

AMERICAN RAG CIE LLC, Opposer,	}	IPC No. 14-2005-00031
	}	Opposition to:
-versus-	}	Serial No.: 4-2003-009646
	}	Date Filed: 21 October 2003
NELSON CHAN, Respondent-Applicant-Assignor	}	Trademark: "Stylized American
ADAMSON BACTAT	}	Rag with Stylized AR"
Respondent-Applicant-Assignee	}	
x-----x		
AMERICAN RAG CIE LLC, Opposer,	}	IPC No. 14-2005-00111
	}	Opposition to:
-versus-	}	Serial No.: 4-2004-005040
	}	Date Filed: 9 June 2004
ADAMSON BACTAT	}	Trademark: "Stylized American
Respondent-Applicant	}	Rag"
x-----x		
AMERICAN RAG CIE LLC, Opposer,	}	IPC No. 14-2005-00112
	}	Opposition to:
-versus-	}	Serial No.: 4-2004-0054679
	}	Date Filed: 28 May 2004
ADAMSON BACTAT,	}	Trademark: "Stylized American
Respondent-Applicant	}	Rag"
x-----x		
		Decision No. 2006-81

DECISION

These are three (3) opposition cases filed for the registration of the mark "Stylized AMERICAN RAG with Stylized AR" bearing Serial No. 4-2003-009646 covering the goods falling under class 25, the mark "Stylized AMERICAN RAG" bearing Serial No. 4-2004-005040 covering the goods falling under classes 3, 9 and 14, and the mark "Stylized AMERICAN RAG bearing Serial No. 4-2004-004679 covering the goods falling under classes 25 and 18 of the International Classification of goods.

These three (3) cases involved the same *parties, subject matter* as well as the same *issue* to be resolved, hence they were assigned to only one Hearing Office under Order No. 2006-563 dated 11 April 2006.

The Opposer in these three (3) cases is American Rag Cie, LLC., a corporation duly organized under the laws of the State of California, United States of America, with principal office at 1146 South Vail Avenue, Montebello, California, United States of America.

On the other hand, the Respondent-Applicant in these three (3) cases is Adamson Bactat, a Filipino citizen with address at 172 P. Gomez St., Addition hills, San Juan, Metro Manila.

The application bearing Serial No. 4-2003-009646 for the mark "Stylized AMERICAN RAG with Stylized AR" was originally filed by "NELSON CHAN" but was later assigned to Adamson Bactat. The assignment was duly recorder under Book No. I, Series of 2005 page 399 dated May 5, 2005.

During the preliminary conference, the parties were given ample time to study and discuss the possibility of settling the case amicably, however, no settlement has been reached by the parties.

Thereafter, this Bureau (BLA), upon knowing from the parties that no accord has been arrived at, officially terminated the preliminary conference and ordered the parties to submit their respective position papers after which, considered the three cases submitted for Decision.

Pursuant to Order of preliminary conference (Order No. 2006-730) dated 18 May 2006, the parties agreed on the following issues for consideration in this case:

1. Whether or not the trademark is an internationally well-known mark;
2. Whether or not the registration of the trademark in question violates Article 8, of the Paris Convention;
3. Whether the trademark "AMERICAN RAG" may be considered as geographical descriptive;
4. Whether or not the use of the trademark "AMERICAN RAG" by the Respondent-Applicant will mislead the public into believing that his goods come from or originated from, or are licensed or sponsored by Opposer;
5. Whether or not the registration of the trademark "AMERICAN RAG" in the name of Respondent-Applicant is in violation of the provision of the Intellectual Property (IP) code.

On June 27, 2005, Respondent-Applicant-Assignee, through counsel manifested that he is willing to submit these cases for mediation.

As a consequence thereof, the Bureau of Legal Affairs issued Order No. 2005-471 dated July 5, 2005, requiring the Opposer to comment whether it is amenable to submit the cases for mediation.

During the hearing on 11 May 2006 at 2:00 in the afternoon, counsel for the Opposer manifested in open court that the parties were not able to enter into a compromise agreement.

Likewise, the parties agreed that the proceedings in these cases are to be governed by the *Summary Rules*, promulgated to achieve a more efficient and expeditious disposition of Inter Partes Cases in the Bureau of Legal Affairs. (*Office Order No. 79, Series of 2005*, which took effect on September 1, 2005)

On November 29, 2005, Opposer filed its compliance to the Notice to Comply with Office Order No. 79 and submitted the following evidence:

- (a) Affidavit of its Chief Executive Officer (CEO), Mr. MARK WERTS (Exhibit "A"); and
- (b) Legalized power of Attorney (Exhibit "B");
- (c) Exhibits "1" to "8"

On the other hand, Respondent-Applicant filed his compliance to the Notice to Comply with Office Order No. 79 on January 27, 2006 and submitted the following as his evidence in support of the approval of his applications.

Exhibits "1" to "7" inclusive of sub-marking.

SECTION 7 OF OFFICE ORDER NO. 79, PROVIDES:

“Section 7. *Filing of Petition of Opposition.*

Subsection 7.1 – The Petition or Opposition, together with the *affidavits* of witnesses and *originals* of the documents and other requirements, shall be filed with the Bureau, provided, that in case of public documents, certified copies shall be allowed in lieu of the *originals.*”

SECTION 8 OF OFFICE ORDER NO. 79, PROVIDES:

“Section 8. *Answer.*

Subsection 8.1 – Within three (3) working days from receipt of the Petition or Opposition, the Bureau shall issue an order for the Respondent to file an Answer together with the affidavits of witnesses and *originals* of documents, and at the same time shall notify all parties required to be notified in the Intellectual Property (IP) Code and the Regulations, provided, that in case of public documents, certified true copies may be submitted in lieu of the originals.”

In these three (3) cases, Opposer presented identical Exhibits “1” to “7” as its evidence to support its Notice of Opposition. However, Exhibits “1” to “7” are mere photocopies and *not* originals, hence, violative or not in accordance to Rule 7.1 of Office Order No. 79, Series of 2005.

Opposer alleged that it is the registered owner of the trademarks containing “AMERICAN RAGS” in the United States under *Registration No. 1936234* issued by the PTO on April 29, 2003, that it is the first user and registered owner of the trademark “AMERICAN RAG” in the United States of America, Hong Kong, Korea, Mexico, Spain and Switzerland and that it has also used and applied for registration of the mark “AMERICAN RAG” in many other countries worldwide including Australia, Canada, China, European Community (published application), India (approved application) and South Africa.

It is lamentable, however, that Opposer failed to submit registration certificates and/or trademark applications of the mark “AMERICAN RAG” issued and/or applied for in any country as alleged to have been registered and or applied for its registration. Failure of the Opposer to submit the originals or at least, certified true copies of its exhibits which is a mandatory requirement provided under Rule 7.1 of Office Order No. 79, Series of 2005 is fatal. There is no convincing and admissible evidence to prove the facts alleged and relied upon by Opposer to support the various grounds of its notice of opposition.

The Opposer likewise alleged that it is the prior user and rightful owner of the trademark “AMERICAN RAG” in the Philippines and claimed that it has a pending application for registration in the Philippines for goods falling under classes 25 and 35 of the international classification of goods.

Opposer however, failed to submit either the duplicate original, or at least, a certified copy of its application in the bureau of Trademarks as stated in the first ground of its notices of opposition. If so, the Bureau of Trademarks would not have allowed the publication of Respondent-Applicant’s three (3) applications being opposed if Opposer has a prior application for the same mark.

There is likewise no evidence nor sale invoices presented to show commercial use of the mark “AMERICAN RAG” in any country, including the Philippines.

It is fundamental principle in the Philippines Trademarks Law that actual use in commerce in the Philippines is a pre-requisite to the acquisition of ownership over a trademark or

a trade name. (Kabushiki Kaisha Isetan vs. Intermediate Appellate Court, et. al., G.R. No. 75420, 15 November 1991)

Likewise, the use required as a foundation of the trademark rights refers to local use at home and not abroad. (2 Callman, Unfair Competition and Trademarks, par. 76.4, p 1006)

In the case of BATA Industries, Ltd., vs. Court of Appeals, 114 SCRA 318, the Supreme Court categorically ruled that:

“The use of the mark must be in the country. Foreign use creates no trademark right in the Philippines, following the nationality principle upon which the trademark law rests.”

In the case of Chuanchow Soy & Canning Co., vs. The Director of Patents and Rosario Villapanta [G.R. No. L-13947, June 30, 1960] the Supreme Court said, thus:

“When one applies for the registration of a trademark or label is almost the same or very closely resembles one already used and registered by another the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this is not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and established goodwill.”

With respect to the claim of the Opposer that its trademark is a well-known mark, this Bureau observed that the mark “AMERICAN RAG” is not one of those considered internationally well-known mark under the Memorandum issued by the then Minister Luis R. Villafuerte, of the Minister of Trade and Industry dated 20 November 1980.

Moreover, as previously stated, Opposer failed to submit any registration certificates of its mark “AMERICAN RAG” issued and/or applied in any country of the world nor did it submit sales invoices to show commercial use of its mark in any country including the Philippines.

WHEREFORE, premises considered, the Notices of Opposition are hereby DENIED. Consequently, trademark applications bearing Serial No. 4-2003-009646 filed on October 21, 2003 for the mark “Stylized AMERICAN RAG with Stylized AR”, application bearing Serial No. 4-2004-005040 for the mark “Stylized AMERICAN RAG” and finally application bearing Serial No. 4-2004-004679 for the mark “Stylized AMERICAN RAG” are, as they are, hereby GIVEN DUE COURSE.

Let the filewrappers of these cases be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this DECISION.

SO ORDERED.

Makati City, 10 August 2006.

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