

BEIFA GROUP CO., LTD,
Petitioner,

-versus -

ANG BAN TING,
Respondent-Registrant.
x-----x

IPC No. 14-2008-00193
Case Filed: 28 Aug. 2008
Cancellation of
Reg. No: 4-2004-008632
Date Issued: 13 January 2006
Trademark: "BEIFA"

Decision No. 2010-83

DECISION

BEIFA GROUP CO., LTD. ("Opposer"), a corporation organized and existing under the laws of the Republic of China, with address at Xiagong Nimbo China, filed on 28 August 2008 a Petition to Cancel Trademark Registration No. 4-2004-008632. Said trademark registration, filed by Ang Ban Ting ("Respondent-Registrant"), with postal address at Unit 23-24 Gedisco Complex, Maria Clara Street, 4th Avenue, Caloocan City, covers the mark BEIFA for use on "*ball pen, marker ink gel ink roller, fountain pens and ink cartridges therefor, mechanical pencils and leads therefor, ball-point pens and refills therefor, marking pens and refills therefor, whiteboards and accessories therefor, crayon, paint, stationery, technical pens/pencils, writing accessories and writing pad*" under Class 16.¹

The Opposer alleges the following:

"3. Petitioner has a pending application with the Bureau of Trademarks for the trademark BEIFA assigned Serial No. 04-2007-011204 for Class 16, covering ball pens, pencils, notebooks, crayons, paper, October 08, 2007. A certified true copy of said pending application is hereto attached as Annex B.

"4. The said pending petition was assigned by petitioner to the BEIFA GROUP CO. LTO., a Xerox copy of the Deed of Assignment of Pending Application is hereto attached as Annex C.

"5. In turn, the Beifa Group Co., Ltd. has 'authorized' petitioner to represent it in these proceedings. A consularized Authority issued by the Consul General of Shanghai is hereto attached as Annex A.

"6. In the Republic of China, BEIFA is a well known brand for the products applied for and had been duly registered in said country since as evidenced by Trademark Registration Certificate No. 1524-6406 issued on May 31, 2005 as evidenced by authenticated document dated May __, 200__, hereto attached as Annex D.

"7. Petitioner was the first user of the trademark BEIFA in the country distributed by its attorney-in-fact, as evidenced by the import documents hereto attached as Annexes E to E-21.

"8. The registration of respondent's trademark BEIFA has caused confusion and damage to the petitioner's trademark as the same is identical to petitioner "BEIFA" and covers good identical or closely related thereto, since the BEIFA trademark is well known not only in the Philippines and the Republic of China but as well as internationally, especially among the users of ball pens, markers, and other

¹ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

school and office supplies, thus making the respondent's trademark unregistrable under Sec. 127 of R.A. S293, otherwise known as The Intellectual Property Code.

"9. The goodwill generated by the petitioner as selling the genuine BEIFA products should not be allowed to be dissipated by the products bearing the same trademark but not belonging to petitioner's principal.

This Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 16 September 2008. The Respondent-Registrant, however, did not file an answer. Thus, Rule 2, Sec. 11 of the Regulations on Inter Partes Proceedings, as amended, provides:

Sec. 11. *Effect of failure to file Answer* -In case the respondent fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the petition or opposition, the affidavits of the witnesses and the documentary evidence submitted by the petitioner or opposer.

The Opposer's evidence consists of the following:

1. Exhibit "A"-Authentication by the Consul General Maria Rowena M. Sanchez of the Notarial Certificate (2008) ZYTZWZ No. 254-1 dated 28 May 2008;
2. Exhibit "B" -Trademark Application No. 4-2007-011204;
3. Exhibit "C" -Assignment of Pending Trademark;
4. Exhibit "D" -Authenticated and legalized Trademark Registration Certificate No. 1524646 issued by the Trademark Office of the State Administration for Industry and Commerce of the People's of Republic of China; and
5. Exhibit "E" to "E-18"-Documents showing importation of merchandise (Ball Gel Pen) of GTK Trading.

Should Trademark Registration No. 4-2004-008632 be cancelled?

It is undisputed that the competing marks are identical. The Respondent Registrant's trademark registration covers "*ball pen, marker ink gel, ink roller, fountain pens and ink cartridges therefor, mechanical pencils and leads therefor, ball-point pens and refills therefor, marking pens and refills therefor, whiteboards and accessories therefor, crayon, paint, stationery, technical pens/pencils, writing accessories and writing pad, goods that are similar or closely related to the Petitioner's, specifically, ballpen, pencils, notebooks, crayons, paper, marker, sign pen, school and office supply namely, writing pad, marking pens and refills, white board and accessories thereof, crayons, stamp pad, sign pen, mechanical pencils, marker ink gel; stationery, binders, colored pencil; eraser, cutter, ink cartridge, desk tray*".

Hence, goods bearing the mark BEIFA would likely create an impression that there is only one originator thereof. The consumers may assume that the Respondent Registrant's products originate from the Petitioner and vice-versa. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:²

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiffs and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

² See *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

Accordingly, the competing trademarks as belonging to two (2) different proprietors should not be allowed to co-exist. Sec. 158 of Rep. Act No. 829S, also known as the Intellectual Property Code of the Philippines (“IP Code”), states:

Sec. 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.

Corollarily, Sec. 151, IP Code, states in part that:

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:

- (a) Within five (5) years from the date of the registration of the mark under this Act.

Thus, although a certificate of registration is *prima facie* evidence of the registrant’s ownership of a mark, this presumption can be overcome by contrary evidence. The law allows any person to file a petition to cancel a trademark registration if that person believes that he would be damaged by the registration. Once filed, the cancellation proceeding becomes, basically, a review of the trademark registration in question to determine if the legal requirements for registration have been satisfied and if the maintenance or continuance of Respondent-Registrant’s trademark in the trademark registry would damage the Petitioner.³ Although a certificate of registration is *prima facie* evidence of the registrant’s ownership of a mark, this presumption can be overcome by contrary evidence. The Supreme Court held:

“By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. x x x

“Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a *prima facie* proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared the owner in an appropriate case.”⁴

Aptly, it is emphasized 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 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.⁵ Thus, 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.

³ Sec. 154 of the IP Code provides: 154. Cancellation of Registration. -If the Bureau of Legal Affairs finds that a case for cancellation has been made out, it shall order the cancellation of the registration. When the order or judgment becomes final, any right conferred by such registration upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPO Gazette. (Sec. 19, R.A. No. 166a)

⁴ *Shangri-La International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*, G.R. No. 159938, 31 March 2006

⁵ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents*, G.R. No. L20635, 31 March 1966

The Petitioner submitted evidence that it has been using the mark prior to the filing of the Respondent-Registrant's application on 16 September 2004⁶. The Petitioner submitted proof of its trademark registration in China, which is valid from 21 February 2001 to 20 February 2011⁶. Hence, the Petitioner's evidence of use of the contested mark prior to 16 September 2004 only shows that his claim of ownership of the mark is superior to the Respondent-Registrants.

Considering that the Respondent-Registrant is not the owner of the mark, said party has no right to register it. Despite the opportunity, the Respondent-Registrant failed to explain why the mark covered by Reg. No. 4-2004-008632 is identical and/or similar to the Petitioner's. It is incredible that the Respondent-Registrant came up with a mark that is exactly the same as the Petitioner's on pure coincidence. Being on the same line of goods or business, it is a safe inference that the Respondent-Registrant has knowledge of the Petitioner's mark prior to the filing of a trademark application. Yet, this is the mark that the Respondent-Registrant reproduced down to the minutest details use in its favor, on goods that are similar to the Petitioner's.

The field from which a person may select a trademark is practically unlimited. 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-Registrant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁷

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Registration No. 4-2004008632 be returned together with a copy of this Decision to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Makati City, 20 December 2010

NATHANIEL S. AREVALO
Director
Bureau of Legal Affairs

⁶ See Exhibit "D", (inclusive).

⁷ *American Wire & Cable Company v. Dir. of Patents*, G.R. No. L-26557, 18 Feb. 1970.