

D & Q ELECTRICAL SUPPLY CORP.	}	IPC No. 14-2008-00055
<i>Petitioner,</i>	}	Case Filed : 14 March 2008
	}	
	}	Cancellation of:
-versus-	}	Reg'n. Serial No. : 4-2006-001446
	}	Date Issued : 24 Sept. 2007
	}	Trademark : "LEXING"
WILLIAM LEE CHAN,	}	
<i>Respondent-Registrant.</i>	}	
x-----x		Decision No. 2009-18

DECISION

This is a petition to cancel the registration of the trademark "LEXING" bearing Registration No. 4-2006-001446 issued on September 24, 2007 covering the goods falling under Classes 7, 9, 11, 21, 25 and 35 of the international classification of goods.

The Respondent-Registrant in the instant case is "WILLIAM LEE CHAN" with address at No. 509 Tomas Mapua Street, Sta. Cruz, Manila.

The Petitioner on hand is "D & Q ELECTRICAL SUPPLY CORPORATION" a company existing in accordance with the Philippine Law and with business address at Unit B, 2nd Floor, Manila Jewels Arcade, No. 527 Rizal Avenue, Sta. Cruz Manila, Philippines.

The grounds of the petition for cancellation are as follows:

- "1. FIRST: Trademark "LEXING" baring Registration No. 42006001446 is confusingly similar to petitioner's trademark "LEXING (Stylized)" bearing Registration No. 42004007690, which enjoys priority use in the Philippines for goods falling under International Class 9 which is likely to cause confusion, deception and mistake on the part of the purchasing public when applied to or used in connection with the goods of the Respondent-Registrant.
- "2. SECOND: The Respondent-Registrant internationally and fraudulently used and registered the trademark "LEXING" knowing fully well that the mark is confusingly similar to herein Petitioner's priority used trademark to take advantage of the popularity and goodwill generated and connected with the Petitioner's "LEXING (Stylized)" trademark undoubtedly that the goods or Respondent-Registrant are those of the Petitioner.
- "3. THIRD: Respondent-Registrant has prior knowledge of the ownership of the trademark "LEXING (Stylized)" by herein Petitioner by reason of the prior and continuous use thereof by Petitioner in the Philippine market, not to mention the continuous advertisement and promotion conducted by Petitioner for the mark in the Philippines. The use and adoption in bad faith by Respondent-Registrant of the mark "LEXING" would falsely tend to suggest a connection with the Petitioner and would, therefore, constitute fraud on the general public and further, cause dilution of the distinctiveness of the Petitioner's mark to the prejudiced and irreparable damage of the Petitioner.
- "4. FOURTH: Petitioner's mark has a priority of filing of the application for registration in the Intellectual Property Office having been filed on 20 August 2004, while Respondent-Registrant's mark was filed on 02 August 2006. The registration of the mark "LEXING" in favor of Respondent-Registrant is, therefore, contrary to the provisions of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines which provides:

Section 123.1. A mark cannot be registered if it:

“(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:

- (i) The same goods or service, or
- (ii) Closely related goods or service, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

“5. FIFTH: The registration of the trademark “LEXING” in the name of the Respondent-Registrant is contrary to other provisions of Republic Act No. 8293

The Petitioner relied on the following facts to supports its Petition for Cancellation:

“1. Petitioner is the true and rightful owner of the trademark “LEXING (Stylized)” specifically for goods falling in Class 9, having a bonafide establishment which trades the goods in the Philippine.

“2. Petitioner enjoys priority of use of the mark in the Philippines as evidenced by several affidavits of distributions and consumers attesting to the priority of use and ownership of the mark by the Petitioner; official receipts showing the priority dates and continuous use of the mark in the market; actual labels, promotional items and fliers bearing the mark used in trade by the Petitioner.

“3. Petitioner has adopted and has been in continuous use of the trademark “LEXING (Stylized)” in the Philippines long before Respondent-Registrant filed its application for registration of its trademark “LEXING”, the subject of the instant Petition for Cancellation. Petitioner’s goods bearing the mark “LEXING (Stylized)” is known in the market and has gained popularity amongst local consumers.

“4. Petitioner has been using the mark prior to its filing of the application for registration of the mark “LEXING (Stylized)” in Class 9 on 20 August 2004, long before the Respondent-Registrant filed its application for registration. Accordingly, the said trademark application should be accorded preference as Petitioner has not only prior use of the mark “LEXING (Stylized)” but also priority in filing of the application of the mark in the Intellectual Property Office.

“5. The trademark of the Respondent-Registrant cause confusion, mistake and deception to the public as to the source or origin of Respondent-Registrant’s goods.

“6. In view of the prior adoption, use and filing of the trademark “LEXING (Stylized)” trademark as a result of which the mark has gained popularity.

“7. In view of the prior adoption, use and filing of the trademark “LEXING (Stylized)” by Petitioner, Respondent-Registrant is clearly not entitled to register the trademark “LEXING” in its favor.

“8. The continued registration of the trademark subject of the instant Petition for Cancellation will undoubtedly violet Petitioner’s right and interest in its trademark “LEXING (Stylized)” and will most assuredly result in the dilution and loss of distinctiveness of Petitioner’s trademark.

Petitioner submitted the following:

Annex	Description
Annex “A”	Certified true copy of Petitioner’s SEC Registration
Annex “B”	Affidavit of Pacita E. Mendoza
Annex “C”	Affidavit of Victoria Conception A. Lopez-Dee
Annex “D”	Affidavit of Josie Cano

Annex "E"	Affidavit of Charlie N. Guevarra
Annex "F"	Labels of Petitioner's mark
Annex "G"	Petitioner's Certificate of Registration No. 4-2004-007690 issued on December 17, 2007 for the mark "LEXING (Stylized)".

The Respondent-Registrant filed his verified answer to the Petition for Cancellation denying all material allegations and submitted the following in support of his trademark registration.

Exhibit	Description
Exhibit "1"	Affidavit of Zhang Zhigian.
Exhibit "2"	Affidavit of Edward Ang.
Exhibit "3"	Sales Invoices No. 0200 dated August 22, 2004
Exhibit "4"	Affidavit of Pilita Napiza
Exhibit "5"	Affidavit of Edna Lacaba
Exhibit "6"	Affidavit of Erlin Go
Exhibit "7"	Copy of trademark Application No. 4-2006-001446 filed on February 8, 2006

The issue to be resolved in this particular case is:

"WHETHER OR NOT TRADEMARK REGISTRATION NO. 4-2006-001446 FOR THE MARK "LEXING" SHOULD BE CANCELLED?"

Records will show that Respondent-Registrant filed an application for the registration of the mark "LEXING" bearing Application No. 4-2006-001446 filed on February 08, 2006 which matured to Certificate of Registration No. 4-2006-001446, date of Registration September 24, 2007, which is now the subject of the Petition for Cancellation.

Records further show, that the herein Petitioner likewise filed an application for the registration of the mark "LEXING (Stylized)" bearing Application No. 4-2004-007690 date of Registration December 17, 2007.

The circumstances above-mentioned created the situation wherein the same mark "LEXING" having been registered in favor of two (2) different individuals/entities, resulting to confusion of origin of the products/goods covered by the trademark.

In resolving the issued at hand, the applicable provision of law is Section 123.1 (d) Republic Act No. 8293, which provides:

Sec. 123. *Registrability* – 123.1. A mark cannot be registered if it:

x x x

- "(d) Is identical with a registered mark belonging to a different proprietor or mark with an earlier filing or priority date, in respect of:
- (i) The same goods or service, or
 - (ii) Closely related goods or service, or
 - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

The contending marks are reproduced below for comparison and scrutiny.

Opposer's mark

Respondent-Applicant's mark

It is observed that the two contending trademarks are identical or the same both in *spelling, pronunciation* as well as in *meaning*, hence confusingly similar to each other.

The right to register trademark, trade-names and service marks is based on ownership. Only the owner of the trademark may apply for its registration (Bert R. Bagano vs. Director of Patents, et al., G.R. No. L-20170, August 10, 1965).

It is worthy to be noted in this particular case that Respondent-Registrant filed his trademark application No. 4-2006-001446 on February 8, 2006 and matured to Certificate of Registration No. 4-2006-001446 date of registration, September 24, 2007.

On the other hand, the Petitioner filed its Trademark Application No. 4-2004-007690 on August 20, 2004 which likewise matured to Certificate of Registration No. 4-2004-007690, date of registration December 17, 2007.

The trademark applications of the contending parties filed with the Intellectual Property Office of the Philippines readily show that the Petitioner's application was filed on August 20, 2004 ahead of one (1) year, five (5) months and eight (8) days with the trademark application of Respondent-Registrant for the registration of the mark "LEXING" which was filed only on February 8, 2006.

However, the certificate of registration issued in the name of the contending parties for the same mark "LEXING" was issued on different dates.

The certificate of registration issued in favor of the Respondent-Registrant indicated, date of registration September 24, 2007 while the certificate of registration issued in favor of the Petitioner indicated, date of registration December 17, 2007 hence, the Respondent-Registrant's certificate of registration was issued ahead of the Petitioner's certificate of registration despite his trademark application having been filed later than the Petitioner's trademark application.

Considering therefore that the contending parties are both registrant of the same mark "LEXING" the ultimate issue to be resolved is:

"WHO BETWEEN THE REGISTRANTS IS THE OWNER OF THE MARK "LEXING"?"

In "Unno commercial Enterprises, inc., vs. General Milling Corporation (120 SCRA 804), the Supreme Court stated, thus:

"The right to register trademark is based on ownership. When the applicant is not the owner trademark being applied for, he has no right to apply for the registration of the same.

Ownership of a trademark is not acquired by mere registration alone. Registration merely creates a *prima facie* presumption of the validity of the registration of the registrant's ownership of the trademark and of the exclusive right to the use thereof. Registration does not perfect a trademark right. As conceded itself by the Petitioner, evidence may be presented to overcome the presumption. Prior use by one will controvert a claim of legal appropriation by subsequent users.

Adaptation of a mark or trade-name is not sufficient to acquire ownership thereof nor give exclusive right thereto. Such right grows out of its actual use in commerce. Adoption is not use. One may make advertisements, issues circulars, give out price lists on certain goods, but these alone would not give exclusive right of use, unless the goods or services on which the mark or trade-name is used or sold in the market. For trademark is a creation of use. The underlying reason for all these is that purchasers have come to understanding the mark as indicating the origin of the wares. Flowing from this principle is the trader's right to protection of the mark or trade-name built-up and the goodwill he has accumulated from the use of the mark or trade-name. (Asari Yoko Ltd., vs. Kee Boc, 110 Phil. 611; Converse Rubber Corporation vs. Universal Rubber Products, Inc., 147 SCRA 154)."

Evidence of use of a mark is shown by the sale of the goods or wares bearing the mark to the public. Sales invoices provide the best proof that there were actual sales of the trader's trademark through these sales.

In the case at bar, Both parties failed to submit proof of evidence of use of the mark such as *sales invoices* but instead submitted affidavit of their respective witnesses purporting to be their customers/or distributors, stating specific dates but no proof submitted to such allegations.

"Affidavits are classified as hearsay evidence since they are not generally prepared by the affiant but by another who uses his own language in writing the affiant's statements, which may thus be either omitted or misunderstood by the one writing them. Moreover, the adverse party is deprived of the opportunity to cross-examine the affiants. For this reason, affidavits are generally rejected for being hearsay, unless the affiant themselves are placed in the witness stand to testify thereon."

Considering therefore that there is no testimony as to the date of use of the mark of the contending parties, they are limited to the filing date of their respective application as the date of their *first use*, this is in line with the Decision of the Supreme Court in the case "Sy Ching vs. Gaw Liu (44SCRA 143) thus, the Supreme Court said:

"In case no testimony is taken as to date of use, the party will be limited to the filing of the application as the date of his first use." [Trademark LION and TIGER fro dyestuff]

WHEREFORE, the Petitioner's filing date of application and considered date of first use is August 20, 2004 and on the other hand, the Respondent-Registrant's filing date of application and considered date of first use is February 8, 2006.

It is very clear that the Petitioner is the first user and adopter of the mark "LEXING" for the goods "power amplifiers, sub woofer speaker, DVD Player, VCD Player, Discman Player, VCD with player, amplifier with speaker, T.V. Equalizer, cable converter, RF modulator, Universal Remote Control, telephone, microphone, Radio Cassette, Megaphone, trompa" falling under Class 9 of the International Classification of goods.

WITH THE FOREGOING, the petition for Cancellation of the mark "LEXING" bearing Registration No. 4-2006-001446 issued on September 24, 2007 in favor of WILLIAM LEE CHAN is hereby SUSTAINED insofar as the goods falling under Class 9 of the International Classification of goods and therefore, shall be cancelled/deleted from the enumeration of goods. This is in accordance with the answer of the Respondent-Registrant as contained in page 13 thereof which stated: "Cancellation shall be limited only to the goods falling under class 9 and which goods are related to Respondent-Registrant's class 9. with respect to Respondent-Registrant goods falling under Classes 7,11,21, 25 and 35 appearing in the said Certificate of Registration No. 4-2006-001446 since they are neither the same, related nor competitive to Petitioner's goods, the Petition for Cancellation is DENIED." Consequently, the Certificate of Registration No. 4-2006-001446 for the goods falling under Classes 7,11,21,25 and 35 of the

International Classification of goods REMAIN VALID AND SUBSISTING until cancelled by operation law, as these goods are not related to that of the Petitioner.

Let the filewrapper of the trademark "LEXING" subject matter of this case together with a copy of this DECISION be forwarded to the Bureau of Trademark (BOT) for appropriate action.

SO ORDERED.

Makati City, 11 February 2009

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