

PRESIDENT AND FELLOWS OF HARVARD
COLLEGE (HARVARD UNIVERSITY)
Complainant,
-versus-

IPV Case No. 10-2004-00004

For: Trademark
infringement and/or
Unfair Competition
with Damages

FREDCO MANUFACTURING
CORPORATION,
Respondent.
x-----x

Decision No.2011- 11

DECISION

President and Fellows of Harvard College (Harvard University) (“Complainant”), filed on 20 April 2004 a complaint for Trademark Infringement and/or Unfair Competition with Damages against Fredco Manufacturing Corporation (“Respondent”). The complainant alleges, among other things, the following:

- 2.1 Plaintiff President and Fellows of Harvard College (Harvard University) was established in 1636 and is over 350 years old. It is a highly regarded institution of higher learning in the United States, and is well-known throughout the world. Attached as Annex ‘A’ is a copy of its Charter.
- 2.2 Plaintiff is the owner of more than 350 year old well-known name and mark HARVARD and is the proprietor of numerous trademark registrations with the name HARVARD in countries worldwide, including the Philippines. Attached as Annex ‘B’ is a list of countries where the mark and name HARVARD is filed and/or registered in various classes such as 9, 16, 18, 20, 21, 24, 25, 26, 28, 35, 36, 40, 41, 42 and 44 of the NICE International Classification Of Goods And Services:
- 2.3 Plaintiff first used the name and mark HARVARD in connection with the word College as early as 1638 and used the name HARVARD in commerce as early as 1872. Attached as Annexes ‘C’, ‘D’, ‘E’, ‘F’ and ‘G’, respectively are copies of a) U.S Trademark Registration No. 2,498,203 for Harvard College in class 41 of the NICE International Classification Of Goods And Services; b) U.S Trademark Registration No.2,119,339 for HARVARD in class 25; c) U.S Trademark Registration No. 2,101,295 for HARVARD VERITAS AND SHIELD DESIGN in class 25; d) U.S Trademark Registration No. 1,602,960 for HARVARD VERITAS SHIELD SYMBOL in class 41 and e) U.S Trademark Registration No. 1,608,533 for HARVARD in class 41.
- 2.4 Plaintiffs well-known name and mark HARVARD have been rated as one of the most famous brands in the world and valued at between 750 million and 1 billion U.S Dollars. Attached as Annex ‘H’ is a copy of the article ‘Most Valuable Brands’ published in October 1997 issue of the Financial World.
- 2.5 Plaintiff promotes, uses, and advertises its name HARVARD through various publications, services, and products in foreign countries, including the Philippines.
- 2.6 In the Philippines, plaintiff is the owner of the valid and existing certificates of trademark registration such as, a) Philippine Trademark Registration No. 56561 for HARVARD VERITAS AND SHIELD DESIGN issued on November 25, 1998 for goods

and services in classes 16, 18, 21, 25 and 28 of the NICE International Classification of Goods and Services; b) Philippine Trademark Registration No.57526 for HARVARD VERITAS SHIELD SYMBOL issued on March 24, 1994 for services in class 41; c) Philippine Trademark Registration No. 56539 for HARVARD issued on November 25, 1998 for services in class 41, and d) Philippine Trademark Registration No. 66677 for HARVARD GRAPHICS for goods in class 9 issued on December 8, 1998. Attached as Annexes "I", "J", "K" and "L" are copies of the certificate of registration of the aforementioned trademarks showing the name and mark HARVARD.

2.7 Plaintiff is also the owner of the Philippine trademark application for HARVARD MEDICAL INTERNATIONAL & SHILED DESIGN with Serial No. 4-2003-04090 for services in classes 41 and 44 of the NICE International Classification of Goods and Services filed on May 7, 2003. Attached as Annex "M" is a copy of Philippine trademark application No. 4-2003-04090.

2.8 In 1989, plaintiff established the HARVARD Trademark Licensing Program, operated by the Office for Technology and Trademark licensing, to oversee and manage the worldwide licensing of the HARVARD name and trademarks for various goods and services in classes 16, 18, 21, 24, 25 and 41.

2.9 Plaintiff has not, however, authorizes or licensed any person to use its well-known name and mark for HARVARD in connection with any goods or services in the Philippines.

III

3.1 Plaintiff, through its international trademark watch program, discovered in March 2003 Respondent's website www.harvard-usa.com advertising and promoting the brand name HARVARD JEANS USA and adopting the well-known name HARVARD without the consent of herein plaintiff. Attached as Annex "N" is a copy of the internet printout of respondent's company profile.

3.2 The flash intro page r the main page of respondent's website shows a logo bearing the mark HARVARD JEANS USA ® (showing the r within a circle which is a sign used only for registered marks) and the words 'Established 1936' and 'Cambridge, Massachusetts' within an oblong device. Attached as Annex "O" is a copy of the internet printout of the main page.

3.3 The brief history, however, of the brand HARVARD JEANS USA ® failed to explain respondent's reference to or use of the words 'Established 1936' and 'Cambridge, Massachusetts' 'USA' and most importantly, the name HARVARD for its brand name and logo. Moreover, an examination of its articles of incorporation will show that respondent was only registered at the Securities and Exchange Commission (SEC) on November 10, 1995. Attached as Annex "P" is a copy of the Securities and Exchange Commission (SEC) certificate of registration with the articles of incorporation respondent's corporation.

3.4 Respondent adopted and presently uses the name HARVARD in conjunction with the word 'JEANS' and 'USA' on denim and twill products like pants, shorts, jackets, t-shirts or for clothes under class 25 of the NICE International Classification Of Goods And Services.

3.5 In its brief history, respondent claims that it had expanded in recent years and that it has opened different stores in Metro Manila and in the provinces for its clothing

bearing the brand name HARVARD JEANS USA. Attached hereto as Annex "R" is a list of respondent's outlets.

- 3.6 At one of the major department stores in Metro Manila included in respondent's list of outlets, the SM Shoemart Makati, respondent's articles of clothing are advertised for sale. Attached hereto as Annex "S" is a photograph of a pair of jeans and short both bearing the HARVARD JEANS USA brand name and logo with the corresponding receipt.
- 3.7 Respondent likewise promotes and advertises its brand name using the well-known HARVARD name without plaintiffs consent through its local and foreign celebrity endorsers. Attached as Annexes "T" and "U" are copies of printouts of its news and activities and roster of celebrity endorsers. Also attached as Annexes "V" and "V-1", respectively, are pictures of the billboards near a) the Shoemart North EDSA, Quezon City and b) the brand name HARVARD JEANS USA and logo beside Ms. Britney Spears, which pictures seem to show that Ms. Britney Spears is purportedly endorsing or is associated with the brand name HARVARD JEANS USA.
- 3.8 On May 23, 2003, plaintiff's attorney sent a cease and desist letter to respondent by personal delivery informing it's of a) its unauthorized use of the well-known name and mark HARVARD, b) the legal consequences of its unauthorized use of the name and mark HARVARD and, c) the possibility of entering into a license agreement with plaintiff to legitimize respondent's use of the well-known name and mark HARVARD. Attached as Annex "W" is a copy of plaintiff's letter dated May 22, 2003.
- 3.9 In its reply dated June 2, 2003, respondent did not consider the possibility of a licensing agreement to legitimize its continuing unauthorized adoption and use of the HARVARD name and mark, but alleged instead that respondent and/or its predecessor-in-interest had been using the mark HARVARD by authority of its prior registration with the Bureau of Patents, Trademarks And Technology Transfer as early as 1985. Attached as Annex "X" is a copy of respondent's reply dated June 2, 2003.
- 3.10 A trademark search was conducted at the Trademarks Bureau. It revealed a trademark registration for HARVARD in the name of New York Garments Manufacturing & Export Co., Inc., which was subsequently assigned to Romeo Chua Teco in 1991 but was cancelled for registrant's failure to file the fifth (5th) year affidavit of use as shown by the absence of any indication on the affidavit portion (Annex 'Y-1') that a fifth (5th) year affidavit of use was filed by registrant. The search also revealed trademark applications for HARVARD & DESIGN and HARVARD JEANS CO, HJCO under the name Richard Chua Teco and Romeo Chua Teco, respectively. Attached as Annex 'Y' is the cancelled certificate of trademark registration No. 42348 for HARVARD.
- 3.11 On July 28, 2003, plaintiffs attorney sent its second cease and desist letter to respondent a) advising the latter of the cancelled trademark registration for HARVARD, as well as the trademark applications for HARVARD & DESIGN and HARVARD JEANS CO., HJCO and, b) reiterating its previous advice on a licensing agreement to legitimize respondent's unauthorized use of the well-known name and mark HARVARD. Attached as Annex 'Z' is a copy of the second letter dated July 27, 2003.
- 3.12 No reply to plaintiff's second cease and desist letter dated July 23, 2003 was received despite the extensions of time given to respondent."

The Respondent filed its Answer on 24 May 2004 alleging, among other things, the following:

7.) The mark HARVARD for t-shirts, Polo shirts, sandos, briefs, pants, jackets, and slacks was first used in the Philippines by Respondent predecessor-in-interest, New York Garments Manufacturing & Export Co., Inc. on January 2, 1982.

8.) Respondent's predecessor-in-interest, New York Garments Manufacturing & Export Co., Inc. filed an application for trademark registration with the then BPTTT (now IPO) on January 24, 1985 for the mark HARVARD for good under class 25. The said application matured into a registration in the Principal Register and was issued a certificate of Registration on Dec 12, 1988.

9.) The said registration was later assigned to Romeo Chua Teco, a family member of the family-owned, New York Garments Manufacturing & Export Co., Inc. Believing that their mark was registered for a term of 20 years there being no other requirements except for its renewal after the end of the term, Respondent's predecessor-in-interest focused and concentrated all its efforts in marketing and promoting the mark HARVARD for clothing.

10.) In the years that followed, it has spent considerable amount in advertisement and promotion of the mark HARVARD thereby establishing goodwill on the HARVARD mark. Through its aggressive promotion and continuous use of the HARVARD mark, the business flourished and HARVARD became a household name.

11.) On Nov 9, 1995, Respondent, Fredco Manufacturing Corp., was formed and registered with the Securities and Exchange Commission. Since then it handled the marketing and promotion of the mark HARVARD and the manufacture of the clothing articles under the HARVARD mark.

12.) To maintain and expand the goodwill of the HARVARD mark, established by its predecessor-in-interest, Respondent launched an aggressive marketing and promotion campaign by using celebrity endorsers to promote the HARVARD mark. Respondent spent considerable amount in print and media advertising, billboards and ex-deals with celebrity endorsers.

13.) Respondent likewise expanded its marketing channels in various department stores making its presence felt in the clothing retail industry thus gaining a reputation for high quality clothing at reasonable prices.

14.) In its marketing effort, Respondent targeted the young and working class market, through the use of celebrity endorsers, reasonable prices and marketing channels with mass appeal.

15.) To keep up with the changing times and modern trends in marketing, Respondents tapped the internet and created a website to promote and market the HARVARD clothing line.

16.) The clothing retail industry being a competitive one and the fickle fashion taste of the consumers, especially the youth market, respondent has resorted to different marketing gimmicks prevalent in the clothing retail industry. Respondents added the words 'Jeans' and 'USA' in its HARVARD mark to evoke a fashionable feel and image of the western lifestyle from its customers. The addition of the word 'USA' was not used to falsely designate the origin of the word HARVARD clothing line nor was it used to associate or affiliate itself with any institution in the United States of America. A close scrutiny of the word 'USA' reveals that it is written as one word and has no period in between the letters

to prevent an impression that it is the initial of the United States of America. But rather is just a word with the combination of letters 'u', 's', 'a'. The way the word is presented will show that the Respondent has no intention to falsely designate the origin of its goods nor associate and affiliate itself with the United States of America.

17.) The use of the number combinations '1936' is in response to the current marketing and fashion trend that major brands are identified by a number of combinations of numbers. The respondent HARVARD mark is identified with the number of combination '1936'. The chosen number combination has no reference or association with any year but it is just a marketing and fashion gimmick.

18.) To give the number combination '1936' a fashionable feel and image and to remove the dryness if the number combination '1936' is used as it is. Respondent came up with a design that combines the HARVARD mark and '1936' that will evoke an over-all-feel of the western lifestyle from its customers.

19.) This resulted to a design, which appears to be like a stamped mark, thus the same design posted on the opening page of Respondent's website. The presence of the words 'established' 'Cambridge Massachusetts' are just expressions made in order to evoke an over-all-feel of the western lifestyle from its customers. It was not the intention of the Respondent to mislead the public of the year of its establishment or mislead the public as to its association or affiliation with Cambridge, Massachusetts.

20.) Respondent is the rightful owner and the prior uses of the mark HARVARD in the Philippines. Respondent through its predecessor-in-interest has a registration for the mark HARVARD for class 25 as early as 1988 and a date of first use on Jan 2, 1982. Believing that the mark was registered for a term of 20 years there being no other requirements except for its renewal after the end of the term, Respondent's predecessor-in-interest by inadvertence failed to file the affidavit of use/non-use for the 5th Anniversary resulting in the cancellation of the registration on July 30, 1998. However, the right to the mark HARVARD still remains with the Respondent.

21.) The complainant has no right to the mark HARVARD for class 25. Complainant's trademark Registration 56561 based on Home registration for the mark Harvard Veritas Shield for class 25 among others issued on November 25, 1993 was fraudulently obtained and should be cancelled. Under R.A 166, the law under which the registration was obtained provides that no registration shall be issued on a mark already registered in the Philippines or currently used in the Philippines.

22.) Respondent's mark is not confusingly similar with Complainant's mark. Complainant's trademark registrations are not for goods under class 25. Complainant's Trademark Registration No. 57526 for the mark Harvard De Ve Ri Tas Shield Symbol is for educational services namely: providing instruction and training at the undergraduate, graduate, postgraduate and professional levels. Likewise, Complainant's Trademark Registration No. 56539 for the mark Harvard is also for education services. Finally, Complainant's Trademark Registration No. 66677 for the mark Harvard Graphics for computer programs, prerecorded or magnetic disk, namely project management programs and graphic programs. From the enumeration of the goods or services alone on which Complainant's marks are used it is unlikely that there will be a likelihood of confusion with Respondent's mark.

23.) Assuming that Complainant's mark is well-known as alleged, the likelihood of confusion between Complainant's and Respondent's is unlikely. Complainant's mark is used for educational services, hence its fame is only confined to the academic circle and intellectuals. Whereas, Respondent mark is used on clothing articles targeted for the

working class and youth market. From the profile alone of the targeted customers, it is unlikely that a likelihood of confusion will exist.

24.) Complainant's existing Philippine trademark registrations are based on Home registration and not on use. The right to a mark is based on use. Adoption or registration alone does not confer any right to the mark. Complainant's mark has no commercial use in the Philippines whereas Respondent has been using the mark since January 2, 1982 earlier than the dates of the home registration of Complainant's mark.

25.) Under the circumstances, complainant has no cause of action against Respondent as in fact its complaint apparently states no cause of action.

26.) Complainant is on a fishing expedition and comes to court with unclean hands by making it appear on paragraph 2.6 allegation in the complaint that it has a valid registration for goods under class 25 when in truth and in fact the said registration was fraudulently obtained. Such untruthful statement exposed complainant's propensity to mislead the Honorable Office to force respondent to its unjustified and baseless demand for payment of royalties.

27.) Respondent does not owe any amount to complaint and does not have legal and factual basis.

Thereafter, trial proper commenced. The Complainant filed a Motion for Issuance of Letters Commission for the deposition of its foreign witness, Joyce Brinton. Thereafter, complainant moved for the substitution of its witness to the person of Enrique Calixto. Complainant also presented Atty. Jasmine Blancaflor as witness during the hearing on 24 January 2008.

The Complainant also submitted the following pieces of evidence:

1. Exh. "A" - Certification of employment of Enrique Jesus Calixto at the Harvard University at Cambridge, Massachusetts, U.S.A. issued by Elizabeth Cooney, Director of University Administration Human Resources on 08 June 2007 and authenticated on 02 July 2007.
2. Exh. "B" - Authenticated and certified true copy of U.S Trademark ("TM") Reg. No. 1,602,960 issued by the USPTO on 01 Dec. 2003 for HARVARD VERITAS VERITAS SHIELD SYMBOL;
3. Exh. "B-1" - Authenticated and certified true copy of Australia TM Reg. No. B532195 issued by Penelope Bailey, Deputy Registrar in the Trademarks Office of Canberra, Australia for HARVARD
4. Exh. "B-2" - Authenticated and certified true copy of Australia TM Reg. No. B532196 issued by Penelope Bailey, Deputy Registrar in the Trademarks Office of Canberra, Australia for HARVARD VERITAS SHIELD SYMBOL;
5. Exh. "B-3" - Authenticated and certified true copy of Australia TM Reg. No. 792597 issued by Penelope Bailey, Deputy Registrar in the Trademarks Office of Canberra, Australia for HARVARD;
6. Exh. "B-4" - Authenticated and certified true copy of Benelux TM Reg. No. 0492709 issued by Dr. Pierre Henri Marie Keesom, Trademarks Office for Harvard;

7. Exh. "B-5"- Authenticated and certified true copy of Benelux TM Reg. No. 0507023 issued by Dr. Pierre Henri Marie Keesom, Trademarks Office for HARVARD VERITAS SHIELD SYMBOL;
8. Exh."B-6"- Authenticated and certified true copy of the Marquez De Fabrique De Commerce Ou De Service Reg. No. 2199507 issued by the Institut National De La Propriete Industrielle for HARVARD VERITAS SHIELD SYMBOL;
9. Exh. "B-7"- Authenticated and certified true copy of the Marquez De Fabrique De Commerce Ou De Service Reg. No. 2223747 2199507 issued by the Institut National De La Propriete Industrielle for HARVARD;
10. Exh. "B-8"- Authenticated and certified true copy of TM Reg. No. 1994B06206 issued by the Intellectual Property ("IP") Dept. of the Govt. of Hong Kong for HARVARD;
11. Exh. "B-9"- Authenticated and certified true copy of TM Reg. No. 200108267 issued by the IP Dept. of the Govt. of Hong Kong for HARVARD;
12. Exh. "B-10"- Authenticated and certified true copy of TM Reg. No. 199406205 issued by the IP Dept. of the Govt. of Hong Kong for HARVARD VERITAS;
13. Exh. "B-11"- Authenticated and certified true copy of TM Reg. No. 1469266 issued by the United Kingdom ("U.K") Register of Trademarks for HARVARD VERITAS AND SHIELD SYMBOL;
14. Exh. "B-12"- Authenticated and certified true copy of TM Reg. No. 1469265 issued by the U.K Register of Trademarks for HARVARD VERITAS AND SHIELD SYMBOL;
15. Exh. "C"- A page from the Harvard's website on the Harvard Club of the Netherlands with its variety of programs and educational activities;
16. Exh. "C-1", "C-2" and "C-3"- Cover page, pages 490 and 491 of the Harvard University 2005 Alumni Directory showing the Harvard alumni from Belgium;
17. Exh. "C-4" and "C-5"- Cover page and page 532 of the Harvard University 2005 Alumni Directory showing the Harvard alumni from Luxembourg;
18. Exh. "C-6", "C-7" and "C-8"- Cover page, pages 536 and 537 of the Harvard University 2005 Alumni Directory showing the Harvard alumni from the Netherlands;
19. Exh. "D"- A page from Harvard's website on the Harvard Club of Hong Kong and its activities;
20. Exh. "D-1"- Printout from the Harvard Business School Global Initiative, Asia Pacific Research Center website mentioning research activities;
21. Exh. "D-2"- Printouts (2 pages) from the alumni website of the Harvard Business School mentioning the educational its activities including the global alumni conference in Hong Kong;
22. Exh. "D-3"- Printouts (3 pages) from the Harvard Business School Bulletin Online mentioning the educational activities of the Hong Kong based Harvard Business School Asia-Pacific Research Office;
23. Exh. "D-4", "D-5" and "D-6"- Cover page, pages 517 and 518 of the Harvard University 2005 Alumni Directory showing the Harvard alumni from Hong Kong;

24. Exh. "E" - Printouts (3 pages) from the Harvard Club of the U.K website mentioning the programs and educational activities of the Harvard Club in U.K.;
25. Exh. "E-1"- Printouts (3 pages) from Harvard Medical International website mentioning the programs and educational activities of the Harvard Club in U.K.;
26. Exh. "E-2"- Printout from the Office of the International Programs, Faculty of Arts & Sciences, Harvard University mentioning educational programs sponsored by Harvard University in the U.K.;
27. Exh. "E-3" to "E-15"- Cover page, pages 560 to 572 of the Harvard University 2005 Alumni Directory showing the Harvard alumni from the U.K.;
28. Exh. "F" - Authenticated and true copy of the Consent Judgment in Civil Action No. 99CV12489RCL entitled "President and Fellows of Harvard College vs. Michael Rhys d/b/a Web-Pro and Michael Douglas d/b/a Web Productions" (referred to as Schedule 3 of the Affidavit);
29. Exh. "G" to "G-4"- Copies of the cover page, table of contents and pages 112 to 115 of the book "Brands An International Review by Interbrand" published by Gold Arrow Publications, Ltd.;
30. Exh. "G-5" to "G-9"- Copies of the Times Higher Education Supplement "World University Rankings" Nov. 5, 2004 pages 3 to 6;
31. Exh. "G-10" to "G-12"- Printouts consisting of three pages of the article "Cambridge Rises Up the Ranks of the World's Best" published in the Independent Online Edition, Mar. 27, 2007;
32. Exh. "G-13"- Harvard, US, 100;
33. Exh. G-14"- Printout of the top 500 World Universities issued by the Institute of Higher Education, Shanghai Jiao Tong University 2005 consisting 20 pages;
34. Exh. "H"- Authenticated copy of the Res. No. 0302040 of the Turkish Patent Institute of the Republic of Turkey in the opposition against the mark "Harvard Café Device";
35. Exh. "H-1" to "H-3"- Authenticated copy of the Res. No. 0302040 of the Ecuadorian Institute of Intellectual Property with regard to the application for registration of the denomination "Harvard + Logotype";
36. Exh. "H-4"- Authenticated copy of the Judgment rendered by the Taipei Administrative High Court with regard to the Chinese transliteration of "Harvard", which is phonetically similar to the name and mark HARVARD;
37. Exh. "I" to "I-10"- Copy of the pages from the book entitled, "Famous and Well-Known Marks" by Frederick W. Mostert and published by the International Trademark Association;
38. Exh. "J"- Jan. 1, 2006 Trademark License Agreement (11 pages) between the Complainant and Champion Custom Products on the manufacture, distribution and sale of apparel, outerwear headwear in the U.S.A. using the HARVARD mark and the Shields of the Harvard University;

39. Exh. "J"- Jan. 1, 2004 Harvard University/Right-On Trademark Licensing Agreement (15 pages) on the manufacture, distribution and sale of apparel for men, women and children, headgear, footwear, bags, belts and sunglasses in Japan using HARVARD mark and the Shields of the Harvard University;
40. Exh. "J-2"- Nov. 1, 2005 Harvard University Trademark Licensing Agreement with E-Land Co., Ltd. (14 pages) on the manufacture, distribution and sale of neckties, mufflers, handkerchiefs, cups, plush toys, ball point pens, postcards, posters, pencils, notebooks and binders in Korea using the HARVARD mark and the Shields of the Harvard University;
41. Exh. "J-3" to "J-5"- Print advertisements of Gear for Sports showing the mark HARVARD on apparel;
42. Exh. "J-6" to "J-8"- Cover page and pages 5 and 23 of the Jansport Custom Products Catalog of 2002 showing the HARVARD mark on apparel;
43. Exh. "J-9"- Docket report of the 55 Harvard University Trademark Enforcement matters all over the world active and/or pending as of Mar. 19, 2007 (30 pages);
44. Exh. "J-10"- Docket report of all the 363 Harvard University Trademark Enforcement matters all over the world active and/or pending as of Mar. 19, 2007 (155 pages);
45. Exh. "K"- Authenticated articles containing references to HARVARD and activities in the Philippines of the Harvard University and/or its graduates, which appeared in the Business World from 1998 to 2006 in the Philippines and as provided to LexisNexis® by Business World Publishing Corporation;
46. Exh. "K-1" to "K-4"- Print advertisements of Harvard products for sale at www.thecoop.com as published in the Philippines Daily Inquirer on June 1, 2, 3 and 4, 2006;
47. Exh. "L"- Certified copy of the proceedings for the Motion for Preliminary Injunction in Civil Action No. 00-12625-RGS entitled, "President and Fellows of Harvard University v. Harvard Bioscience" before the Hon. Richard G. Steams, U.S. District Court, District of Massachusetts. (referred to as Schedule 4 of the Affidavit);
48. Exh. "M"- Maroon T-Shirt with the mark HARVARD in front and with the tag of the licensed manufacturer Champion Custom Products;
49. Exh. "N"- Letter of the Office of Legal Affairs of the Department of Foreign Affairs on Sept. 12, 2007, stating the submission of the original transcript of the deposition of Enrique Jesus Calixto held Aug. 8, 2007 on the instant case, together with the requisite certification, the envelope containing the transcript, and the sealed box containing the exhibits;
50. Exh. "N-1"- Authenticated Certification issued by Atty. Leandro B. Lachica, Vice Consul of the Philippines in and for the Consular District of New York, U.S.A.;
51. Exh. "N-2" to "N-71"- Transcript of the Stenographic Notes ("TSN") Upon Written Cross-Interrogatories of witness Enrique Calixto;
52. Exh. "N-72"- Errata page on corrections of typographical errors on exhibit pages;
53. Exh. "N-72-a"- Signature of Enrique Calixto;

54. Exh. "N-73"- Certification issued by Roberta Caiola, the Shorthand Reporter from Legalink Manhattan present at the deposition of Enrique Jesus Calixto;
55. Exh. "N-74" to "N-79"- Index pages showing the list exhibits and their description;
56. Exh. "N-80" to "N-81"- Letter to Enrique Calixto dated Aug. 27, 2008 and an errata page from Legalink;
57. Exh. "N-82"- Certification of the witness, Enrique Calixto;
58. Exh. "N-83" to "N-92"- List of words that appeared in the TSN which are arranged alphabetically;
59. Exh. "N-93"- Envelope which contained the TSN of the Deposition Upon Written Cross-Interrogatories addressed to the Hearing Officer on the instant case;
60. Exh. "N-94"- Box containing the exhibits referred to in the TSN of the Deposition;
61. Exh. "O" to "O-6"- Affidavit of Enrique Jesus Calixto executed on July 7, 2005, and authenticated by the Consulate General of the Philippines in the State of New York on Aug. 2, 2005 (hereinafter referred to as "Affidavit");
62. Exh. "P" to "P-1"- Certified copy of Phil. TM Reg. No. 56539 for HARVARD ;
63. Exh. "P-2" to "P-2-b"- Certified copy of Phil. TM Reg. No. 66677 for HARVARD GRAPHICS;
64. Exh. "P-3" to "P-3-d"- Certified copy of Phil. TM Application No. 4-2003-004090 for HARVARD MEDICAL INTERNATIONAL AND SHIELD DESIGN;
65. Exh. "P-4" to "P-4-a"- Certified copy of Phil. TM Reg. No. 57526 for HARVARD VERITAS SHIELD SYMBOL;
66. Exh. "P-5" to "P-5-a"- Certified copy of Phil. TM Reg. No. 56561 for HARVARD VERITAS SHIELD SYMBOL;
67. Exh. "Q" to "Q-32"- Authenticated and certified internet copies of The Harvard Guide, The Faces, Places, History and Lore of America's Oldest University;
68. Exh. "R" to "R-1-6"- Authenticated and certified copies of the U.S. News & World Report, Oct. 15, 1990 Special Edition on America's Best Colleges;
69. Exh. "R-2" to "R-2-h"- Authenticated and certified copies of the U.S. News & World Report, Sept. 30, 1991 on America's Best Colleges;
70. Exh. "R-3" to "R-3-f"- Authenticated and certified copies of the U.S. News & World Report, Sept. 28, 1992 on America's Best Colleges;
71. Exh. "R-4" to "R-4-d"- Authenticated and certified copies of the U.S. News & World Report, Mar. 23, 1992 on America's Best Colleges;
72. Exh. "R-5" to "R-5-f"- Authenticated and certified copies of the U.S. News & World Report, Oct. 04, 1993 on America's Best Colleges;
73. Exh. "R-6" to "R-6-f"- Authenticated and certified copies of the U.S. News & World Report, 1995 on America's Best Colleges;

74. Exh. "R-7" to "R-7-g"- Authenticated and certified copies of the U.S. News & World Report, Sept. 18, 1995 on America's Best Colleges;
75. Exh. "R-8" to "R-8-g"- Authenticated and certified copies of the U.S. News & World Report, Sept. 1996 on Best Colleges;
76. Exh. "R-9" to "R-9-d"- Authenticated and certified copies of the U.S. News & World Report, Aug. 31, 1998 on Best National Universities;
77. Exh. "R-10" to "R-10-e"- Authenticated and certified copies of the U.S. News & World Report, Aug. 30, 1999 on America's Best Colleges;
78. Exh. "R-11" to "R-11-f"- Authenticated and certified copies of the U.S. News & World Report, Sept. 11, 2000 on America's Best Colleges;
79. Exh. "R-12" to "R-12-n"- Authenticated and certified copies of the U.S. News & World Report, Sept. 17, 2001 on America's Best Colleges;
80. Exh. "R-13" to "R-13-q"- Authenticated and certified copies of the U.S. News & World Report, Sept. 23, 2002 on America's Best Colleges;
81. Exh. "S" to "S-100"- 1998-2002 Foreign Activities Chart Of Harvard University;
82. Exh. "T" to "T-5"- Authenticated and certified internet printouts of the Harvard Guide;
83. Exh. "U" to "U-4"- Pages 4 to 6 of the 2000 Harvard Alumni Directory;
84. Exh. "V" to "V-4"- Authenticated and certified internet printouts of the Harvard School of Public Health;
85. Exh. "W" to "W-40"- Authenticated and certified internet printouts of Harvard Human Rights Journal;
86. Exh. "X" to "X-4"- Authenticated and certified internet printouts of the Institute of government Innovation, John F. Kennedy School of Government, Harvard University;
87. Exh. "Y" to "Y-16"- Authenticated and certified internet printouts of the Magazine Publisher's Statement for 1998, 2000 and 2002 regarding Harvard Business Review;
88. Exh. "Z" to "Z-1"- Explanation of the Trademark Licensing Program of Harvard University;
89. Exh. "AA" to "AA-2"- List of Harvard University Trademark Licensees;
90. Exh. "BB" to "BB-8"- Authenticated and certified copy of the article entitled "Most Valuable Brands" as published in the Financial World in Oct. 1997;
91. Exh. "CC" to "CC-44"- Authenticated Charter of the President and Fellows of Harvard College;
92. Exh. "DD" to "DD-1-a"- Letter of May 22, 2003 to Fredco Manufacturing Corp.;
93. Exh. "EE" to "EE-1"- Internet printout of the Company Profile of Fredco Manufacturing Corp.;

94. Exh. "FF" to "FF-2"- Internet printout of the "Harvard Jeans Main Page";
95. Exh. "GG"- Internet printout of the brief history of "Harvard Jeans USA";
96. Exh. "HH"- Internet printout of the outlet locator for the "Harvard Jeans USA";
97. Exh. "II"- Internet printout of the news and activities in connection with the promotion of "Harvard Jeans USA";
98. Exh. "JJ"- Internet printout of the celebrity and print-ad models of "Harvard Jeans USA";
99. Exh. "KK" to "K-12"- Certified true copy of the SEC Reg. No. AS095-011274 of Fredco Manufacturing Corporation;
100. Exh. "LL" to "LL-1"- Photos of the billboards of Britney Spears with the "Harvard Jeans USA" logo located near SM North EDSA and Quirino Avenue Corner Osmena Avenue;
101. Exh. "MM"- Medium yellow mustard shirt with the "Harvard Jeans USA" logo, the words "Established in 1936", "Cambridge, Massachusetts" and the words "Since 1936";
102. Exh. "MM-1"- Price tag showing the name of the store Shoe Mart ("SM"), the words "Harvard Jeans" and the price P249.75;
103. Exh. "MM-2"- Dark Blue denim pants size 31 with the label "Harvard Jeans USA";
104. Exh. "MM-2-a"- Price tag showing the name of the store Shoe Mart, the "Harvard Jeans USA" logo, the words "Cambridge, Massachusetts Since 1936", and the price P350.00 for the denim pants;
105. Exh. "MM-3" to "MM-3-a"- SM Makati official receipt issued on Nov. 10, 2003 for "Harvard Tops" in the total amount of P599.75 representing P249.75 for the shirt and P350.00 for the denim pants;
106. Exh. "NN" to "NN-1"- Letter of June 2, 2003 from Atty. Isidro Escano, the then counsel of Fredco Manufacturing Corp., in reply to the letter of May 22,2003 of the Complainant;
107. Exh. "PP" to "PP-2-a"- Letter dated July 28, 2003 to Atty. Isidro Escano in reply to his letter of June 2, 2003;
108. Exh. "QQ" to "QQ-3"-Certified copy of the Phil. TM Reg. No. 42348 for Harvard in the name of New York Garments Manufacturing & Export Company, Inc., and which was subsequently assigned to Romeo Chua Teco;
109. Exh. "RR"- Large White T-Shirt with the words "Harvard Jeans USA" "Massachusetts, Since 1936";
110. Exh. "RR-1"- Price tag showing the name of the store Shoe Mart, the words "Harvard USA", and the P349.75;
111. Exh. "RR-2"- SM Makati official receipt issued on Jan. 24, 2008 for "Harvard Tops" in the amount of P349.75; and

112. Exh. "SS" to "SS-9"- Authenticated and certified list of the worldwide trademark registrations and applications for the Complainant HARVARD marks;

The Respondent's evidence on the other hand consists of the testimony of Romeo Chua Teco and the following:

1. Exh. "A"- Secretary's Certificate;
2. Exh. "B"- TM Reg. application filed on Jan. 24, 1985 for "Harvard" for goods under class 25;
3. Exh. "B1"to "B3"- TM Cert. of Reg. No. 42348 issued on Dec. 12, 1988;
4. Exh. "C" to "C1"- Supplemental Register issued on Sept. 20, 1985;
5. Exh. "D", "D1" to "D240"- Marketing and Promotion of the mark "HARVARD" for clothing;
6. Exh. "E", "E1" to "E92"- Advertisement and promotion of the mark "Harvard";
7. Exh. "F1" to "F16"- Complainant's Philippine Registration;
8. Exh. "G", "G1" to "G115"- SEC Registration, dated November 1995; and
9. Exh. "H", "H1" to "H8"- Print and Media Advertising materials.

The issues to be resolved in this case, as determined during the Pre-Trial Conference are the following:

1. Whether the Respondent's act of appropriating and using the name HARVARD is violative of the treaty obligations of the Philippines under the Paris Convention and the Agreement of Trade Related Aspects of Intellectual Property Rights;
2. Whether the Respondent's use of the name and mark HARVARD in conjunction with the words "USA", "Cambridge Massachusetts" and "1936" without the Complainant's consent constitute trademark infringement and/or unfair competition;
3. Whether or not the Respondent is the rightful owner of the trademark "HARVARD";
4. Whether or not the Complainant is entitled to damages; and
5. Whether or not the complainant states a cause of action.

The first and third issues have been settled in G.R No. 185917, entitled Fredco Manufacturing Corporation v. President and Fellows of Harvard College (Harvard University), wherein the Supreme Court in its Decision promulgated on June 1, 2011, affirmed the Court of Appeal's October 24, 2008 decision and January 8, 2009 resolution in CA-G.R. SP No. 103394, which sustained the ruling of the Director General of the Intellectual Property Office of the Philippines on April 21, 2008. The Director General earlier held that the Complainant, not the Respondent, is the owner of the mark Harvard and therefore, the party who has the right to use and register it as a trademark. According to the Supreme Court:

Harvard is the trade name of the famous Harvard University, and it is also a trademark of Harvard University. Under Article 8 of the Paris Convention, as well as Section 37 of R.A. No. 166, Harvard University is entitled to protection in the Philippines of its trade name

Harvard even without registration of such trade name in the Philippines. This means that no educational entity in the Philippines can use the trade name "HARVARD" without the consent of Harvard University. Likewise, no entity in the Philippines can claim, expressly or impliedly through the use of the name or mark "Harvard" that its products or services are authorized approved or licensed by, or sourced from Harvard University without the latter's consent.

Going now to the second and fifth issues, this Bureau finds that on the basis of the records, evidence, law, and jurisprudence, the Respondent's use of the mark HARVARD constitutes trademark infringement and unfair competition.

Sec. 155 of the IP Code provides:

Sec.155. Remedies; Infringement

Any person who shall, without the consent of the owner of the registered mark:

155.1 Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

155.2 Reproduce, counterfeit, copy or colorably imitate a registered mark or a dominant feature thereof and apply such reproduce, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action for infringement by the registrant for the remedies hereinafter set forth: Provided, That the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed regardless of whether there is actual sale of goods or services using the infringing material. (Sec. 22, R.A. No 166a)

It is not disputed that the Respondent has been using the mark Harvard in connection with the sale, offering for sale, advertising, and other related acts, pertaining to goods, and such use is not authorized by the Complainant. Considering the fame and notoriety of the name "Harvard", which is also been used by the Complainant in commerce as a trademark, the use by the Respondent of the identical "Harvard" name or mark is likely to cause confusion, mistake or deception. As the Supreme Court held in *Fredco Manufacturing Corporation v. President and Fellows of Harvard College (Harvard University)*:

There is no question then, and this Court so declares, that "Harvard" is a well-known name and mark not only in the United States but also internationally, including the Philippines. The mark "Harvard" is rated as one of the famous marks in the world. It has been registered in at least 50 countries. It has been used and promoted extensively in numerous publications worldwide. It has established a considerable goodwill worldwide since the founding of Harvard University more than 350 years ago. It is easily recognizable as the trade name and mark of Harvard University of Cambridge, Massachusetts, U.S.A., internationally known as one of the leading educational institution in the world. x x x

The Respondent, or its predecessor, may have registered the name "Harvard" as a trademark in the Philippines. However, the registration was already cancelled even before the Complainant asked the Respondent to cease and desist from using the mark. Moreover, the

Supreme Court stated that the Respondent's predecessor's application for registration of the mark should have been rejected or disallowed. According to the Supreme Court in the cited case:

"Harvard" is the trade name of the world famous Harvard University, and it is also a trademark of Harvard University. Under Article 8 of the Paris Convention, as well as Section 37 of R.A. 166, Harvard University is entitled to protection in the Philippines of its trade name "Harvard" even without registration of such trade name in the Philippines. This means that no educational entity in the Philippines can use the trade name "Harvard" without the consent of Harvard University. Likewise, no entity in the Philippines can claim, expressly or impliedly through the use of the name and mark "Harvard", that its products or services are authorized, approved, or licensed by, or sourced from, Harvard University without the latter's consent.

x x x

There is no question then, and this Court so declares, that "Harvard" is a well-known name and mark not only in the United States but also internationally, including the Philippines. The mark "Harvard" is rated as one of the famous marks in the world. It has been registered in at least 50 countries. It has been used and promoted extensively in numerous publications worldwide. It has established a considerable goodwill worldwide since the founding of Harvard University more than 350 years ago. It is easily recognizable as the trade name and mark of Harvard University of Cambridge, Massachusetts, U.S.A., internationally known as one of the leading educational institutions in the world. As such, even before Harvard University applied for registration of the mark "Harvard" in the Philippines, the mark was already protected under Article 6bis and Article 8 of the Paris Convention.

Succinctly, this Bureau also finds that the manner by which the Respondent has used the name or mark "Harvard" is a form of unfair competition. Sections 168 and 169 of the IP Code provide:

SEC.168. Unfair Competition, Rights, Regulation and Remedies.

SEC.168.1 A person who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others, whether or not a registered mark is employed, has a property right in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other property rights.

SEC.168.2 Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce and result, shall be guilty of unfair competition, and shall be subject to an action therefore.

SEC.168.3 In particular, and without in any way limiting the scope of protection against unfair competition, the following shall be deemed guilty of unfair competition:

- (a) Any person, who is selling his goods and gives them the general appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, other than the actual manufacturer or dealer, or who otherwise clothes the goods with such appearance as shall deceive the public and defraud another of his

legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose;

- (b) Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such person is offering the services of another who has identified such services in the mind of the public; or
- (c) Any person who shall make any false statement in the course of trade or who shall commit any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another.

168.4 The remedies provided by Sections 156, 157 and 161 shall apply mutandis. (Sec. 29, R.A. No. 166a)

SEC. 169. False Designations of Origin; False Description or Representation.

169.1 Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which:

- (a) Is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person; or
- (b) In commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable to a civil action for damages and injunction provided in Sections 156 and 157 of this Act by any person who believes that he or she is or likely to be damaged by such act.

169.2 Any goods marked or labeled in contravention of the provisions of this Section shall not be imported into the Philippines or admitted entry at any customhouse of the Philippines. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse under the customs revenue laws or may have the remedy given by this Act in cases involving goods refused entry or seized. (Sec. 30, R.A. No. 166a)

Records and evidence show that in selling its goods or merchandise, the Respondent has used the name "Harvard" in conjunction with the words "USA", "Cambridge, Massachusetts," and "1936". The Respondent explanation that the use of these words in conjunction with one another was one of marketing gimmicks does not help its position. The Respondent's allegation that it added the words "Jeans" and "USA" in its "Harvard" mark to evoke a fashionable feel and image of the western lifestyle from its customers contradicts its claim that the word "USA" was not used to falsely designate the origin of the word "Harvard" clothing line nor was it used to associate or affiliate itself with any institution in the United States of America. The Respondent has used the words "USA", "Cambridge, Massachusetts", and "1936" all in conjunction with name "Harvard". Harvard University is in Cambridge, Massachusetts, U.S.A. Even "1936", if analyzed closely, finds connection with Harvard. The institution was named "Harvard College" in the year 1639. It appears that the numbers were only jumbled or rearranged into "1936". All of these point to a conclusion that the Respondent is riding on the goodwill, prestige and popularity of Harvard University to achieve an unduly commercial advantage in the industry. Again, as the Supreme Court held in *Fredco Manufacturing Corporation c. President and Fellows of Harvard College (Harvard University)*:

Fredco's use of the mark "Harvard", coupled with its claimed origin in Cambridge, Massachusetts, obviously suggests a false connection with Harvard University. On this ground alone Fredco's registration of the mark "Harvard" should have been disallowed. Indisputably, Fredco does not have any affiliation or connection with Harvard University, or even with Cambridge, Massachusetts. Fredco or its predecessor New York Garments was not established in 1936, or in the U.S.A as indicated by Fredco in its oblong logo. Fredco offered no explanation to the Court of Appeals or to the IPO why it used the mark "Harvard" on its oblong logo with the words "Cambridge, Massachusetts", "Established in 1936", and "USA". Fredco now claims before this Court that it used these words "to evoke a 'lifestyle' or suggest a 'desirable aura' of petitioner's clothing lines." Fredco's belated justification merely confirms that it sought to connect or associate its products with Harvard University, riding on the prestige and popularity of Harvard University, and thus, appropriating part of Harvard University's goodwill without the latter's consent.

Accordingly, with the findings that the Respondent is guilty of trademark infringement and unfair competition, this Bureau may award damages pursuant to Sec. 10.2 (b) of the IP Code.

The evidence on record is not sufficient to establish the actual amount of pecuniary loss incurred by the Complainant. This Bureau, however, is convinced that the Complainant suffered pecuniary loss arising out of the Respondent riding in on the goodwill, reputation and prestige evoked by the name "Harvard", without the latter properly compensating the former. Hence, it is deemed proper to award to the Complainant temperate damages in lieu of actual or compensatory damages.

Also, while being a juridical entity, the Complainant as a revered institution, may be entitled to an award for moral damages, as the Respondent's infractions clearly besmirched the Complainant's reputation. By way of deterrence against infringement of intellectual property rights and unfair competition, the Respondent should be assessed exemplary damages. Moreover, because the Complainant was constrained to take legal action to protect its right, said party is entitled to an award of attorney's fees.

Wherefore, premises considered, this Bureau finds the Respondent liable for infringement of the trademark and unfair competition. Accordingly, the Respondent is hereby ordered to immediately"

1. cease and desist from using the mark HARVARD in its goods and services, and
2. pay the Complainant as follows:
 - a. temperate damages in the amount of Php500,000;
 - b. moral damages in the amount of Php200,000;
 - c. exemplary damages in the amount of Php100,000; and
 - d. Attorney's fees in the amount of Php100, 000.

SO ORDERED.

Taguig City, 14 November 2011.

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs
Intellectual Property Office