

QS HOLDINGS S.a.r.l
Opposer,

- versus -

IPC No. 14-2007-00107
Opposition to:
Trademark: LIB TECHNOLOGIES
Appl'n Serial No.: 4-2002-001592
Filing date: 26 February 2002
Class 18 & 25

RAM ONG

Respondent-applicant,

x-----x

Decision No. 2009-91

DECISION

For decision is the Notice of Opposition filed by Q.S. Holdings S.a.r.l, (hereinafter referred to as opposer), a corporation organized and existing under the laws of Luxembourg with address at L-1628 Luxembourg, 1 Rue des Glacis, Duchy of Luxembourg against Application Serial No. 4-2002-001592 for the mark LIB TECHNOLOGIES for goods under classes 18, namely: "belts, wallets, bags, coin purse" and 25 namely: "T-shirts, polo, polo shirts, pants, slacks, jeans, socks, briefs, panties, stockings, jackets, sweatshirts, skirts, hats, caps, suspender, jogging pants, jogging suits, swim suits, swimming trunks, shoes, slippers, sandals, boots" filed on 26 February 2002 in the name of Ramon Ong, (hereinafter referred to as respondent-applicant), Filipino, with address at #35 BNC Compound, Baler St. S.F.D.M., Quezon City, Metro Manila.

Opposer relies on the following grounds in its opposition:

"QS HOLDINGS SARL ("Opposer") believes that it shall be damaged by the registration of the mark "LIB TECHNOLOGIES" in the name of the Respondent-Applicant and thus, files this opposition upon the following grounds:

- a. The approval of the subject application violates Opposer's rights arising from a well-known trademark, contrary to Sections 123.1 (e), 123.1 (l) and 123.1 (g) of Republic Act 8293 otherwise known as the Intellectual Property Code of the Philippine ("IP Code");
- b. Section 168.1 of the IP Code.
- c. The use and registration of the subject mark by Respondent-Applicant will cause confusion, mistake and deception upon the consuming public and mislead them as to the origin, nature, quality and characteristics of the goods on which it is affixed.
- d. The subject application was filed based on bad faith, fraud and misrepresentation made by Respondent-Applicant before the Bureau of Trademarks.
- e. The approval of the subject application will violate the proprietary rights and interests, business reputation and goodwill of the Opposer considering that the applied for mark is identical to Opposer's LIB TECHNOLOGIES, a mark that is highly distinctive and over which the Opposer has exclusive use and registration in numerous countries worldwide.
- f. The approval of the subject application will enable the Respondent-Applicant to unfairly profit commercially from the goodwill, fame, and notoriety of the trademark LIB TECHNOLOGIES, to damage and prejudice of the Opposer herein."

In support of the opposition, oppose submitted the following:

ANNEX	DESCRIPTION
"A"	print of trademark LIB TECHNOLOGIES Affidavit of Barbara M. McAndrews with annexes
"A"	Copies of trademark registrations
"B"	Copies of trademark applications and registrations in the USPTO
"C"	Copies of trademark applications in other countries
"D"	List of Applications and registrations
"E"	Page of Internet Affidavit of Jan Abigail Ponce-Roxas
"A"	Special Power of Attorney
"B"	Copy of Articles of Incorporation of oppose
"C"	Print-out webistes
"D"	Copy of Agreement for Purchase and Sale of Assets
"E"	Print-out website of Mervin Manufacturing Inc.
"F"	2003, 2004, 2005 Annual Report
"G"	Copies of trademark registrations
"H"	Copy of trademark registration issued by USPTO
"I"	Trademark Application No. 4-2007-000639 filed with the Bureau of Trademark
"J"	list of domain names
"K"	Print-out of websites
"L"	Print-out of Articles in various magazines
"M"	Affidavit-testimony of Mr. Isaias Villanueva
"A" (of Reply)	Copies of decisions

In his Answer submitted on 30 July 2007, respondent-applicant raised the following affirmative defenses:

"2.0 The Application opposed in the name of the applicant is for the registration of the mark LIB TECHNOLOGIES for class 18 and 25 filed in 2002.

2.1 The corresponding application for registration of the same mark in the Philippines in the name of the Opposer was filed only on 22 January 2007 under Application No. 4-2007-639 (please see Par.7 of the Affidavit of Atty. Jan Abigail L. Ponce-Roxas).

2.2 Thus, under the first to file principle of the Intellectual Property Code, the application of the Respondent having an earlier filing date should be given due course and the application of the Opposer should be rejected.

3.0 The mark LIB TECHNOLOGIES is not internationally known in favor of the Opposer as said mark is not known in the Philippines there being no use of the said mark in this country for goods falling under Class 18 and 25.

4.0 The Verification/Certification for Non-forum shopping portion is defective considering that the person who signed the said portion of the Opposition is not authorized to file this opposition or at least to sign the required verification and/or certification on non-forum shopping.

5.0 The attachments of the Opposition relating to annual reports, print out and other documents (Annexes "E" and "F" series) are irrelevant having been published in starting from 2003 or years after the date of filing of the application hereto opposed.

6.0 The Respondent is using the mark LIB TECHNOLOGIES in the Philippines. Previously, said mark was used in the outlets enumerated in the Declaration of Actual Use. But said document was submitted in 2005. At present, goods bearing the mark LIB TECHNOLOGIES are sold in other outlets as discussed on the affidavits of witnesses.

In support of his defense, respondent-applicant presented the Affidavit of Ramon Ong marked as Exhibit "1".

The preliminary conference was initially set on 3 September 2007 but due to the absence of the respondent-applicant during the hearings, the opposer was directed to file its position paper.

The issues for consideration are whether the mark LIB TECHNOLOGIES can be registered. Simultaneously, the issue of ownership and prior use of the mark LIB TECHNOLOGIES will be discussed and whether the mark LIB TECHNOLOGIES is a well-known mark.

The law provides that a mark cannot be registered if it is identical or similar to a previously registered mark or to a mark with an earlier filing date. The Intellectual Property Code states:

"Section 123. Registrability. -123.1 A mark cannot be registered if it:
xxx

(d) Is identical with a registered mark belonging to a different proprietor or a mark 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"

Filewrapper shows that Respondent-applicant filed its application for the mark LIB TECHNOLOGIES for goods under classes 18 and 25 on 26 February 2002. On the other hand, opposer's Philippine application for trademark registrations of the mark LIB TECHNOLOGIES for goods under classes 18 and 25 is only on 22 January 2007(Annex "1"- affidavit of Ms. Ponce-Roxas). Earlier, the mark LIB TECHNOLOGIES had been registered by QUICKSILVER, INC., a

related company of which opposer is a wholly owned subsidiary of. (Exhibit "D"-Affidavit of Ms. Ponce-Roxas) for goods under class 28. As shown in a print-out of the IPO website (Annex "A"-position paper received on 30 January 2008), QUICKSILVER, Inc.'s registration is for a different kind of goods under class 28 namely: "skis, snowboards, snowskates, ski bindings, bags for skis, bags for snow skates and bags for snowboards" as compared with from goods of respondent - applicant under classes 18 and 25 namely "belts, wallets, bags, coin purse" and "T-shirts, polo, polo shirts, pants, slacks, jeans, socks, briefs, panties, stockings, jackets, sweatshirts, skirts, hats, caps, suspender, jogging pants, jogging suits, swim suits, swimming trunks, shoes, slippers, sandals, boots".

Opposer claims ownership over the mark LIB TECHNOLOGIES and contends that it is the prior user of such mark. Opposer submitted copies of trademark registrations in various countries through the affidavit testimony of its two witnesses, Ms. Barbara McAndrews (Exhibit "A") and Ms. Jan Abigail Ponce-Roxas (Exhibit "G"); registrations in the USPTO (Exhibit "B", "H"), print-out of web-sites (Exhibit "C"), print out of articles in magazines (Exhibit "L") , List of domain names ("K"). It is observed that in the Annual Reports for the years 2003, 2004 and 2005 (Exhibit "F")

As alleged by opposer, it is related to Quicksilver, Inc., a corporation organized in the U.S., which designs, produces and distributes a mix of branded apparel, winter sports and golf equipment, footwear and related products. Quicksilver owns numerous brands including LIB TECHNOLOGIES.

Excerpts from the Annual Report of Quicksilver, show that income is derived from the sale of a variety of brands, we quote from Management's Discussion and Analysis (p. 84) (Exhibit "F"), to wit:

"America's revenues in our women's category, which includes the Roxy, Roxy Girl, Teenie Wahine, DC, Raisins, Leilanie and Radio Fiji Brands increased 19% to \$352.9 million from \$295.6 million for the same periods. Wintersports and golf equipment are sold under the Rossignol, Dynastar, Look, Lange, Kerma, Cleveland Golf, Never Compromise, LIB technologies, Gnu, Bent Metal, and Roxy brands and totaled \$96.7 million in fiscal 2005 compared to \$10.4 million in fiscal 2004."

As stated, Quicksilver operates in three geographic segments, we quote (P.83):

"We operate on three geographical segments, the Americas, Europe and Asia/Pacific. The Americas segment includes revenues primarily from the U.S. and Canada. The European segment includes revenues primarily from Western Europe. The Asia/Pacific segment includes revenue primarily from Australia, Japan, New Zealand and Indonesia."

The extent of opposer's use of the mark LIB Technologies is outside the Philippines. Opposer's registrations were also obtained outside the Philippines. In the case of Sterling Products International, Incorporated v. Farbenfabriken Bayer Aktiengesellschaft [G.R. No. I-19906. April 30, 1969.], the Supreme Court held:

"Adoption alone of a trademark would not give exclusive right thereto. Such right grows out of their actual use. Adoption is not use. One may make advertisements, issue circulars, give out price lists on certain goods; but these alone would not give exclusive right of use. For trademark is a creation of use. xxx

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. 666 aforesaid of the Philippine Commission, which provided for registration here of trademarks owned by persons domiciled in the United States. What is to be secured from unfair competition in a given territory is the trade which one has in that particular territory. There is where his business is carried on; where the goodwill symbolized by the

trademark has immediate value; where the infringer may profit by infringement. 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*, 7 L. ed 762. As Callman puts it, the law of trademarks "rests upon the doctrine of nationality or territoriality."

On the other hand, respondent-applicant presented Delivery Receipt No. 11820 dated 27 January 2004 of merchandise which included LIB TECHNOLOGIES which was consigned to American Post. This was contested by opposer through the affidavit of Isaias Villanueva (Exhibit "M") wherein he stated that he surveyed several department stores but he was not able to locate any LIB technologies branded clothing.

Since, opposer was not able to establish sufficient use or knowledge gained by the relevant sector of the public in the Philippines, this Bureau cannot declare the mark LIB TECHNOLOGIES as having gained well known status.

Section 123 of the Intellectual Property Code of the Philippines (Republic Act No. 8293, hereafter "IP Code") also provides:

"Sec. 123. *Registrability*. – 123.1 A mark cannot be registered if it:

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, that in determining whether a mark is well known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark; x x x"[Underscoring supplied.]

Also, Rule 102 of the Rules and Regulations on Trademarks contain the criteria to be taken into account in determining well-knownness of a trademark. Thus, Rule 102 provides:

"Rule 102. Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or any 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 the 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

As explained by Vicente B. Amador in Trademarks Under the Intellectual Property Code, 1999, p. 175 "If the aggrieved owner's trademark does not qualify as a well-known trademark, the required element of damage on the part of the opposer suggests that the opposer should establish goodwill for his trademark and the products carrying it in the Philippines. In one early case, the evidence disclosed that Bata shoes made by Gerbec and Hrdina of Czechoslovakia were sold in the Philippines prior to World War II, and that some shoes made by Bata of Canada were also sold in the Philippines until 1948. However, the trademark BATA was never registered in the Philippines by any foreign entity. Under the circumstances, it was concluded that opposer has, to all intents and purposes, technically abandoned its trademark BATA in the Philippines. The Court held that the opposer has no Philippine goodwill that would be damaged by the registration of the mark in the respondent's favor. (Bata Industries, Ltd. v. Court of Appeals G.R. No. L-53672, May 31, 1982)

WHEREFORE, premises considered the OPPOSITION filed by O.S. Holdings, S.A.R.L. is, as it is hereby, DENIED. Accordingly, Application Serial No. 4-2002-001592 by Respondent-Applicant, Ramon Ong, is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper of "LIB TECHNOLOGIES", subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 21 July 2009

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