

HENRY KAWSON
Opposer,

IPC NO. 14-2010-00034

-versus-

Opposition to:
App. Ser. No. 4-2004-007469
(Filing Date: February 11, 2004)

FISHWEALTH CANNING CORPORATION
Respondent-Applicant,

TM: "YOUNG'S TOWN"

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Decision No. 07-63

DECISION

Before us is a Verified Notice of Opposition filed by Henry Kawson on August 11, 2006 against the application for registration of the mark "YOUNG'S TOWN" used for corned beef under class 29 of the international classification of goods bearing Application Serial No. 4-2004-1244 filed by Respondent-Applicant, Fishwealth Canning Corporation, which was published in the Intellectual Property Office Electronic Gazette, released for circulation of May 16, 2006.

Opposer, Henry Kawson, is a Filipino citizen with address at 429 City Plaza Tower, Plaza del Conde, Binondo, Manila. On the other hand, respondent-applicant Fishwealth Canning Corporation, is a domestic corporation with principal address at 631 Elcano Street, Binondo, Manila.

In this instant case, Opposer raised the following grounds to support his opposition, to wit:

1. That on September 3, 2003 the Opposer filed an application for trademark registration of YOUNG'S TOWN with the Honorable Office.
2. That Opposer is the trademark owner of YOUNG'S TOWN and covers sardines and mackerel.
3. That the Opposer was surprised to find out that on February 11, 2004 the applicant-respondent likewise filed an application for registration of its trademark with this Honorable Office bearing also the name YOUNG'S TOWN only it does not cover sardines and mackerel but corned beef.
4. That the Opposer is still the owner of the trademark and to allow the applicant-respondent to register the same trademark even if it covers another item particularly corned beef would surely cause confusion as to the origin or personal source of the second user's goods. In this regard, the law gives the first user protection and guarantees its use to the exclusion of all others. It is worth to note that YOUNG'S TOWN had been known to the market and the second user wants to use the same trademark, the result will therefore make the public believe that the goods actually owned by the second user is the product of

YOUNG'S TOWN to which the first user had been using, hence, confusion arises to the damage and prejudice if the first user.

5. Even if there is no opposition filed in this office concerned, this Office may deny the registration of the trademark or the application will be dismissed outright to avoid confusion on the part of the public and also to protect an already used and registered trademark and established goodwill.
6. At this juncture, it is important to state the effects of registration namely, a) that the registrant is the owner, b) that the registration was regular, c) that the owner has exclusive right to use the trademark.
7. That the Opposer has inherited from his father, KAW CHING TIAK, the former having been the owner from such trademark since November 1969 and the same was renewed in the name already of the Opposer.

On August 16, 2006, this Bureau issued a Notice to Answer. On 20 October 2006, Respondent-Applicant files its verified Answer stating, among others, the following:

“Opposer is the trademark owner of “YOUNG’S TOWN” which covers sardines and mackerel is without any legal and factual basis and conclusion of facts of which the same is specifically denied. The truth of the Applicant is the actual owner of the mark “YOUNG’S TOWN” and the same already registered with the Intellectual Property Office bearing Reg. No. 42004001243 issued on March 03, 2006 covering the goods, SARDINES AND MACKEREL.”

“The Trademark Applicant of the Opposer bearing Serial No. 04-2004-0013 filed on September 2003 for the trademark “YOUNG’S TOWN” covering the goods sardines and mackerel has been finally REJECTED for its registration pursuant to the Decision of the Bureau of Legal Affairs in the case “FISHWEALTH CANNING CORPORATION vs. HENRY KAWSON” IPC No. 14-2004-00134. Attached herewith the photocopy of the DECISION No. 2005-11 dated 09 June 2005.”

“Further, the Opposer, HENRY KAWSON was declared to have made a false and fraudulent written declaration in procuring registration of the mark “YOUNG’S TOWN” causing injury and damage to herein Respondent-Applicant “FISHWEALTH CANNING CORPORATION” and is liable under SECTION 162 of R. A. No. 8293, otherwise known as the Intellectual Property Code of the Philippines. HENRY KAWSON, the Opposer was ordered to pay the herein Respondent-Applicant damages in the amount and FIVE HUNDRED THOUSAND PESOS (Php 500,000.00) as exemplary damages and ONE HUNDRED THOUSAND PESOS (Php 100,000.00) and Attorney’s Fees. Likewise Opposer was permanently enjoined from pursuing his Trademark Application bearing Serial No. 4-2003-008131 for the mark “YOUNG’S TOWN” used on sardines and mackerel.”

“As to the citation of cases in the Verified Notice of Opposition, it is not applicable in the instant case, because, the herein Opposer is not the owner of the

trademark "YOUNG'S TOWN" as the Respondent-Applicant is the real owner of the mark having used it since 1982 and up to present for a period of more than twenty (20) years."

On October 27, 2006, a Notice of Preliminary Conference was issued to the parties. During the preliminary conference on November 29, 2006, Opposer failed to appear so that Respondent-Applicant moved that Opposer be deemed to have waived its rights to submit its Position Paper, which was granted under Order No. 2006-1741 dated December 20, 2006. Opposer filed a Motion for Reconsideration of the said Order. On January 4, 2007, the Motion for Reconsideration was granted under Order No. 2007-112. During the hearing of February 8, 2007, the parties manifested that the possibility of amicable settlement is nil. There being no issues to be clarified the preliminary conference was terminated. Under Order No. 2007-276 issued on February 14, 2007, the parties were directed to submit Position Papers. On March 1, 2007, Opposer filed his Position Paper while Respondent-Applicant filed its Position Paper on March 5, 2007. Hence, this decision.

The main issue to be resolved in this case is: Whether or not Respondent-applicant's mark "YOUNG'S TOWN" for use on corned beef should be registered.

To support its opposition, Opposer submitted as its evidence a copy trademark application for the mark YOUNG'S TOWN files on September 3, 2003 (Exhibit "A" to "A-2", a copy of the application for registration of the mark YOUNG'S TOWN by Respondent-Applicant herein (Exhibit "B"), copy of the Certificate of Registration No. 8537 of the mark YOUNG'S TOWN in the name of Kaw Ching Tiak (EXHIBIT "C"), copy of the Certificate of Renewal No. 2727 for the mark YOUNG'S TOWN in the name of Henry Kawson (Exhibits "D" to "G"), Certificate of Registration with the Bureau of Internal Revenue of Opposer (Exhibit "H" to "I") and the Affidavit of Opposer (Exhibit "J"). On the other hand, Respondent-Applicant's evidence consist of the following: Affidavit of Lapaz Ngo (Exhibit "1"), certified true copy of the Certificate of Registration of the mark YOUNG'S TOWN in the name of Respondent-Applicant (Exhibit "2"), photocopy of Decision No. 2005-11 dated June 9, 2005 in IPC Case No. 14-2004-00134 (Fishwealth Canning Corporation vs. Henry Kawson) issued by the Bureau of Legal Affairs (Exhibit "3"), photocopy of Decision No. 2005-01 dated June 23, 2005 in IPV Case No. 10-2004-0002 (Fishwealth Canning Corporation vs. Henry Kawson) issued by the Bureau of Legal Affairs (Exhibit "4"), Sales Invoices dated 2004-2005 showing the sales of YOUNG'S TOWN corned beef by Respondent-Applicant (Exhibits "5" to "389").

At the outset, this Bureau would like to take judicial notice of its decision in Inter Partes Case No. 14-2004-00134 on June 9, 2005 and Intellectual Property Case No. 10-2004-00002 on June 23, 2005 which involved the same parties and the same trademark YOUNG'S TOWN as in this instant case.

In the Inter Partes Case, it is worth to note that the issue involved therein was "Who between the Opposer (herein respondent-applicant) and Respondent-Applicant (herein opposer) is the rightful owner of the trademark "Young's Town", used on sardines and mackerel and therefore, entitled to its registration. In Decision No. 2005-11 dated 9 June 2005 rendered by this Bureau in the above-mentioned case which is one of the evidence submitted by Opposer and now part of the record of this case, this Bureau held that the

herein Respondent-Applicant is the rightful owner of the trademark "YOUNG'S TOWN" and therefore, entitled to its registration. Pursuant to said findings, the application for registration of the mark "YOUNG'S TOWN" by the herein Opposer was rejected. In the Intellectual Property Violation case, the crux of the controversy was the determination of the ownership of the mark "YOUNG'S TOWN" and the circumstances surrounding the filing by herein Opposer of this Application Serial No. 4-2003-008131 for the registration of the trademark YOUNGS TOWN. In the said Decision No. 2005-01 dated 23 June 2005 also made part of the records of this case as one of the evidence of Respondent-Applicant, this Bureau found that herein Respondent-Applicant is the owner of the trademark "YOUNG'S TOWN" and that the herein Opposer, by applying for registration of the identical mark in his name, was guilty of falsely and fraudulently representing himself to be the owner of said mark. Consequently, the issued of ownership over the mark "YOUNG'S TOWN" cannot be litigated again in this case.

Going now to the issued at hand, Opposer posits that respondent-applicant is not entitled to the registration of the herein subject mark. He claims that the original registrant was the father of the Opposer and Opposer succeeded as registrant and that up to the present the registration has not been questioned and revoked. Opposer further stated that even the Bureau of Internal Revenue has issued certification that Opposer is a registered taxpayer. Conversely, Respondent-applicant asseverated that it is the registered owner of the mark YOUNG'S TOWN and as such Opposer has no right to oppose the registration of the mark for use on corned beef invoking Section 138 of the Republic Act 8293. Respondent-applicant also posits that as registered owner, it has the exclusive right to use the mark on goods covered by the registration on other goods within its natural or normal expansion of business.

The arguments of Opposer do not hold water. As ruled in Inter Partes Case No. 14-2004-00134 where herein Opposer was the Respondent-Applicant, the same arguments were raised and this Bureau held:

"This Office would like to point out and emphasize the fact the under the Trademark Law existing at the time Cert. of Reg. No. 8537 was issued to his father Hilario Kawson and likewise, at the time Cert. of Renewal Registration No. 2727 for the trademark YOUNG'S TOWN for sardines and mackerel was issued to Respondent-Applicant, ownership of a trademark is acquired by actual use of the trademark in commerce, as provided under Sec. 2-A thereof and that registration merely serves to affirm or perfect that right. In fact, if a trademark is not being used, the registration can be cancelled for abandonment. Moreover, the non-filing of the affidavit of use of the trademark within one year from the 5th, 10th or 15th anniversary of date of registration is also a ground for the cancellation of the registration.

After Respondent-Applicant's Renewal Certificate No. 2727 had expired, Opposer based on application filed on October 5, 1988 was issued Registration Certificate No. 8131 in the Supplemental Registered for the YOUNG'S TOWN label for use on sardines and mackerel and on August 16, 1989, Opposer was likewise issued Registration Certificate No. 46006 in the Principal Register for the Trademark YOUNG'S TOWN for sardines and mackerel.

Although both registrations lapsed due to Opposer's failure to file the required affidavits of use within the one-year period following their fifth anniversary on April 10, 1994 and August 16, 1994 respectively, there are clear and convincing evidence showing the Opposer continued the lawful and commercial use of the mark YOUNG'S TOWN for sardines and mackerel. Hence, Opposer's failure to file the required affidavit of use does not constitute abandonment of its trademark YOUNG'S TOWN. Opposer's failure to comply with the mandatory requirement of Sec. 12 of the Trademark Law is not an act of abandonment of the use of the mark. As evidence on record will show, Opposer never abandoned the use of its trademark YOUNG'S TOWN.

The continued commercial use in the concept of an owner by Opposer of the mark YOUNG'S TOWN on sardines and mackerel since 1982 up to the present makes Opposer the rightful owner of the mark YOUNG'S TOWN to the exclusion of all other including Respondent-Applicant in accordance with the provisions of Sec 2-A of Republic Act No. 166, as amended.

Again, in Intellectual Property Violation Case No. 10-2004-00002 Opposer raised the same arguments and likewise this Bureau declared herein Respondent-Applicant as the rightful owner of the mark YOUNG'S TOWN.

As such, we agree with Respondent-Applicant that Opposer has no right to oppose the application of the subject mark. In contrast, Respondent-Applicant as the registered owner has the exclusive right to use the mark on goods covered by the registration on other related thereto.

Section 138 of Republic Act No. 8293 provides:

SECTION 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 of 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)

While it is true that Respondent-Applicant's registration of the mark YOUNG'S TOWN pertains only to sardines and mackerel under class 29, corned beef comes within the purview of related goods. The Supreme Court in the case of ESSO STANDARD EASTERN, INC. vs. COURT OF APPEALS held:

"Goods are related when they belong to the same class or have the same class or descriptive properties; when they possess the same physical attributes or essential characters with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or sold in grocery store. Thus biscuits were held related to milk because they are both food products."

Undoubtedly, corned beef, sardines and mackerel are related goods for they belong to the same class 29 and they are sold through the same channel of trade. Accordingly, they are covered by the protection of the certificate of registration of Respondent-Applicant's mark YOUNG'S TOWN and is within the natural expansion of Respondent-Applicant's business and therefore, can be registered.

WHEREFORE, premises considered, the Notice of Verified Opposition filed by Opposer, HENRY KAWSON against respondent-applicant FISHWEALTH CANNING CORPORATION is, as it is hereby DENIED. Consequently, the trademark application for mark "YOUNG'S TOWN" bearing Serial No. 4-2004-001244 filed on 11 February 2004 by Respondent-Applicant used for corned beef under Class 29 of the International Classification of goods is, as it is hereby GIVEN DUE COURSE.

Let the filewrapper of "YOUNG'S TOWN" subject matter of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 31 May 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs