

LUDELYN CUYOS TOYCO-CHO,
Petitioner,

- versus -

JOSE DINDO J. ALEJANDRO, doing
Business under the name and style of
Alejandro Korean Food Products,
Respondent-Registrant,

x-----x

IPC No. 14-2008-00207

Case Filed: 11 September 2008

Cancellation of:

Reg. No : 2-2006-004568

Date Issued : 02 July 2007

Trademark : "SING-SING KIMCHI &
KOREAN CHARACTERS
INSIDE A RECTANGLE"

Decision No. 2009-84

DECISION

Before this Bureau is a Petition for Cancellation filed by Ludelyn Cuyos Toyco-Cho, of legal age, a Filipino citizen, with business and postal address at Stall No. 108, Mangosteen St., FTI, Complex, Taguig City, against the registration of the trademark "SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE" under Class 30, specifically for use on kimchi and issued on 02 July 2007 in the name of Respondent-Registrant, Jose Dindo J. Alejandro, doing business under the name and style of Alejandro Korean Food Products, with address at No. 65 Gen. Luna Street, Ampid I, San Mateo, Rizal.

The grounds for cancellation of the trademark "SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE" bearing Registration No. 4-2006-004568 are as follows:

"1. Respondent-Registrant obtained Registration No. 4-2006-004568 fraudulently and otherwise, in contravention of the provisions of the IP Code, and consequently, its cancellation is justified under Section 151.1 (b) of the IP Code;

"2. The cancellation of Registration No. 4-2006-004568 is justified under Section 165 of the IP Code;

"3. Respondent-Registrant is not entitled to the registration of the mark "SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE" in his favor;

"4. The issuance and continued existence of Registration No. 4- 2006-004568 has damaged and will continue to damage Petitioner.

Petitioner relied on the following facts to support her contentions in this Petition:

"1. Petitioner started doing business under the business name "LUDY MUSHROOM TRADING" on June 1, 2005, as a retailer of vegetables and fruits at her residence at Lot 5, Block 16, Wisconsin Street, Greenland Newtown Subdivision, Banaba, San Mateo, Rizal.

"2. On June 14, 2005, Petitioner was issued Business Permit No. 05003075 under the business name "LUDY MUSHROOM TRADING" by the Office of the Mayor of the Municipality of San Mateo, Rizal. Certified copy of said business permit, together with the supporting papers thereof, is herewith submitted as Exhibit "A" and made integral part hereof, with the undertaking to submit for comparison the originals during the preliminary conference.

"3. Among her products from the start of her business was the Korean pickled kimchi which she sold under the trademark "SINGSING KIMCHI" and its Korean characters.

Among her customers were Pilipinas Makro, Inc., which started buying from Petitioner on August 2, 2005, followed almost immediately by Rustan's Shopwise;

Submitted herewith as Exhibits "B", "B-1", "B-2" and "B-3" and made integral parts hereof, are certified true copies of the Payment Details of Pilipinas Makro, Inc. with check dated September 7, 2005; Payment Details with check dated September 14, 2005; Goods Return Note dated January 7, 2006, and Barcode Sticker Issuance Form dated January 10, 2006, respectively.

Submitted likewise herewith as Exhibits "c" to "C-27" and made integral parts hereof, are certified true copies of Ludy Mushroom Trading's and Sing-Sing Kimchi Trading's official receipts for various amounts received from Shopwise in November, 2005 as payment for "SING-SING KIMCHI" delivered to said Shopwise, as well as from Makro Pilipinas, Inc. and other customers.

The duplicate originals of Exhibits "B" to "B-2" and "c" to "C-27" will be submitted for comparison during the preliminary conference. Samples of the SKU barcode sticker used by Shopwise for the "SING-SING KIMCHI" it has been buying from Petitioner are hereto attached collectively as Exhibit "D" and made integral part hereof.

"4. On September 1, 2005, Petitioner was issued Business Permit No. 05003343 under the name "SING-SING KIMCHI TRADING" by the Office of the Mayor of San Mateo, Rizal.

Certified copy of said business permit, together with the supporting papers thereof, is herewith submitted as Exhibit "E" and made integral part hereof, with the undertaking to submit for comparison the originals during the preliminary conference.

"5. On January 27, 2006, Petitioner was issued Business Permit No. 06001861 for "LUDY MUSHROOM TRADING" and "SINGSING KIMCHI TRADING" by the Office of the Mayor of San Mateo, Rizal.

Certified copy of said business permit, together with the supporting papers thereof, is herewith submitted as Exhibit "F" and made integral part hereof, with the undertaking to submit for comparison the originals during the preliminary conference.

"6. Petitioner registered her business/tradename "SING-SING KIMCHI TRADING" with the Bureau of Internal Revenue on May 5, 2004. A certified copy of the aforesaid BIR registration is herewith submitted as Exhibit "G" and made an integral part hereof, with the undertaking to submit the original certified copy for comparison during the preliminary conference.

"7. On August 25, 2005, Petitioner also registered her business/tradename "SING-SING KIMCHI TRADING" with the Department of Trade and Industry.

A certified copy of her DTI registration is herewith submitted as Exhibit "H" and made an integral part hereof, with the undertaking to submit the original certified copy for comparison during the preliminary conference.

"8. On October 10, 2007, Petitioner transferred the location of her business under the business/trade name "SING-SING KIMCHI TRADING" to Blk 2, Lot 1, Alfonso St., Vista Verde Executive Village, Cainta, Rizal.

A certified copy of her DTI registration of the business/tradename "SING-SING KIMCHI TRADING" at Cainta, Rizal is herewith submitted as Exhibit "I" and made an

integral part hereof, with the undertaking to submit the original thereof for comparison during the preliminary conference.

“9. At present, Petitioner is doing business under the business/tradename “SING-SING FOOD MANUFACTURER at stall 107 Mangosteen St., Wholesalers Bldg., FTI, Taguig City.

A copy of her business Permit for 2008 issued by the City of Taguig is herewith submitted as Exhibit “J” and made an integral part hereof, with the undertaking to submit the original thereof for comparison during the preliminary conference.

Likewise submitted herewith as Exhibit “K” and made an integral part hereof, is the License To Operate as a food manufacturer issued by the BFAD last May 7, 2008 in the name of “SING-SING FOOD MANUFACTURER”, with the undertaking to submit the original thereof for comparison during the preliminary conference.

“10. Section 151.1 (b) of the IP Code provides:

“SEC. 151. Cancellation - 151.1. 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:

(b) At any time, if the registered mark becomes the 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. If the registered mark becomes the generic name for less than all of the goods or services or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used. (n)

x x x

“11. In addition, Section 165 of the IP Code provides:

“SEC. 165 Trade names of Business names. x x x

165.2. (a) Notwithstanding any laws or regulation providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a trade party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful. x x x”

“12. To paraphrase the language of the Supreme Court in the case of Del Monte Corporation vs. Court of Appeals, et. al., 181 SCRA 410, 419-420, Respondent-Registrant Jose Dindo J. Alejandro had before him “a boundless choice of words, phrases, colors and symbols sufficient to distinguish his products from the others”. Yet, in this case, Respondent-Registrant Alejandro chose an identical mark “though the field of

selection was so broad, the inevitable conclusion is that it was done deliberately to deceive.

"13. The mark "SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE" registered under Registration No. 4-2006- 004668 in favor of Respondent-Registrant is identical to Petitioner's trademark "SING-SING KIMCHI and KOREAN CHARACTERS" and business/tradename "SING-SING KIMCHI TRADING". As a result, Petitioner has been damaged by the issuance of Registration No. 4-2006-004568 and its continued existence and the use of said mark by Respondent-Registrant will continue to damage Petitioner.

"14. Clearly, Respondent-Registrant is not entitled to the registration of the trademark "SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE" in his favor.

Petitioner encloses herewith the following:

- a) Four (4) specimen labels showing Petitioner's trademark "SING-SING KIMCHI and KOREAN CHARACTERS"
- b) A check for 8, 686.00 as filling fee thereof.

The Notice to Answer dated 30 September 2008 was sent to Respondent-Registrant directing him to file his Verified Answer within thirty (30) days from receipt thereof. Respondent-Registrant filed his Verified Answer with Compulsory Counterclaim on 06 November 2008.

Respondent in his Answer interposed the following DENIALS:

- a) "Respondent-Registrant received a copy of the petition for cancellation on October 10, 2008;
- b) "Respondent-Registrant specifically deny the allegations in page 2 (A) paragraphs 1, 2, 3 & 4 for lack of knowledge or information sufficient to form a belief as to the truth thereof, the truth of the matter shall be discussed in the discussions and arguments hereunder;
- c) "Likewise, respondent-registrant specifically denies the allegations contained in page 2 to page 8 (B) paragraphs 1 to 14 for lack of knowledge or information sufficient to form a belief as to the truth thereof, the truth of the matter shall be discussed in the discussions and arguments to be discussed hereunder.

And narrated the following facts and circumstances:

- 1) "Respondent-Registrant started doing manufacturing business in the year 2002 with office address located at No. 65 Gen. Luna Street, Ampid 1, San Mateo, Rizal supplying different processed food to groceries, market stalls and supermarkets;
- 2) "That in the early part of 2003, the respondent decided to open branch at No. 110 J.P. Rizal St., Concepcion Uno, Marikina City to bring the goods closer to the market and cut cost in transporting the goods;
- 3) "That in the year 2004, the petitioner approached the respondent and offered her services to supply kimchi and other products of the former to Rustan Supermarket, Pilipinas Macro & Shopwise. Since the petitioner's business location at that time was at Greenland Newtown, Banaba, San Mateo Rizal which is just a few meters away from the business location of the respondent, the latter readily agreed to the proposal;

- 4) "That the petitioner was then using the business name 'LUDY MUSHROOM TRADING' which from all indication and probability, she was not engaged in the processing of vegetable products to be supplied to groceries and supermarkets;
- 5) "That it was the practiced then that the goods shall be delivered using the invoice of Alejandro Korean Food Products more particularly with Rustan Supermarket and the petitioner shall be the one in charge of collection to be remitted to the respondent minus the commission;
- 6) "That at first the business venture with the petitioner was running smoothly until the woes of the respondent started when the petitioner failed to remit to the respondent collections from various customers;
- 7) "That it was at this juncture that the respondent decided to stop supplying goods to the petitioner and finally decided to part ways with the petitioner;
- 8) "That the respondent-registrant on May 2, 2006 decided to register with the Intellectual Property Office the trademark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE and was issued a Certificate of Registration bearing No. 4-2006-004568 on July 02,2007;
- 9) "That sometime in June 2008, the respondent discovered from a Korean magazine and different publications that a certain business was using the trademark SING SING KIMCHI purportedly with DTI & BFAD Registration;
- 10) "That upon further investigation, the respondent discovered that the petitioner, Ludelyn Cuyos Toyco-Cho was the owner of the business;
- 11) "That this prompted the respondent to consult the undersigned lawyer and a letter was prepared on July 31, 2008 was sent to the petitioner requesting to cease from using the trademark of the respondent;
- 12) "That a letter dated September 1, 2008 was prepared by the petitioner and received on September 12, 2008, requesting for a reasonable time to consult a lawyer on how to answer the demand;
- 13) "That the respondent was very much surprised to receive a petition for cancellation of trademark on October 9, 2008.

Likewise, the following discussions/arguments were presented by Respondent-Registrant in his Answer, stating thus:

- A) "To begin with, a close examination from the antecedent facts and circumstances surrounding the case would clearly point out to the conclusion that the petitioner in filing the instant petition for cancellation of trademark do not have the clear and legal right for the remedy she is seeking;
- B) "The filing of the petition for cancellation is made in evident bad faith, unjust, contrary to fair play and to thwart the filing in court by the respondent for infringement of trademark;
- C) "An examination of the evidences submitted by the petitioner would clearly indicate that she was then using the business name 'LUDY MUSHROOM TRADING' and for reasons she only knew, she applied for another business name 'SINGSING KIMCHI TRADING' on August 25, 2005 with full knowledge that the respondent was using the trademark SING SING KIMCHI in the latter's business;

- D) "As to Exhibit "F" with alteration of the petitioner in the petition, highly improbable and contrary to existing practice and policy that a business permit would be issued bearing two (2) different business names, i.e. LUDY MUSHROOM TRADING/SING-SING KIMCHI TRADING;
- E) "Exhibit "G" of the petitioner - CERTIFICATE OF REGISTRATION with the Bureau of Internal Revenue and the allegation on the petition that SING-SING KIMCHI TRADING was registered on May 05, 2004 would be contrary to the Business Trade Name date of registration of SING-SING KIMCHI TRADING which was registered on August 25, 2005;
- F) "From all indications and documents submitted by the petitioner, she was engaged only in trading activity (BUY & SELL) and not in the business of manufacturing processed vegetable products;
- G) "That to add insult to the injury the petitioner had caused and causing to the respondent, in bad faith and to cause confusion to the buying public, she established in March 2008 the business 'SING-SING FOOD MANUFACTURER' at Stall No.1 07 Mangosteen Street, FTI, Taguig City.

Respondent-Registrant further raised in his Answer the following Special and Affirmative Defenses, to wit:

"1. Respondent respectfully repleads, adopts and incorporates herein by way of reference the material allegations of the foregoing paragraphs;

"2. Petitioner fails to state a sufficient cause of action against the respondent-registrant for the simple and expedient reason that petitioner had full knowledge of the fact that the respondent was already using the trademark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE before she registered her business "SING-SING KIMCHI TRADING" with the Department of Trade & Industry. It boils down to the legal maxim that - 'He who sought grievance and redress must have clean hands';

"3. That the filing of the petition for cancellation is without legal basis and justification and made purposely to defeat the intention of the respondent to file in court an action for infringement of trademark;

Included likewise in Respondent-Registrant's Answer is his compulsory counterclaim stating, thus:

"4. As a direct consequence of the filing of this clearly unfounded, baseless and unwarranted petition for cancellation of trademark, respondents suffered and will continue to suffer incalculable mental anguish, serious anxiety, fright, countless sleepless nights, besmirched reputation, social humiliation and other similar injury which may be pecuniary estimated at FIVE HUNDRED THOUSAND PESOS (P 500,000.00).

"5. In filing this clearly unfounded and unjustified petition for cancellation of trademark, petitioner acted in a wanton, fraudulent, reckless, oppressive and malevolent manner. To serve as a deterrent to others similarly inclined and by way of example or correction to the public good, petitioner should be adjudged liable to defendants for exemplary damages in the amount of at least THREE HUNDRED THOUSAND PESOS (P300, 000.00).

"6. Likewise, as a result of the filing of this baseless and unjustified petition, respondent-registrant was constrained to engage the services of counsel for an agreed professional fee of FIFTY THOUSAND PESOS (P50, 000.00, exclusive of appearance fees of counsel in the amount of P3, 000.00 for every hearing attended, to reimbursement of which

petitioner should be held liable to respondent. Additionally, petitioner has incurred and will continue to incur litigation expenses in the amount of at least THIRTY THOUSAND PESOS (P30, 000.00).

From receipt of the Answer, a reply was subsequently filed by the Petitioner on 26 November 2008, followed by an Answer to Petitioner's Reply filed by Respondent-Registrant on 05 January 2009. A Preliminary Conference of the instant suit was finally held on 03 February 2009. In view of the termination of preliminary conference on said date, this Bureau required the parties to submit their respective position paper/s and thereafter resolved to submit the case for decision.

Petitioner submitted her evidences in support of this Petition for Cancellation, namely:

1. Certified copy of Business Permit No. 05003075 for "LUDY MUSHROOM TRADING" issued by the Office of the Mayor of the Municipality of San Mateo, Rizal, together with the supporting papers thereof - *Exhibit "A"*
2. Certified true copies of the Payment Details of Pilipinas Makro, Inc. with check dated September 7, 2005; Payment Details with check dated September 14, 2005; Goods return Note dated January 7, 2006, and Barcode Sticker Issuance Form Dated January 10, 2006 respectively - *Exhibit "B"*
3. Certified true copies of Ludy Mushroom Trading's and Sing-Sing Kimchi Trading's official receipts for various amounts received from Shopwise in November, 2005 as payment for "SING-SING KIMCHI" delivered to said Shopwise, as well as from Makro Pilipinas, Inc. and other customers. - *Exhibits "C" to "C-27"*
4. Samples of the SKU barcode sticker used by Shopwise for the "SING-SING KIMCHI" - *Exhibit "D"*
5. Certified copy of Business Permit No. 05003343 for "SING-SING KIMCHI TRADING" issued by the Office of the Mayor of San Mateo, Rizal, together with the supporting papers thereof. - *Exhibit "E"*
6. Certified copy of Business Permit No. 06001861 for "LUDY MUSHROOM TRADING" and "SING-SING KIMCHI TRADING" issued by the Office of the Mayor of San Mateo, Rizal, together with the supporting papers thereof. - *Exhibit "F"*
Certified copy of business/tradename "LUDY MUSHROOM TRADING" and "SINGSING KIMCHI TRADING" issued by the Bureau of Internal Revenue on May 5, 2004. - *Exhibit "G"*

7. Certified copy of business/tradename "SING-SING KIMCHI TRADING" issued by the Department of Trade and Industry on August 25, 2005. - *Exhibit "H"*
8. Certified copy of business/trade name "SING-SING KIMCHI TRADING" with business address At Blk 2, Lot 1, Alfonso St., Vista Verde Executive Village, Cainta, Rizal issued by the Department of Trade and Industry. - *Exhibit "I"*
9. A Copy of Business Permit for 2008 issued by the City of Taguig for the business/tradename "SING-SING FOOD MANUFACTURER" with Business address stall 107 Mangosteen Street, Wholesalers Bldg., FTI Taguig City - *Exhibit "J"*
10. A copy of the License To Operate as a food manufacturer issued by the BFAD last May 7, 2008 in the name Of "SING-SING FOOD MANUFACTURER". - *Exhibit "K"*
11. Duly notarized affidavit of petitioner LUDEL YN CUYOS TOYCO-CHO - *Exhibit "L"*

Filed likewise for Respondent-Registrant were the following: Mayor's Permit dated September 4, 2004 issued by the Municipality of San Mateo (*Exhibit "1"*); GS1 Philippines Invoice application for bar code indicating date of subscription i.e. November 10, 2003 and certificate of confirmation of the respondent EAN Prefix number 4809013049 & Global Location 4809013049886 valid up to December 9, 2009 (*Exhibits "2" & "3"*); Sample of Bar Code for SINGSING KIMCHI Full Cabbage & Cabbage Kimchi bearing Dispatch No. 14809013049050 & 14809013049135 respectively and used by the respondent since November 2004 (*Exhibit "4"*); Cash invoice No. 001 dated November 2, 2004; Cash Invoice No. 003 dated November 10, 2004; Cash Invoice No. 009 dated November 27, 2004 & Cash Invoice No. 011 dated December 04, 2004 as proof that the respondent was supplying processed foods (*Exhibit "5"*); Cash Invoice No. 012; 015; 016 & 017 dated December 2004 & January 2005 as proof that the respondent was supplying processed kimchi with Fuji Mart in Malate, Manila (*Exhibit "6"*); Charge Sales Invoices No. 003 & 006 as proof that the respondent was supplying Kimchi with Rustan Supermarkets in Katipunan & Sta. Rosa in November 2004 (*Exhibit "7"*); Charge Sales Invoice Nos. 009 & 038 as proof that the respondent was supplying fresh kimchi with Rustan Supermarket in Magallanes Commercial Center dated November 19, 2004 & December 16, 2004 (*Exhibit "8"*); Charge Sales Invoice Nos. 039 & 051 dated Dec. 16, 2004 & January 5, 2005 as proof that the respondent was then supplying fresh kimchi with Rustan Supermarket in Sta. Rosa, Laguna & Katipunan, Quezon City (*Exhibit "9"*); Charge Sales Invoice Nos. 052 & 053 dated January 5 & 6 to prove supply of fresh kimchi at Rustan Supermarket at Shangri-la & Magallanes Commercial Center (*Exhibit "10"*); Equitable-PCI Bank Checks Nos. 0001060489; 0001059548 & 0001061757 with dates July 21, 2005; June 20, 2005 & July 20, 2005 as proof that the respondent had business transactions with Rustan Supermarket (*Exhibit "11"*); Check Voucher issued by Rustan Supermarket dated July 21, 2005 as proof of the creditable withholding tax deduction from payment made to the respondent (*Exhibit "12"*); Advertisement in Korean magazine where the respondent saw the use of the petitioner of the trademark SING-SING (*Exhibit "13"*); Label being used by the petitioner in her product bearing the trademark of the respondent SING-SING KIMCHI w/ Korean Character (*Exhibit "14"*); Demand Letter dated July 31, 2008 sent on August 6, 2008 requesting the petitioner to cease from using the trademark of the respondent (*Exhibit "15"*); Reply of the petitioner, Ludelyn Cuyos Toyco-Cho requesting for

reasonable time to consult a lawyer to answer letter of demand (*Exhibit "16"*); Certificate of Registration No. 4-2006-004568 issued by the Intellectual Property Office - SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE (*Exhibit "17"*); DECLARATION OF ACTUAL USE duly acknowledged and received by the Intellectual Property Office (*Exhibit "18"*); IP Information Mall Trademark Detail dated July 18, 2008 (*Exhibit "19"*) to prove that Jose Dindo Alejandro is the registered owner of SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE (*Exhibit "18"*); Sworn statement of the Respondent (*Exhibit "20"*).

Considering that the case was mandatorily covered by the Summary Rules under Office Order No. 79, this Bureau required the parties to submit their respective position paper/so Petitioner filed her position paper on 12 March 2009, while Respondent-Registrant filed theirs on 19 March 2009.

The main or focal issue for this Bureau to essentially pass upon is whether or not the facts and evidence of the case would warrant cancellation of Respondent-Registrant's registration of the trademark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE issued by virtue of Certificate of Registration No. 4-2006-004568.

A cursory reading of paragraph (d) of R.A. 8293 with emphasis on prior registration and/or application of the same mark states that:

Section 123. Registrability with a registered if it:

xxx

(e) 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;"

xxx

An examination of the documentary evidence confirms Respondent-Registrant's prior registration of the trademark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE. However, one crucial factor that led this Bureau to dig deep into the records of the case is Petitioner's establishment of prior adoption of the mark or label SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE. Petitioner presented evidence of earlier registration of the business/trade name "LUDY MUSHROOM TRADING/SING SING KIMCHI TRADING with the Bureau of Internal Revenue (*Exhibit "G"*, Petitioner) in May 2004. Concomitant with the registration of the trade name SING SING KIMCHI TRADING with the Bureau of Internal Revenue was Petitioner's several applications with other government agencies of the business name SING SING KIMCHI TRADING such as in the issuance of Business Permit by the Municipality of San Mateo, Rizal (*Exhibit "E"*, Petitioner) in September 2005 and issuance of business permit no. 06001861 (*Exhibit "F"*, Petitioner) in January 2006 and DTI Certification in August 2005 (*Exhibit "H"*, Petitioner), all ahead of the date of application of Respondent-Registrant for SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE for kimchi under Class 30 in May 2006.

On the other hand, Respondent-Registrant showed prior use with GS1 Philippines' subscription bearing a subscription date, 10 November 2003, (*Exhibit "2"*, Respondent-Registrant). However, said exhibit also showed that Invoice No. 4323-2008 bore the date 12 November 2007. Another exhibit (*Exhibit "3"*, Respondent-Registrant) only confirmed that the actual date of issuance of the barcode sticker was 07 January 2008 after payment of the subject invoice. Hence, between Petitioner and Respondent-Registrant, it is the former who showed to

this forum an earlier adoption and/or registration of the words SING SING KIMCHI for food items. Corollary, for failure of Respondent-Registrant to show prior commercial use and adoption of the questioned mark, this Bureau now turns its attention to the rightful owner of the mark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE.

The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for its registration (Bert R. Bagano v. Director of Patents, et. al., G.R. No. L-20170, August 10, 1965). And where a trademark application is opposed, Respondent-Applicant has the burden of proving ownership (Marvex Commercial Co., Inc. v. Peter Hawpia and Co., 18 SCRA 1178). In the instant case, Petitioner presented proof of an earlier application and registration in 2004 which was not disproved by Respondent-Registrant. And to fortify her claim of being the rightful owner of SING SING KIMCHI, Petitioner presented several business transactions or deals with known food companies such as Pilipinas Makro, Inc. (Exhibit "B", Petitioner) and with operators of small restaurants and grocery stores (Exhibits "C-21- C- 27", Petitioner), with transactions bearing dates before Respondent's date of application with IPO for registration of the mark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE on May of 2006. Petitioner therefore emerged as the prior user or adopter of the words SING-SING KIMCHI for food items with registrations, business permits and several business deals substantiating her claim and for which evidence was sufficiently shown and presented to this forum.

Pursuant to the Supreme Court's ruling in the case of PAGASA Industrial Corporation vs. Court of Appeals, et. al., 204 Phil 162 (G.R. No. L-54158, November 19, 1982), Respondent-Registrant cannot be considered an owner of the mark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE inspite of the subscription date apparently in 2003 which bar code stickers were only actually issued in early 2008 (Exhibit "3", Respondent-Registrant), thus:

"The Trademark Law is very clear. It requires actual commercial use of the mark prior to its registration. There is no dispute that Respondent Corporation was the first registrant, yet it failed to fully substantiate its claim that it used in trade or business in the Philippines the subject mark; it did not present proof to invest it with exclusive, continuous adoption of the trademark which should consist among others, of considerable sales since its first use. The invoices submitted by respondent which were dated way back in 1957 show that the zippers sent to the Philippines were to be used as "samples" and "of no commercial value." The evidence for respondent must be clear, definite and free from inconsistencies." (Emphasis supplied)

If this Bureau were to refer to several invoices of Respondent-Registrant using the mark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE bearing transaction dates between 2004 and 2005, the sales invoices (Exhibits "7" to "10", Respondent-Registrant) were under Alejandro Korean Food Product as operator and the vegetables delivered were described as fresh kimchi, nowhere in the subject sales invoices was the SING-SING KIMCHI written or mentioned for the kimchi products.

On the alleged engagement of Petitioner to be Respondent-Registrant's collector for her food products, there was no contract to show and prove the engagement and which allegation was denied by Petitioner in his reply-affidavit and is quoted below, thus:

"9. That in the few instances where I bought Kimchi products from Respondent-Registrant, either in bulk or packed in blank plastic wrappers, said kimchi products did not carry any trademark. I had to affix my own label which carries my own trademark "SING SING KIMCHI AND ITS KOREAN CHARACTERS" identical to the labels I attached to my Petition for Cancellation, copy of which is hereto attached for ready reference.

In the operation of Petitioner's vegetable business, Petitioner has been offering her kimchi products with the label SING SING KIMCHI doing business under the name SING SING KIMCHI TRADING with Ludelyn C. Toyco written or mentioned as proprietor (Exhibits "C-21" to "C-27", Petitioner). As prior user and adopter of the mark SING SING KIMCHI for food products, Petitioner obtained business permits and several certificates of registration from appropriate government agencies such as BIR, DTI and the Municipality of San Mateo, Rizal. Therefore, the subsequent registration of the mark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE under Class 30 particularly for kimchi in the name of Respondent will cause damage to Petitioner considering that Petitioner has established her claim as owner of the subject mark.

Sight should not be lost on the fact that SING SING KIMCHI is part of the business/ trade name or service mark of the Petitioner. The legal protection for trade names has been strengthened by the IP Code. The pertinent provision of the intellectual Property Code provides:

Section 165. Trade names or business names.-165.1 A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2 (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected even prior to or without registration, against any unlawful act committed by third parties.

In particular, any subsequent use of the trade name by a third party, whether as a trade name or mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful."

As to the claim for damages in Respondent's prayer for compulsory counterclaim, this is an inter-partes case to which determination of damages is not within the ambit of this Bureau to award or deny.

Based on the foregoing and considering that Petitioner is the prior adopter and user of the mark or trade name SING-SING KIMCHI for food items especially kimchi, this Bureau resolves to grant this Petition to cancel Respondent- Registrant's registration for the mark SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE.

WHEREFORE, premises considered, the Petition for Cancellation is, as it is hereby GRANTED. Consequently, Trademark Registration No. 4-2006- 004568 issued on 02 July 2007 in favor of Jose Dindo J. Alejandro, doing business under the name & style ALEJANDRO KOREAN FOOD PRODUCTS for kimchi under Class 30 is, as it is hereby CANCELLED.

Let the filewrapper of SING-SING KIMCHI & KOREAN CHARACTERS INSIDE A RECTANGLE subject matter of this case together with this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

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

