

BIKE ATHLETIC COMPANY,	}	IPC NO. 3716
Petitioner,	}	Cancellation of Registration. No. 48891
	}	Issued on: August 3, 1990
-versus-	}	
	}	
	}	Trademark: "BIKE" & Device
	}	
EDUARDO B. ROCAFOR,	}	
Respondent-Registrant.	}	Decision No. 2002 – 08
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DECISION

This is a petition to cancel from the Principal Register the mark "Bike" and Device under Registration No. 48891, dated August 3, 1990, issued in the name of Eduardo Rocafor.

The file wrapper of subject mark shows that on December 10, 1985, Eduardo Rocafor (hereafter "Respondent") filed with the then Philippine Patent Office (PPO) his application for registration of the mark "Bike" and Device for use on t-shirts in Class 25 of the International Classification of Goods. In his application, Respondent claimed that he first used the mark in the Philippines on October 15, 1983.

On October 2, 1986, the PPO issued Paper No. 3 informing Respondent that "the subject mark appears confusingly similar to the following marks: (a) the Bike and Wheel Design, Registration No. R-2156, used for athletic supporter; and (b) Bicycle, Registration No. 31251, used for shoes, hence, registration is proscribed under Sec. 4 (d) of Rep. Act No. 166, as amended."

In response to Paper No. 3, Respondent stated in his letter dated November 5, 1986 that the cited marks when compared with his mark are different in sound and appearance, that the goods to which they are used are entirely different, that they possess different physical attributes and serve different purposes. In the same letter, Respondent also claimed that Registration No. R-2156 for the mark Bike and Wheel Design was already deemed cancelled for the failure of the registrant thereof to file the affidavit of use for the fifth (5<sup>th</sup>) year anniversary of said mark.

On December 19, 1986, the PPO recommended the publication of Respondent's application after finding that the "subject mark is registrable in the Principal Register as sought because it serves to distinguish applicant's goods from those manufactures, sold or dealt in by others."

After publication in the Official Gazette, and there being no Opposition filed by any party, the BPTTT issued on August 3, 1990 Certificate of Registration No. 48891 in favor of Respondent.

On November 11, 1991, Bike Athletic Company (hereafter "Petitioner"), a corporation organized and existing under the laws of the United States of America, filed its Petition seeking the cancellation of Respondent's mark based on the following grounds:

- "1. The registration was obtained fraudulently by Respondent.
- "2. Petitioner is the true and lawful owner and first user of the mark BIKE and the registration of the confusingly similar BIKE and Device in the name of the registrant was accordingly secured contrary to the provisions of Sections 2-A and 17 of Republic Act No. 166, as amended.

- “3. Respondent’s goods are identical or related to those of Petitioner and the use of the mark thereon will likely mislead the buying public into believing that the goods of Respondent are produced by, originate from, or are under the sponsorship of Petitioner.
- “4. The registration of the trademark BIKE and Device in the name of, and its use in commerce by Respondent amount to an infringement of Petitioner’s trade name Bike Athletic Company which is entitled to protection under Section 37 of the Trademark Law even “without the obligation of filing or registration whether or not [it] form[s] part of marks”.
- “5. Respondent has abandoned its trademark BIKE and Device through non-use.
- “6. The cancellation is authorized by other provisions if this Act.”

In his Answer dated March 31, 1992, Respondent denied the material allegations of the Petition, and interposed the following special and affirmative defenses:

- “1. That the registration of the mark Bike & Device (consisting of a silhouette of a man riding on a bicycle) was made in order; no fraud was ever employed in the registration of the trade name involved;
- “2. That, with the issuance of the Principal Register for Bike and Device under Registration No. 48891 dated August 3, 1990 in favor of Respondent-Registrant, Eduardo Rocafor, he has been and remains the lawful owner of the trademark involved;
- “3. That Respondent-Registrant has continuously used its trademark Bike as early as October 15, 1983 up to the present; and there exist no ground by which cancellation of his trademark may be commenced nor effected;
- “4. That Respondent’s products using the trademark Bike and/or device (consisting of a silhouette of a man riding a bicycle) consist of t-shirts and undershirts/sandals, and no other products;
- “5. That no other products carrying the mark Bike and/or Device has been manufactured, offered for sale or sold in the Philippines except those of Respondent-Registrant;
- “6. That respondent has no knowledge about the alleged use of the mark Bike on Petitioner’s alleged products; and, in the absence of proof thereof, the petition shall be denied;
- “7. That Respondent never duplicated/imitated nor availed of the alleged goodwill and popularity of the petitioner’s alleged Bike trademark or that of anybody else’s; Respondent solely relied on his trademark’s goodwill and popularity in the country since its use in 1983 up to the present by the herein Respondent;
- “8. That nowhere in the Petition is an allegation that the Petitioner is the prior registered owner of the trademark involved; and in the absence thereof, the petition shall have to be dismissed forthrightly.”

Upon joinder of issues, the pre-trial conference was conducted, but as the parties failed to arrive at any amicable settlement, the case was set for trial on the merits.

During the trial, Petitioner presented the testimony of its foreign witness, Mr. Robert Ruxin, and offered Exhibits "A" to "DD" and their sub-markings consisting of, among other, the affidavit of said witness (Exh. "B" to "B-5"), a list of worldwide registrations of the mark (Exh. "D" to "D-3"), commercial invoices of sale for "Bike" products (Exh. "F" to "F-8"; "I" TO "I-4"), product labels (Exh. "G" to "G-9"), advertising and promotional materials (Exh. "I" to "I-11"; "J"; "K" to "K-2"), affidavit of use (Exh. "Q" to "Q-2"), and certificates of registration in several countries (Exh. "S" to "DD-3") that were admitted in evidence in accordance with Order No. 97-390 dated July 30, 1997.

Respondent, for his part, presented his own testimony and that of Angelina Simeon, and offered Exhibits "1" to "19" and their sub-markings consisting of the affidavits of said witnesses (Exh. "1" & "17"), actual samples of t-shirts and sandos (Exh. "2" to "2-A"; "3" to "3-A"), certificate of registration in the Philippines and related attachments (Exh. "4" to "4-B"; "18" & "19"), sales booklet and invoices (Exh. "5" to "15"), and trademark application (Exh. "16" to "16-A") which were admitted in evidence under Order No. 2001-718 dated November 22, 2001. Upon filing by the parties of their respective memoranda, the case was deemed submitted for decision.

The issue to be resolved is whether Respondent's mark should be cancelled.

The mark of Respondent consists of word "Bike" written in plain capitalized text with the letter "b" slightly larger in size than the other remaining letters, and a device consisting of a silhouette of a man riding on a bicycle facing east. Under Certificate of Registration No. 57957 in the name of Respondent, the mark including the device is being used by means of labels attached to the goods belonging to Class 25 as shown by actual samples of Respondent's products such as t-shirts and *sandos* (Exh. "2", "2-A", "3" & "3-A").

On the other hand, the mark of Petitioner under Renewal Certificate of Registration No. 2156 consists of the words "The Bike" placed inside a wheel design, while under Certificate of Registration No. 53289, the word "Bike" is written in plain capitalized text without any device. Said mark is used on athletic supporters, knee caps, anklets, abdominal supporters, elastic bandages and athletic protective pads, guards, braces and supporters for all parts of the body including footwear and athletic shoes falling in Classes 25 & 10.

A comparison of the two marks shows that they are similar in spelling, sound and pronunciation, and there is also no difference in the way they are used, that is, by means of labels attached to the goods, while the mark of Respondent contains a device of a man riding in a bicycle, and the mark of Petitioner has a wheel design, it is apparent that the dominant portion thereof is the word "Bike" because it is placed in a position as to make it the focal point of the mark. For instance, in Respondent's mark, the word "Bike" is located in the middle portion with the silhouette of a man riding in a bicycle placed on top and the word "original" placed below. As regards Petitioner's mark, the words "The Bike" are placed inside the wheel design. The size of the letters and the position of the word "Bike" as they appear on the labels illustrate that the parties intended the word "Bike" to be dominant portion of their marks.

As regards the goods on which they are used, the mark of Respondent is used on t-shirts and sandos in Class 25, while the mark of Petitioner is being used on various athletic goods such as supporters, kneecaps, bandages, footwear and shoes in Classes 25 & 10. In *Esso v. CA, 116 SCRA 336 (1982)*, it was held that "[g]oods are related when they belong to the same class or have the same descriptive properties; when they possess the same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related when they serve the same purpose or are sold in grocery stores." Following the decision of the Supreme Court in the above-mentioned case, it is unquestionable that the goods of the parties are closely related to each other because they both belong to Class 25, serve the same purpose, that is, as clothing articles, and flow within the same channel of commerce. Being

ordinary commodities of everyday use, they are commonly found in retail stores, and purchased by the same segment of the buying public.

Considering the manner in which the marks are written and spelled, and the nature of the goods where the marks are used, there is no question that confusion among purchasers, which the law seeks to prevent, is likely to occur. Under Sec. 4(d) of Rep. Act No. 166, the owner of a trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or services of others shall have the right to register the same on the principal register, unless it consists of or comprises a mark or trade name which so resembles a mark or trade name registered in the Philippines or a mark or trade name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers.

The doctrine of confusion of origin is based on cogent reasons of equity and fair dealing. The courts have come to realize that there can be unfair competition or unfair dealing even if the goods are non-competing, and that such unfair trading can cause injury or damage to the first user of a given trademark, first by prevention of the natural expansion of business and second by having his business reputation confused with and put at the mercy of the second user. When non-competing goods or products are sold under the same or similar mark, the gradual whittling away or dispersion of the identity and hold upon the public of the mark created by its first user inevitably results. The original owner is entitled to the preservation of the valuable link between him and the public that has been created by his ingenuity and the merit of his wares and services. [*And v. Teodoro, 74 Phil. 50 (1942); Sterling Products International, Inc. v. Farbenfabriken Bayer, 27 SCRA 1214 (1969)*].

In this case, there is a strong possibility that a person who buys t-shirts and undershirts (*sandos*) from Respondent would mistake it as coming from or being manufactured by Petitioner, and vice versa. This situation not only impairs the business reputation of merchants, but, more importantly, buyers become confused as to the source or origin of the goods. in *Sta. Ana v. Dimaliwat, 24 SCRA 1018 (1968)*, It was held that “[M]odern law recognizes that the protection to which the owner of a trademark is entitled is not limited to the guarding his goods or business from actual market competition with identical or similar products of the parties, but extends to all cases in which the use by a junior appropriator of a trademark or trade name is likely to lead to a confusion of source, as where prospective customers would be misled into thinking that the complaining party has extended his business into the field or is in any way connected with the activities of the infringer; or when it forestalls the normal expansion of the activities of the infringer; or when it forestalls the normal expansion of his business. Mere dissimilarity of goods should not preclude relief where the junior user’s goods are not too different or remote from any that the owner would be likely to make or sell. In the present case, wearing apparel is not so far removed from shoes as to preclude relief, any more than from pancake flour is from syrup or ice cream, or baking powder from baking soda, or cosmetics and toilet goods from ladies’ wearing apparel and costume jewelry. More specifically, manufacturers of men’s clothing were declared entitled to protection against the use of their trademark in the sale of hats and caps (*Rosenberg Bros. v. Elliot, 7 Fed. [2d] 962*) and of ladies shoes (*Forsythe & Co. v. Forsythe Shoe Corp., 254 NYS 584*). In all these cases, the courts declared the owner of a trademark from the first named goods entitled to exclude use of its trademark on the related class of good above-referred to.

Having determined the likelihood of confusion from the use of the two (2) marks, and considering that the registration of the marks of the parties were obtained under the provisions of Rep. Act No. 166, there is a need to determine who between the parties is the prior user, and therefore entitled to be the sole registrant, of the mark “Bike” for goods falling in Class 25.

Records of this case show that Respondent’s application for registration was filed on December 10, 1985. In his application, Respondent indicated that he first used the mark in the Philippines on October 15, 1983 by means of labels attached to the goods or in other manner customary in trade. To support this fact, Respondent testified that his company started in 1981

by manufacturing and selling garments and that in 1983, he introduced a line of t-shirts for men called "Bike" since at that time, he was already manufacturing and selling children's t-shirts bearing the mark "Bicycle". In 1985, Respondent applied with the Philippine Patent Office for the registration of said mark. Another witness, Angelina Simeon, testified that she assisted the Respondent in preparing the documents necessary for the filing of the application for registration of the mark.

Aside from the foregoing testimonial evidence, Respondent also presented Sales Invoices No. 2105, 2107 & 2150 (Exhs. "5" to "7" and their sub-markings) indicating the sale of t-shirts and undershirts bearing the mark "Bike" for the period July and August 1991. Additional documents such as Sales Invoices No. 0266 to 0271 (Exh. "9" to "15") were also presented to show current use in commerce of the mark for the period January to February 1999. He also presented his trademark application dated February 3, 1999 to prove that he is updated in renewing his mark (Exh. "16" ^ "16-A").

A basic rule in trademark law is that a certificate of registration on the Principal Register of a mark or trade name is a prima facie evidence of the validity of registration, the registrant's exclusive right to use the same in connection with the goods, business, or services specified in the certificate, subject to any conditions and limitations stated therein. [Section 20 of Republic Act No. 166; Rule 113 of the Rules of Practice in Trademark Cases]. This rule has been interpreted to mean that the registration of a mark constitutes *prima facie* evidence of the registrant's ownership of the mark, the dates of appropriation and the validity of other pertinent facts stated therein. [Amigo Manufacturing, Inc. v. Cluett Peabody Co., Inc., G.R. No. 139300, Match 14, 2001]. Respondent's claim of first use of the mark on October 15, 1983 as appearing in his certificate is therefore presumed valid until proven otherwise.

To be able to rebut the presumption and in order to establish first use at an earlier date, Petitioner must present clear and convincing evidence of adoption and use as of that earlier date. [Chung Te v. Ng Kian Giab, G.R. No. L-23791, November 23, 1966].

An examination of Petitioner's evidence shows that it has two (2) existing certificates of registration in its name. The first is Renewal Certificate of Registration No. R-2156 issued on January 16, 1980 in favor of Petitioner's predecessor-in-interest, The Kendell Company. Said renewal certificate was derived from several previously issued certificates, to wit: (a) Certificate of Registration No. 9225-BC dated September 21, 1928; (b) Certificate of Registration No. 2352-S dated June 19, 1948; and (c) Certificate of Registration No. 7205-R dated March 9, 1959, all covering goods under class 25, specifically athletic supporters, kneecaps, anklets, and abdominal supporters. The rights to said mark were assigned by The Kendall Company to the herein Petitioner by way of a Deed of Assignment dated July 17, 1984 that was duly recorded on August 17, 1984 in accordance with Section 155 of the Rules of Practice in Trademark Cases.

Aside from the above-mentioned certificates, Petitioner also has in its name Certificate of Registration No. 53289 issued on August 19, 1992 in accordance with the provisions of Section 37 of Rep. Act No. 166. This provision allowed a national of a country who is a member of the Paris Convention, or of a treaty relating to marks or trade names or the repression of unfair competition to which the Philippines may be a party, to obtain registration of his trademark or trade name in the Philippines on the basis solely of the registration of said mark in the country of origin. If an application was filed under Section 37 of Rep. Act No. 166, the applicant was not required to show use in the Philippines, provided it has complied with the other substantive and formal requirements of the law. [see *Romero v. Maiden Form Brassiere Co., Inc.*, 10 SCRA 556 (1964)].

Under the circumstances, and according to the evidence on record, we find that Petitioner was able to establish by substantial evidence its better right to the mark. Being the assignee of Renewal Certificate of Registration No. 2156, Petitioner became the rightful holder of all the rights to the mark previously belonging to its predecessor-in-interest, The Kendall Company. The date when the said certificate was issued, January 18, 1980, precedes by almost

three (3) years the date of first use of the mark by Respondent on October 15, 1983 as indicated in the latter's application for registration.

We are not unmindful of the fact that in Certificate of Registration No. 53289, particularly in the portion referring to the date of first use of the mark, Petitioner did not indicate any date of first use, considering that the application for registration of said mark was filed under the provisions of Section 37 of Rep. Act No. 166, which, as discussed above, did not required any allegation of prior use in the Philippines. The filing of another application and subsequent acquisition by Petitioner of another certificate of registration (Certificate of Registration No. 53289) for a similar mark covered by an earlier but subsisting certificate (Certificate of Registration No. 2156) did not in any manner affects its rights over the mark, particularly its claim to prior or earlier use. Even during the application process, "[a]n applicant for registration is not bound by the date of first use as stated by him in his application, but is entitled to carry back the date of first use to a prior date by proper evidence; but in order to show an earlier date of use, he is then under a heavy burden, and his proof must be clear and convincing." [*Chung Te v. Ng Kian Giab*, 18 SCRA 747 (1966); 966; *Sta. Ana v. Dimaliwat*, 24 SCRA 1018 (1968)].

Likewise, we do not find any intention on the part of Petitioner to abandon its mark because it filed its affidavit of use on February 23, 1994 for the mark covered by Renewal Certificate of Registration No. 2156 (Exh. "Q" to "Q-2").

Having shown by clear and convincing evidence that it has a better right to the mark, and its non-abandonment of the same, Petitioner is therefore entitled to the cancellation of Respondent's certificate of registration.

In view of the foregoing, the instant Petitioner for cancellation is hereby SUSTAINED, and Certificate of Registration No. 48891 in the name of Eduardo Rocafor is ordered CANCELLED.

Let the file wrapper of trademark subject matter of the instant case be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this Decision with a copy furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.

Makati City, May 28, 2002.

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