

PAUL FRANK INDUSTRIES, INC.,	}	IPC No. 14-2007-00247
Opposer,	}	Opposition to:
	}	Appln. No. 4-2003-011090
	}	Date Filed: 23 December 2003
-versus-	}	TM: "PAUL FRANK WITH
	}	LOGO AND PAUL FRANK
	}	COLLECTION WITH HOUSE
ALAN SIA YU,	}	DESIGN"
Respondent-Applicant.	}	
x-----x	}	Decision No. 2008-229

DECISION

This pertains to a Verified Opposition filed on 27 July 2007 by herein opposer, Paul Frank Industries, Inc., a foreign corporation duly organized and existing under the laws of the State of Delaware, United States of America with principal office address at 960 S. 16th Street, Costa Mesa, California 92627, USA, against the application filed on 23 December 2003 bearing Serial No. 4-2003-011090 for the registration of the trademark "PAUL FRANK WITH LOGO AND PAUL FRANK COLLECTION WITH HOUSE DESIGN" used for goods in International Class 16, namely, "paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding materials; photographs; stationery; adhesives for stationery or household purposes; artists` tools and materials; paint brushes; typewriters and office requisites; instructional and teaching materials; plastic materials for packaging (not included in other classes); playing cards; printers` type; printing blocks; calendars, books, catalogues, postcards, posters, periodicals, printed publications, newspapers and magazines; greeting cards; writing instruments; rubber stamps; stamps and seals; stamp pads; ink pads; photo albums; mats for framing paintings, pictures or photographs; blotting paper for skins; photographs stands; inks; tissues, toilet paper, napkins of paper removing make-up; paper towels; place mats and coasters of paper cardboard; packing paper; wrapping paper and packaging materials; artists` water colours; graphic reproductions, portraits; lithographs; pens, pencils, fountain pens, ball pen; pen nibs; pen holders; pencil holders; refill for pens and writing instruments; pencil leads; colour pencils, crayons; pen and pencil cases; pencil sharpeners; pencil sharpening machines; paper clips; paper weights; paper pins, drawing pins; pastels; pastes and glues for stationery and household purposes; paper mache; letter trays and racks; letter holders; letter openers; office requisites; adhesive tapes and adhesive tapes dispensers; drawing materials, boards, pens and instruments; drawing sets; stamp and coin albums; bags and envelopes; blotters; bookends, book marks; book-markers; cabinets for stationery; canvas for painting; note books; diaries; files; writing pads, memo pads, writing paper; drawing paper; writing cases; chalks, blackboards, poster boards; passport holders; cheque books holders; elastic bands; pictures; photo frames, picture frames; stencils; erasing products, erasers, erasing fluids; electric letter openers; sheet music; wipe-off boards; ornaments and decoration made of paper and/or cardboard; tissue paper; paper napkins; lunch bags; cardboards trunks and cases; coloring books; report files; binder paper; pocket notebooks; felt tipped pens; book band; black lead pencil sets; colour pencil sets; rulers; writing mats; autograph books; clips; staplers; tape cutters; caution signs; shredders; card holders and cases; decorations of paper for lunch boxes or foodstuffs; albums; babies` napkins of paper and cellulose [disposable]; bags [envelopes, pouches] of paper or plastics, for packaging; loose-leaf binders; boxes of cardboard or paper; cards; holders and cases for stamps and seals; comic books; compasses for drawing; paper tapes and cards for the recordal of computer programmes; copying paper [stationery]; correcting fluids [office requisites]; documents files; finger- stalls [office requisites]; flags [of paper]; folders [stationery]; folders for papers; gummed tape; handkerchiefs of paper; index cards; inking ribbons; jackets for papers; labels, not of textile; maps; musical greeting cards; newsletters; pads [stationery]; paint boxes [article for use in school]; pamphlets; paper shredders [for office use]; pencils lead holders; postage stamps; stickers; table napkins of paper; thumbtacks; tickets, toilet paper; typewriter ribbons; typewriters [electric or non- electric]; wrappers; writing brushes; writing chalk; writing tablets; covers

[stationery]; covers or paper for flower pots; paper cutters [office requisites]; confetti; bibs of paper; bags for microwave cooking; paper coffee filters; booklets; embroidery designs [patterns]; paper knives [office requisites]; table cloths of paper; table linen of paper; signboards of paper or cardboard; tags for index cards." The details of Respondent-Applicant's application and mark were published on the Electronic Gazette of the Intellectual Property Office on March 30, 2007.

The respondent-applicant in this instant opposition is Alan Sia Yu, which substitution from Michael Kenneth S. Co was granted by this Bureau in Order No. 2008-73 dated 09 January 2008 considering that the trademark application has already been assigned to the former with business address at Room 201 CRM Bldg. III, Kamias Road, East Kamias, Quezon City.

Herein opposer believes that "as the owner of the well-known trademarks PAUL FRANK, PAUL FRANK & Design (collectively referred to herein as "PAUL FRANK") and the "JULIUS" Monkeyface Design (the "JULIUS" Monkey Design or "Monkey Design"), the registration in the name of the Respondent-Applicant of the subject mark: (a) will damage and prejudice the rights and interests of Opposer herein; and, (b) is contrary to the express provisions of the Republic Act 8293 or the Intellectual Property Code of the Philippines ("IP Code") in regard to what trademarks may or may not to be registered; therefore, Opposer objects to the registration of the subject mark upon the following legal grounds:

a. Sections 123.1 (d), 123.1 (e), and 123.1 (f) of the IP Code which relates to Opposer's rights as owner of an earlier registered trademark and as owner of a well-known trademark;

b. Section 168.1 of the IP Code.

c. Sections 165.1 and 165.2 of the IP Code."

The allegations of facts are provided, to wit:

7. The trademark PAUL FRANK comes from or is derived from the name of MR. PAUL FRANK, the original creator and designer of the trademark and the goods in connection with which the trademark is used.

8. Paul Frank Industries' garments and merchandising business started in 1995 from a small house garage of Mr. Frank's residence in Huntington Beach, California, U.S.A. wherein Mr. Frank and his friends made wallets and handbags with old scraps of Naugahyde fabric. They then sold the wallets to family and friends, decorating such goods with creative, fun and colorful designs and logos such as the "JULIUS" Monkey Design bearing the whimsical names of Julius and Skurvy. Julius was the name of Mr. Frank's design of a Monkey – which is identical to the design now forming part of the trademark which Respondent-Applicant herein seeks to register.

9. Thereafter, in 1997, PAUL FRANK INDUSTRIES, INC., the Opposer herein, was formally established and organized as a business enterprise creating, manufacturing various goods generally designated as clothing and accessories falling under the International Classes 18 and 25.

10. Opposer is the true owner of the trademark PAUL FRANK AND DESIGN. Opposer owns the PAUL FRANK family of trademarks built around PAUL FRANK, and the JULIUS Monkey Design mark, namely, "PAUL FRANK", "SMALL PAUL", "PAUL FRANK and DESIGN", "PAUL FRANK PAUL FRANK INDUSTRIES", "PAUL FRANK's JULIUS & FRIENDS", "JULIUS – Monkey Design" and other variations. It can trace its ownership and its right to use the said trademark several years prior to the filing by Respondent-Applicant of its subject application on December 3, 2003.

11. Opposer was the first to use and register a trademark in many countries worldwide comprising the distinctive and unique representation of a Monkey (which logo is sometimes referred to as the "JULIUS Design Mark" OR "Monkey Design") as well as the mark "PAUL FRANK", in connection with the design, manufacture and sale of backpacks, wallets, traveling bags x x x. All products manufactured and sold by Opposer are affixed with the mark PAUL FRANK, the JULIUS Design Mark or variations of the foregoing marks.

12. Opposer owns trademark registrations for the mark "PAUL FRANK", "Monkey Design" and other "PAUL FRANK" trademarks issued by the United States Patent and Trademark Office (USPTO), x x x.

13. Opposer has the following trademark registrations with the USPTO x x x.

14. Opposer has also filed trademark applications with the USPTO x x x.

15. Opposer likewise has numerous trademark registrations and applications for the PAUL FRANK and MONKEY Design marks in different countries worldwide, the details of which are set forth in the Affidavit of John Oswald, the Chief Operating Officer of Opposer which was filed in Inter Partes Case No. 14-2007-00031, the certified copy of which will likewise be filed in this Opposition.

16. Opposer's trademark PAUL FRANK and the MONKEY Design are well-known internationally and in the Pacific Rim countries such as Japan, South Korea, Taiwan, Hong Kong, Australia and New Zealand because of Opposer's aggressive worldwide sales, promotions and advertising. Its fame and popularity was achieved through extensive advertising and promotion that uses famous artists and personalities as brand endorsers. Opposer has partnered with various artists (Shepherd Fairey, Shag, Mark Ryden and Andy Warhol Foundation), youth-oriented companies (Sanrio, Nirve, ProKeds, Vans, the Elvis Presley estate) and publicly traded institutions listed on New York Stock Exchange (NYSE) such as John Deere, Mattel, Brown Shoe Company and Oscar Mayer.

17. Opposer has also prominently and consistently advertised PAUL FRANK in numerous magazines which include, but are not limited to, Seventeen, Vogue, InStyle, Glamour, and W all of which are widely sold and circulated in numerous countries worldwide, including the Philippines. In 2001, Opposer was recognized by Brandweek Magazine as the "Marketers of the Next Generation."

18. Opposer's clothing, accessories and brand name have appeared in numerous movies and television programs, including blockbusters such as "Austin Powers" films, "American Pie 1 & 2", "Charlie's Angels 2", and "National Treasure" and "Just Friends" and "The West Wing", "CSI", "er", "Saturday Night Live". "The OC", "Extreme Makeover; Home Edition" and "MTV's Punk'd". All the foregoing films and television shows were exhibited and continues to be shown and played worldwide, including the Philippines.

19. Opposer has many stores located worldwide which include: South Coast Plaza, Los Angeles, San Francisco, Chicago, New York, Dallas, Las Vegas, London England, Athens Greece, Doha Qatar, Berlin Germany, Amsterdam, and Bangkok Thailand. Opposer sells its products worldwide not only in specialty clothing stores and large retail department stores all around the world but also through the Internet. Opposer's main website is www.paulfrank.com. Orders or purchases for Opposer's PAUL FRANK products by Philippine residents and nationals can also be place through a number of known websites for online shopping such as Yahoo! Shopping, www.shopping.yahoo.com, Amazon, www.amazon.com and E bay, www.ebay.com.

20. Opposer enjoys a substantially exclusive use and registration for the trademark PAUL FRANK in many parts of the world which status is achieved by Opposer's efforts at zealously watching, protecting and defending its trademark rights in many countries. PAUL FRANK's family of trademarks has been registered in many countries including as set forth in

Exhibit "B" in the Affidavit of John Oswald which was filed in the first opposition, Inter Partes Case No. 14-2008-00031.

21. Opposer's PAUL FRANK and MONKEY Design trademarks are very strong and highly distinctive. They are known not only in other countries but also in the Philippines as Opposer's goods bearing the subject mark are popular in the Philippines especially among the teenagers because all of Opposer's trademarks are accessible in the various advertising media that are seen and observed by teenagers in the Philippines and many of such goods are bought and used in the Philippines as well.

22. Without the shadow of doubt, Respondent-Applicant has clearly copied, used, adopted and applied for the subject trademark by lifting the identical trademark of PAUL FRANK INDUSTRIES, INC., the Opposer herein, and combining the mark PAUL FRANK with other famous logos and design that are exclusively owned worldwide by PAUL FRANK INDUSTRIES, INC. such as the representation or logo of the face of a monkey and the representation or logo of a house --- these designs being original designs and creations exclusively owned by PAUL FRANK INDUSTRIES, INC. and which now serve as Opposer's famous trademarks.

23. Registration of the subject mark in the name of Respondent-Applicant violates Opposer's exclusive right to use and register its famous trademarks. Under the relevant Philippine laws, Opposer's famous marks are entitled to a wide range of protection as against third party identical marks even if the latter are used in connection with goods and services that are not covered by the existing registrations of the Opposer. Moreover, goods in International Class 16 belong to a category of goods which constitutes a natural zone of expansion of the Opposer's business and is therefore reserved by law to the Opposer in order not to deceive or mislead the public into believing that Respondent-Applicant's goods are sourced, endorsed or sponsored by the Opposer herein.

24. The subject mark was filed by Respondent-Applicant who, with fraud and in bad faith, intentionally misrepresented the true ownership of the same; thus, it is improper to allow its registration.

25. The approval of the subject application will enable the Respondent-Applicant to unfairly profit commercially from the goodwill, fame and notoriety of the Opposer's trademark PAUL FRANK and the MONKEY Design to the damage and prejudice of the Opposer herein.

26. PAUL FRANK is also used as a service mark and trade name by PAUL FRANK INDUSTRIES, INC. the Opposer. As such, Opposer's trademark or trade name protected by the same Paris Convention pursuant to Articles 6sexies and Article 8 of the Paris Convention as well as Articles 165.1 and 165.2 of the IP Code. Under these provisions trade names are protected as a trademark without the need for registration."

In compliance to this Bureau's Notice to Answer dated 10 September 2007, respondent-applicant submitted its Verified Answer on 22 February 2008, admitting that Michael Kenneth S. Co is the applicant of the "PAUL FRANK WITH LOGO AND PAUL FRANK COLLECTION IN HOUSE DESIGN" trademark under Application Serial No. 4-2003-011090. Respondent-applicant likewise admitted the allegations in paragraphs 2, 3, 4, 5 and 6 of the Verified Opposition. All other allegations therein are denied, setting further the following Affirmative Allegations and Defenses:

III.1 Michael Kenneth S. Co is the original applicant of the PAUL FRANK trademark applications in the Philippines.

III.2 Michael Kenneth S. Co is also the registered owner of the PAUL FRANK trademark for Class 28 under Certificate of Registration No. 4-2003-011092 issued by the Intellectual Property Office (IPO).

III.3 On various dates, Michael Kenneth S. Co assigned the above PAUL FRANK trademark applications and registration to respondent-assignee Alan Sia Yu. Consequently, assignee Alan Sia Yu has acquired all the rights and interests of Michael Kenneth S. Co relative to the PAUL FRANK trademark applications and registration. x x x

III.5 Therefore, respondent-assignee Alan Sia Yu is the party who can claim as the registered owner of the PAUL FRANK trademark as far as the Philippine territory (at least) is concerned.

III.6 Respondent being the registered owner of the Paul Frank trademark under Class 28 can claim priority and right to appropriate the same Paul Frank mark for other classes of goods by virtue of his right to expand his goods within his natural and normal zones of business, Class 16 included.”

In connection therewith, the Affidavit of Alan Sia Yu consists of the following statements:

“4. On or about March 2003, I began the production, sale, marketing and promotion of the Paul Frank trademark in the Philippines particularly on paper and paper products. Since that date, I have incurred production and marketing costs.

5. I found out later that said Paul Frank trademark has been applied by a certain Mr. Michael Kenneth S. Co with the Intellectual Property Office. The subject application was filed, examined and approved for publication under the provisions of Republic Act No. 8293.

6. After a series of negotiations, I was able to convince said Mr. Co to assign his Paul Frank trademark applications. In fact, one application has matured into registration, specifically Paul Frank Certificate of Registration No. 4-2003-11092 for Class 28, herein attached as Exhibit “2”. The pertinent assignment document and the filed Declaration of Actual Use are attached herewith and marked as Exhibit “2-A” and “2-B”.

x x x

11. By virtue of the above assignments, I have acquired all the rights and interests of Mr. Michael Kenneth S. Co relative to the above Paul Frank trademark applications and registration.

12. The approval of the subject application will not cause damage and prejudice to the opposer as the latter has not acquired any right to the subject mark in the Philippines.

13. The use of the Paul Frank trademark and its registration in my favor has not misled or confuse the public. This is because the goods and products bearing Paul Frank trademark are identified with my own person and without any representation of, association with and/or sponsorship by opposer.

14. As my own clients have identified the Paul Frank trademark with my businesses, no alleged will or reputation of the opposer’s Paul Frank trademark is violated.

15. The approval of the subject application will cause no confusion or deception on the public as Paul Frank goods and products in the Philippines have been promoted and marketed through my own efforts and investments and have been identified with my own person and businesses, not with any other individual or entity, including Opposer.

16. x x x If any goodwill or reputation of the Paul Frank trademark should be acknowledged and protected, the same should be credited and due to my person, being the sole and exclusive individual who have promoted and marketed the same since 2003.

17. Opposer's Paul Frank trademark is not an internationally well-known mark as provided for in and required by Section 123.1 (e) of the Intellectual Property Code and Rule 11 (e) of the Trademark Rules and Regulations. It is not internationally famous as defined by and/or known by the relevant sector of the public.

18. I have acquired the subject trademark application in good faith, for a good consideration and have complied with all the rules and regulations of the Bureau of Trademarks to pursue my Paul Frank trademark application."

In opposer's Reply dated 28 February 2008, opposer pleaded that respondent-applicant acted fraudulently or in bad faith in the adoption, conceptualization and use of the monkey face, an exact replica of the monkey face of opposer's mark, known as the JULIUS MONKEY DESIGN. Likewise, respondent-applicant cannot explain the choice of the other element of his mark, a factory with smoking stack and trees, with the name PAUL FRANK written inside the factory figure, an exact replica of opposer's HOUSE DESIGN mark. In addition to this, the name PAUL FRANK is the corporate name of Opposer which by records and evidence show that opposer created the monkey face, the factory with smoking stack and trees mark and the "PAUL FRANK" mark.

Subsequently, the Preliminary Conference of this instant case was initially set on 03 April 2008 and terminated on 17 June 2008, after parties failed to reach an amicable settlement. Thus, in Order No. 2008 – 929 dated 24 June 2008, after parties failed to reach an amicable settlement. Thus, in Order No. 2008-929 dated 24 June 2008, parties were directed to file their respective position papers and if desired, draft decision within ten (10) days from receipt thereof.

The Issues:

- I. Whether or not opposer with registrations of its trademark "PAUL FRANK" and the "JULIUS Monkey Design" in foreign jurisdictions has the better right over respondent-applicant.
- II. Whether or not opposer's "PAUL FRANK" and the "JULIUS Monkey Design" and other variations are well-known marks.

Relative to the first issue, opposer presented factual evidence that the contending marks appear confusingly similar. Opposer's "PAUL FRANK" and "JULIUS Monkey Design" marks cover goods under several classes including 18, 20, 25, 14, 28, 35 of the Nice Classification. Respondent-applicant's "PAUL FRANK with Logo and PAUL FRANK COLLECTION with House Design" deals with class 16, (file wrapper records) which are deemed goods related to that of opposer.

The law governing this instant opposition case is Republic Act (R.A.) No. 8293, otherwise known as the Intellectual Property (IP) Code of the Philippines since the application for registration of the mark in question was filed during the effectivity of the said statute.

Section 122 of R.A. 8293 provides, to wit:

"The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Emphasis Ours)

Section 123 (d), supra. further provides, to wit:

"A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion.

(Emphasis Ours)

Opposer insinuates that considering the foregoing evidence, protection shall be accorded in its favor even though its trade marks are not registered here in the Philippines. This Bureau is not impressed.

In the instant case, opposer presented several certificates of registration and separate applications in foreign countries for its "PAUL FRANK" marks and "JULIUS Monkey Design" (Exhibit "A" and its attachments), evidencing ownership over this subject mark, without however presenting neither a Philippine registration nor an application for registration of its mark in Philippine jurisdiction. As lifted from the affidavit of John Oswald (Exhibit "A"), the Chief Executive Officer of Paul Frank Industries, Inc., opposer has earned a total sales of approximately \$ 10,000,000 to \$40,000,000, and attesting worldwide advertisements, promotions and anti-counterfeiting efforts to protect its mark.

Respondent-applicant on the other hand, presented its registration issued on 15 November 2006 for the mark "PAUL FRANK with Logo with House Design" (Exhibit "2") and filed on 03 December 2003 (Exhibit "2-A", "2-B"); and its several applications for registration involving similar and related marks (Exhibit "3", "4" and "5", inclusive of sub-markings).

Thus, this Bureau favors respondent-applicant under the first to file rule and the presumption of validity over registered marks.

It is a settled rule both in law and jurisprudence that the Law on Trademarks adheres to the principle of nationality and territoriality. As aptly put, the registration in USA and/or in other countries is not registration in the Philippines considering that USA is not Philippines.

In the case of Sterling Products International, Incorporated v. Farbenfabriken Bayer Aktiengesellschaft and Allied Manufacturing and Trading Co., Inc. G.R. No. L-19906, April 30, 1969, the Honorable Supreme Court has this to rule, to wit:

"Neither will the 1927 registration in the United States of the BAYER trademark for insecticides serve plaintiff any. The United States is not the Philippines. Registration in the United States is not registration in the Philippines. At the time of the United States registration in 1927, we had our own Trademark Law, Act No. 166 aforesaid of the Philippine Commission, which provided for registration here of trademarks owned by persons domiciled in the United States.

x x x

There is nothing new in what we now say. Plaintiff itself concedes that the principle of territoriality of the Trademark Law has been recognized in the Philippines, citing *Ingenohl vs Walter E. Olsen*, 71 L. ed. 762. As Callman puts it, the law of trademarks "rests upon the doctrine of nationality or territoriality."

In the instant case, opposer further bolsters its trade mark rights by showing foreign and local promotional activities (Exhibits "F", "G", "G-1"), including use in the Philippines.

Opposer showed first use of its mark in the Philippines through Sales Invoice Nos. 1132 dated 26 June 2007 (Exhibit "H"). Respondent-applicant on its part, submitted Delivery Receipt No. 3813 dated 14 November 2005 (Exhibit "9"). It is respondent-applicant who was able to prove that it has first adopted and used its registered mark in the Philippines. Thus, protection under the law is accorded to respondent-registrant over the opposer.

Again, in the afore-cited case of Sterling Products International, Inc., v. Farbenfabriken Bayer Aktiengesellschaft, supra, the Supreme Court held:

"A rule widely accepted and firmly entrenched because it has come down through the years is that actual use in commerce or business is a prerequisite to the acquisition of the right of ownership over a trademark.

x x x

Adoption alone would not give right to exclusive right thereto. Such right grows out of their actual use. Adoption is not use."

And on opposer's argument that its mark constitutes its corporate and business name hence, enjoys protection under Article 6bis and 8 of the Paris Convention and Section 165 of the Intellectual Property Code. We cannot accede to this contention. According to jurisprudence, although protection is granted to owners of trade names, certain conditions must be present.

The Supreme Court in *Kabushiki Kaisha Isetan v. The Intermediate Appellate Court*, G.R. No. 75420, November 15, 1991 held:

"The mere origination or adoption of a particular trade name without actual use thereof in the market is insufficient to give any exclusive right to its use (*Johnson Mfg. Co. v. Leader Filling Stations Corp.* 196 N.E. 852, 291 Mass. 394), even though such adoption is publicly declared, such as by use of the name in advertisements, circulars, price lists, and on signs and stationery. (*Consumers Petroleum Co. v. Consumers Co. of Ill.* 169 F 2d 153).

The Paris Convention for the Protection of Industrial Property does not automatically exclude all countries of the world have signed it from using a trade name which happens to be used in on country. To illustrate – If a taxicab or bus company in a town in the United Kingdom or India happens to use the trade name "Rapid Transportation", it does not necessarily follow that "Rapid" can no longer be registered in Uganda, Fiji, or the Philippines."

Moreover, to prove ownership of the subject mark, Section 2-A of R.A. 166, which has not been repealed by R.A. 8293, remains as basis for acquiring ownership since it is not inconsistent with any provision of R.A. 8293. It states that:

"Sec. 2. – A. *Ownership of trademarks, trade names and service marks, how acquired.* – Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, a trade name, or a service mark not s appropriated by another, to distinguish his merchandise, business or service from the merchandise, business, or service of others. The ownership of possession of a trademark, trade name, service mark,

heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the laws.”

In the case of *Bata Industries, Ltd. v. Court of Appeals*, 114 SCRA 318, the Supreme Court categorically ruled that:

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

The scope of protection is determined by the law of the country in which protection is sought, and international agreements for the protection of industrial property are predicated upon the same principle. x x x The use required as the foundation of the trademark rights refers to local use at home and not abroad. x x x (2 *Callman, Unfair Competition and Trademarks*, par. 76.4, p. 1006).

In addition, Article 15, paragraph 3 of the Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement), which is implemented by R.A. 8293 provides as follows:

“3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.”

Since Opposer does not have a pending application nor registration of the subject mark in the Philippines, it is necessary for the Opposer to show that it has prior actual commercial use in the Philippines than that of Respondent-Applicant to prove its ownership over the subject mark. Opposer failed to prove such fact. Indeed, as shown in the sales receipt (Exhibit H) presented by Opposer, it was only in 2007 that the mark has been actually use by it in the Philippines which is later than that of Respondent-Applicant’s actual use in the Philippines which is as early as 2003. Clearly, from the evidence presented it can be deduced that Respondent-Applicant has prior actual use in the Philippines than the Opposer.

Finally, opposer seeks the declaration of well-known over its mentioned trademarks. In this regard, Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, provide for the following criteria or ant combination to be taken in account in determining well-knownness:

“Rule 102. Criteria for determining whether a mark is well-known.

– In determining whether a mark is well-known, the following criteria or ant combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;

- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.”

Upon examination of opposer’s evidence, this Bureau finds that opposer’s “PAUL FRANK” and “JULIUS Monkey Design” trade marks do not meet the standard of being well-known. As regards to criteria (a) to (d) of the aforementioned rules, advertising and promotion through use of posters, maintaining a website and selling items in a store or outlet are endeavors to generate goodwill that any business venture will aspire to undertake.

This however cannot guarantee that amount of fame, illustriousness or distinction required under the said rules for it to attain a well-known status. Being able to sell in Anthem Boutique in the Philippines (Exhibit “J”) as evidenced by posters (Exhibit “F” and “G”) and a sales receipt (Exhibit “H”) is not sufficient for this Bureau to conclude a mark has attained a well-known status.

WHEREFORE, premises considered the Verified Opposition filed by Opposer Paul Frank Industries, Inc. is, as it is hereby DENIED. Consequently, Application Serial No. 4-2003-011090 for the mark “PAUL FRANK WITH LOGO AND PAUL FRANK COLLECTION IN HOUSE DESIGN” filed by Alan Sia Yu under class 16 covering the aforementioned goods filed on 03 December 2003, is as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of “PAUL FRANK WITH LOGO AND PAUL FRANK COLLECTION IN HOUSE DESIGN” subject matter in this case together with a copy of this decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 12 December 2008.

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