

THE LIMITED STORES, INC.,
Opposer,

- versus -

CHUA SIN HIO,
Respondent-Applicant.)

x-----x

INTER PARTES CASE NO. 3489

OPPOSITION TO:

Application Serial No. 66120
Filed : November 2, 1988
Applicant : Chua Sin Hio
Trademark : OUTBACK RED & DEVICE
Used on : T-shirts, polo shirts,
pants, jeans, blouses,
& ladies and children's
dresses

DECISION NO. 93-18 (TM)

December 29, 1993

DECISION

This is an Opposition to the registration of the trademark OUTBACK RED & DEVICE with Application Serial No. 66120 filed on 02 November 1988 by Chua Sin Hio of 1751 Jose Abad Santos Street, Tondo, Manila. Said Application was published for opposition on page 33, Volume II No. of the BPTTT Official Gazette which was officially released on 02 October 1988.

Opposer, the Limited Stores, Inc., a corporation duly organized and existing under the laws of the United States of America and with postal address at 90 Coluccit Umans, Manhattan Tower, 101 East 52nd Street, New York, New York, U.S.A., believes that it would be damaged by such registration and opposed the said registration on the grounds that:

- “1. The Opposer is the owner of several foreign Certificates of Registration in different countries spanning four continents for the trademark OUTBACK RED & DEVICE.
- 2. The respondent’s trademark OUTBACK RED & DEVICE, when applied to or used in connection with the goods of the respondent, causes or shall cause confusion and mistake and deceives or shall deceive purchasers as to the source and origin of the goods and enable or shall enable unscrupulous dealers to pass off the goods of CHUA SIN HIO for those of the Opposer herein to the damaged of both the Opposer and the buying public especially so since respondent-applicant is in the tableware manufacturing business.
- 3. The trademark OUTBACK RED & DEVICE is, and ever since its adoption has been continuously applied to products of Opposer, to the package and containers of said products and to the labels affixed to said packages and containers. The trademark OUTBACK RED & DEVICE has come to be and now is popularly known throughout the Americas, in most parts of Europe and Asia, and other parts of the world, and is of great value to the Opposer herein. Said mark identifies and designates the products to which it is applied as coming exclusively from Opposer and distinguishes such products from the products of others, more particularly, of herein respondent-applicant.”

The Notice to Answer issued by this Office was properly received by the Respondent-Applicant. Despite series of motions for extension of time to file Answer which were all granted by this Office, the required pleading was not submitted. Finally, this Office issued Order No. 92-

681, dated 24 September 1992 declaring MOTU PROPIO the Respondent-Applicant in DEFAULT.

Subsequently, a Motion to Lift Order of Default was filed an Opposition thereto on 14 October 1991. On 29 October 1992, this Office issued Resolution No. 92-14 denying the said Motion and allowed the Opposer to present its evidence *ex-parte* on 27 November 1992.

Opposer marked and formally submitted in evidence the testimony of its lone witness, Scott R. Schultz, its Vice-President/Comptroller and authenticated copies of the Certificate of Registration of the trademark OUTBACK RED & DEVICE in the name of the Opposer in various countries.

The main issued is of whether or not the Opposer will be damaged by the Registration of the mark OUTBACK RED in favor of the Respondent-Applicant.

In its Memorandum filed on 21 December 1992, Opposer claims first use of the mark in question in 1985 which was first registered in the United States Patent and Trademark Office on 19 January 1988. In addition to this U.S. Registration, opposer submitted certificates of registration of the same mark in various countries. Based on these facts, the Opposer, as this Office is led to believe, is now seeking refuge under the Convention of Paris for Protection of Industrial property claiming that the trademark "OUTBACK RED & DEVICE" was already internationally known at the time the Respondent-Applicant filed his application for the same mark.

The Philippines is a member of the Paris Convention for the Protection of Industrial Property. Article 6bis thereof adheres to the principle of territoriality not in the strict sense, in that use in the country where protection is sought is not required; it suffices that such marks are considered by the competent authority of the country where protection is sought, to be well known in that country as being already the mark of a person entitled to the benefits of the Convention and used for identical or similar goods.

To implement Art 6bis, Minister of Trade and Industry Luis Villafuerte, issued on November 20, 1980 a Memorandum Circular (Villafuerte Memorandum) which was addressed to the Director of Patents directing the latter:

. . . to protect all pending applications for Philippine registration of signature and other world famous trademarks by applicants other than its original owners or users.

The conflicting claims over internationally known trademarks involve such name brands as Lacoste, Jordache, Gloria Vanderbilt, Sasson, Fila, Pierre Cardin, Gucci, Christian Dior, Oscar de la Renta, Calvin Klein, Givenchy, Ralph Lauren, Geoffrey Beene, Lanvin and Ted Lapidus.

It is further directed that, in cases where warranted, Philippine registrants of such trademarks should be asked to surrender their local owners or original users.

Subsequently, Minister of Trade Roberto Ongpin, pursuant to his rule-making authority under Executive Order 913, issued a Memorandum (Ongpin Memorandum) setting the criteria to be applied in resolving the question as to whether or not a trademark is entitled to protection under Article 6bis of the Paris Convention as a well-known mark. The memorandum provides:

1. That the trademark under consideration is well-known in the Philippines or is a mark already belonging to a person entitled to the benefits of the convention, should be established pursuant to Philippine Patent Office procedures in *inter partes* and *ex-parte cases*, according to any of the following criteria or any combination thereof:

(a) a declaration by the Minister of Trade and Industry that the trademark being considered is already well-known in the Philippines such that permission for its use by other than its original owner will constitute a reproduction, imitation, translation or other infringement.

(b) that the trademark is used in commerce internationally, supported by proof that goods bearing the trademark are sold on an international scale, advertisement of factories, sales offices, distributorships and the like, in different countries, including volume or other measure of international trade and commerce;

(c) that the trademark is duly registered in the industrial property office(s) of another country or countries, taking into consideration the dates of such registration;

(d) that the trademark has been long established and obtained goodwill and general international consumer recognition as belonging to one owner or source;

(e) that the trademark actually belongs to a party claiming ownership and has the right to registration under the provisions of the aforesaid PARIS CONVENTION.

It is noted that use in commerce internationally rather than use in the Philippines is one of the criteria in determining whether a trademark is well-known.

The Director of Patents had applied these principles in adjudicating several inter partes cases. In *Bridgestone Tire Co., Ltd. v. Ramcar Inc.*, Inter Partes Case No. 1318, Decision No. 88-107, 13 October 1988, the Director gave due course to the opposition to the application for registration of the mark Bridgestone for automotive batteries on the ground that it violates the rights acquired by the opposer in the mark Bridgestone for automobile tires.

In support of his decision, the Director took into consideration the evidence of the opposer indicating that it obtained registration of Bridgestone for automobile tires from one hundred twelve (112) countries including the Philippines, and that it used the mark, albeit with tires, in the Philippines since 1952. He ruled that Bridgestone "is well-known throughout the world including the Philippines. Opposer, therefore, also deserves protection under Article 6bis of the Paris Convention."

Following the guidelines set forth in the Ongpin Memorandum and in consonance with the *Bridgestone Case*, this Office rules that the mark "OUTBACK RED and DEVICE" is an internationally well-known mark. The records show that it has registrations for the said mark in various countries spanning all the continents of the globe. Its sales for the last three years amounted to hundreds of millions of US Dollars per year. This indicates large market acceptance for the mark "OUTBACK RED and DEVICE". Thus, the owners thereof are entitled to be protected in its jurisdiction.

In *La Chemise Lacoste v. Fernandez*, 129 SCRA 373 a landmark in the field of intellectual property law, the court begins with a classic preamble, to wit: "It is among the Court's concerns that the Philippines should not acquire an unbecoming reputation among the manufacturing and trading centers of the world as a haven for intellectual pirates imitating and illegally profiting from trademark and tradenames which have established themselves in international or foreign trade."

The court upheld the legal capacity of the trademark owner *La Chemise Lacoste*, a French corporation (*Sociedad Anonima*) to bring a criminal complaint for unfair competition in the

Philippines on the strength of the country's commitment as a member of the Paris Convention to protect the industrial property of national member states against unfair competition in the Philippines. The Villafuerte Memorandum, which directed the Director of Patents to reject or refuse applications involving Lacoste and several other so-called signature marks considered as well-known marks, must be obeyed because "it is a clear manifestation of our avowed adherence to a policy of cooperation and amity with all nations." In an *obiter*, it cited with approval the Intermediate Appellate Court's ruling in *La Chemise Lacoste v. Sadhwani* in sustaining the power of the Minister of Trade, as the "competent authority of the country of registration" under Article 6bis of the Paris Convention issue the Memorandum. The Villafuerte Memorandum made no reference to use in the Philippines as a condition for its implementation.

WHEREFORE, premises considered, this Opposition is hereby SUSTAINED. Application Serial No. 66120 is hereby REJECTED.

Let the filewrapper of this case be forwarded to the Trademark Examining Division for appropriate action in accordance with this Decision.

SO ORDERED.

IGNACIO S. SAPALO
Director