of the former's product. This arrangement of course is very disadvantageous to the latter considering all the efforts and investment the latter infused in the business.

6. The opposition filed by the Opposer is not anchored on the principle of protection given by law but to pressure the Respondent-Applicant to accede with his plan. The Opposer, allegedly a foreigner, mistakenly uses the protective power of the intellectual property law and international treaties in order to capitalize on the business success of Respondent-Applicant.

7. Specifically, Opposer anchored his opposition on Article 16 of the TRIPS Agreement, Article 8 of the Paris Convention and Section 165 of the IP Code. Article 16 of the TRIPS Agreement deals mainly on the protection of registered trademarks and both Article 8 of the Paris Convention and Section 165 of the IP Code give protection to trade names.

8. Upon perusal of Article 16 of the TRIPS Agreement, it can readily find its incorporation to our municipal law particularly Section 123 paragraph (e) of the IP Code.

9. Emphasized on both the international treaty and provision of the IP Code cited by the Opposer are applicable only to registered trademarks that are well-known internationally. The Opposer is trying to make an impression that the trade name and trademark XIN YI LONG WITH CHINESE CHARACTERS that he allegedly registered in the People's Republic of China is well-known

internationally and has already earned goodwill from the buying public but in truth and in fact it has not.

10. It must be noted that the Intellectual Property Office has established criteria or rules in determining whether a name or mark is well-known. These set of criteria has been applied in a long line of cases decided by the Supreme Court with respect to protection of trademarks specifically those marks registered in foreign jurisdictions.

11. The claim of the Opposer in his opposition that he operates a chain of bakery and pastry shop in the People's Republic of China under the XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE with the main branch located at Xiasheng Road, Shuitou Town, Nan-an City, Fujian Province only implies that his business operation under such name and mark is only confined in a very small area in the mainland China which geographically considered a very big country in term of land area and development.



12. In scrutiny, the allegation in the opposition cited above in relation to criteria established to implement the laws and treaties particularly Article 16 of the TRIPS Agreement and Section 123 paragraph (e) of the IP Code cited by the Opposer, it only alleged that he operates many branches in the People's Republic of China but there is no mention as to the number of branches and its specific locations. It did only mention the address of its main branch located in Xiasheng Road, Shuitou Town, Nan'an City in which it is regarded as a very small city, underdeveloped and not frequented by tourists."

The sole issue to be resolved in this case is: WHETHER OR NOT RESPONDENT-APPLICANT IS ENTITLED TO REGISTER THE MARK "XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE"

Opposer asserted in his Position Paper that Respondent's application for registration of the trademark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE is identical to his trademark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE. Opposer claims that there is no evidence that Respondent-Applicant owns the mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE used on product that he is selling. The mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE is a distinctive mark and design and Respondent-Applicant should have explained how he came to create the subject mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE which is identical and confusingly similar mark to XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE. Absence of any explanation as to how the Respondent-Applicant conceived the trademark gives credence to the claim and position of Opposer that he is the owner of the said mark and not Respondent-Applicant. Opposer likewise posits that Respondent filed his application for registration of the subject mark fraudulently and in bad faith and without the consent of the Opposer.

Conversely, Respondent-Applicant contended that the application for trademark registration cannot be denied based on a mere claim of alleged prior registration of a similar name and mark in a foreign country. Though the right to register is based on ownership, such is not absolute. Such right is subject to the laws of the country where it is registered or to be registered as well as to the provisions of international treaties where the country where it is registered or sought to be registered is a signatory thereof. Respondent-Applicant argued that the claim of Opposer that he operates a chain of bakery and pastry shop in the People's Republic of China under XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE with the main branch located at Xiasheng Road, Shuitou Town, Nan'an City, Fujian Province only implies that his business operation under such name and mark is only confined in a very small place in mainland China. In addition, Respondent-Applicant contended that Opposer in his opposition stated that the business is confined in China alone which is an admission that he does not operate a business in any way prejudice the business interest of the Opposer.

To determine whether Respondent-Applicant's mark is confusingly similar to Opposer's mark, the parties, marks are hereafter shown for purposes of comparison:

Opposer's Mark	Respondent-Applicant's Mark
	

Undoubtedly, the above marks are so identical that this Bureau does not need to delve further on whether they are confusingly similar or not. Definitely, they are not only confusingly similar but identical marks. Thus, what is left to be determined is who between Opposer and Respondent-Applicant has a better right over the said mark.

The right to register trademarks, trade names and service marks by any person, corporation, partnership or association domiciled in the Philippines or in any foreign country, is based on ownership, and the burden is upon the applicant to prove such ownership.

A review of the arguments of Opposer vis-à-vis the evidence he presented would show that he is the owner of the mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE being applied for registration by herein Respondent-Applicant.

Opposer presented overwhelming evidence of his ownership of the XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE mark. He presented Certificate of Registration No. 1193192 for the trademark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE issued on July 21, 1998 in China; various brochures showing his XIN YI LONG Pastry House Shop and flyers with listings of the branches including the branch in Benavidez Street, Binondo, Manila; advertisement announcing the opening of the branch in Manila of the Xin Yi Long Bakery as well as plastic bags used in the operation of the bakeshop that were also submitted was made in China as well as in the Philippines as early as 2006. Opposer also presented photographs of him during the inauguration of the Manila branch of the Xin Yi Ling Pastry Shop.

What is more, the admission by Respondent-Applicant in his Answer that he personally knew Opposer as the latter supplied to him various bakery equipment and sent his technical team to train his staff on how to use these equipment bolster the fact that Respondent-Applicant knew Opposer's mark before he filed his own application and that he merely copied the mark from Opposer who owned the mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE. 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 Respondent 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. It has been aptly said that "when a trademark copycat adopts the word portion of another's trademark as his own, there may still be some doubts that the adoption is intentional. But if he copies not only the word but also the word's exact font and lettering style, the slightest doubt vanishes. It is then replaced by the certainty that the adoption was deliberate, malicious and in bad faith.

On the other hand, Respondent-Applicant's argument that Opposer acquiesced and did not object to his use of the mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE in his bakery shop is ludicrous and preposterous. There is no iota of evidence presented by Respondent-Applicant to prove that Opposer did not object to his using of the latter's mark. On

the contrary, the acts of Opposer in filing an application of the mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE under his name as well as the filing the instant opposition belie such allegation of acquiescence by Opposer of the use of Respondent-Applicant of the mark. As such, this Bureau finds that since Respondent-Applicant is not the owner of the mark XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE, he has no right to apply for registration thereof.

In the case of *UNNO COMMERCIAL ENTERPRISES, INC. VS. GENERAL MILLING CORPORATION, ET.AL.*, the High Court enunciated:

“The right to register trademark is based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same.

The term owner does not include the importer of the goods bearing the trademark, trade name, service mark, or other mark of ownership, unless such importer is actually the owner thereof in the country from which the goods are imported. xxx

Thus, this Court, has on several occasions ruled that where the applicant’s alleged ownership is not shown in any Notarial document and the applicant appears to be merely an importer or distributor of the merchandise covered by said trademark, its application cannot be granted.”

Additionally, it is worthy to note 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 into the market a superior article of merchandise, the fruit of his industry and skill; to assure to 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.

Lastly, while this Bureau agree with the Respondent-Applicant’s contention that Article 16 of the TRIPS Agreement and Section 123.1 (e) is applicable only to a well-known mark and Opposer’s mark is not a well-known mark, nonetheless, the herein subject mark cannot be allowed for registration as Respondent-Applicant is not the owner thereof and Opposer has not authorized or has not given his consent for Respondent-Applicant to apply for the registration of said mark.

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, CHENGYI CHEN against Respondent-Applicant ANTONIO B. SEE is, as it is hereby SUSTAINED. Consequently, the trademark application for mark “XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE” bearing Serial No. 4-2006-012987 filed on 04 December 2006 by Respondent-Applicant for cake, pastry, bread, rolls under Class 30 of the international classification of goods is, as it is hereby, REJECTED.

Let the filewrapper of “XIN YI LONG WITH CHINESE CHARACTERS AND DEVICE” subject matter of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 12 January 2009.

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