

THE H.D. LEE COMPANY, INC.,
Opposer,
- versus -

IPC 3743

Opposition to:
TM Application No. 70497
(Filing Date: 08 January 1990)

EMERALD GARMENTS MFG. CORP.,
Respondent-Applicant.

TM: "DOUBLE REVERSIBLE
WAVE LINE (Back Pocket Design)"

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Decision No. 2007 – 84

DECISION

This pertains to an opposition to the registration of the mark "DOUBLE REVERSIBLE WAVE LINE (Back Pocket Design)" bearing Application No. 70497 filed on January 8, 1990 covering the goods "jeans, skirts, jogging pants and jumpers" falling under class 25 of the International Classification of Goods which application was published on page 81, Volume IV, No. 6, November-December, 1991 issue of the Official Gazette, officially released for circulation on December 31, 1991.

The Opposer in the instant opposition is "THE H.D LEE COMPANY, INC.", a corporation duly organized under the law of the State of Delaware, with principal office at 9001 West, 67th Street, Merriam, Kansas, United States of America.

The Respondent-Applicant on the other hand, is EMERALD GARMENTS MANUFACTURING CORPORATION, with principal office at 106 West Riverside, San Francisco del Monte, Quezon City.

The grounds of the opposition are as follows:

- "1. The trademark "BACK POCKET DESIGN" is an imitation of Opposer's trademark "OGIVE CURVE DEVICE" which has been previously used on commerce in the Philippines and other parts of the world and not abandoned, and is likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public.
- "2. The registration of the trademark "BACK POCKET DESIGN" in the name of the Applicant will violate Section 37 of Republic Act No. 166, as amended, and Section 6 bis and other provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and United States of America are parties.
- "3. The registration and use by Applicant of the trademark "BACK POCKET DESIGN" will diminish the distinctiveness and dilute the goodwill of Opposer's trademark "OGIVE CURVE DEVICE".
- "4. The registration of the trademark "BACK POCKET DESIGN" in the name of the Applicant is contrary to other provisions of the Trademark Law.

To support the opposition Opposer relied on the following facts:

- "1. Opposer is a manufacturer of a wide-range of clothing products, including jeans bearing the trademark "OGIVE CURVE DEVICE" which have been marketed and sold in the Philippines and in other parts of the world. Opposer has been

commercially using the trademark “OGIVE CURVE DEVICE” internationally and in the Philippines prior to the use of “BACK PACKET DESIGN” by Applicant.

- “2. Opposer is the owner of the trademark “OGIVE CURVE DEVICE” which was registered in the United States of America on April 10, 1984 under Registration No.1,273,602 for goods in International Class 25. “OGIVE CURVE DEVICE” is also registered/applied for registration and is used as a trademark for said products in the following other countries.

Country	Application/ registration No.	Date Filed
Australia	Appl'n. No. 44399	April 18, 1986
Austria	Appl'n. No. AM3786/87	October 6,1987
Benelux	Appl'n. No. 64774	October 6, 1988
Benelux	Reg. No. 437,842	October 6, 1987
Bophuthatswama	Appl'n. No. 87/1307	December 2, 1987
Canada	Reg. No. 301,631	April 4, 1985
Chile	Reg. No.260.020	April 20, 1982
China	Appl'n. No.8917003	May 30, 1989
Denmark	Reg. No.2408/89	May 12, 1989
Finland	Appl'n. No.4217/87	October 8, 1987
France	Reg. No1495091	October 14, 1987
Greece	Appl'n. No.87,921	February 3, 1988
Hong Kong	Appl'n. No.7391/88	November 18, 1988
International	Reg. No. 534,827	February 16, 1988
Ireland	Appl'n. No.3321/87	October 12, 1987
Italy	Reg. No473,857	March 26, 1987
Japan	Reg. No 153,823	June 13, 1988
Korea	Reg. No. 153,823	April 29, 1988
Korea	Reg. No. 149,992	January 7,1998
Korea	Reg. No. 166,580	January 17, 1986
Korea	Appl'n No. 21837/85	December 14, 1985
Macau	Appl'n No. 7772-M	February 22, 1988
Norway	Appl'n No. 005257	November 16, 1988
Portugal	Appl'n No.245,641	February 22, 1988
South Africa	Reg. No. 87/9645	November 25, 1987
Sweden	Appl'n No. 7-8006	October 14, 1988
Thailand	Appl'n No. 133352	November 22, 1988
Transkei	Reg. No. 87/1514	December 1, 1987
Tunisia	Reg. No. EE.89.0006	January 2, 1989
United Kingdom	Appl'n No. 723253	October 6, 1987
Venda	Appl'n No. 81206	December 2, 1987

- “3. Opposer is the first user of the trademark “OGIVE CURVE DEVICE” on the goods included under the above-describe registration/application which have been sold and marketed in various countries worldwide, including the Philippines.
- “4. By virtue of Opposer’s prior and continue use of the “OGIVE CURVE DEVICE” in the Philippines and other parts of the world, said trademark has popular and internationally well-known and has established valuable goodwill for the Opposer among consumers who have identified Opposer as the source of the goods bearing said trademark.
- “5. The registration and use of Opposer’s trademark by Applicant on identical goods will tend to deceive and/or confuse purchasers into believing that Applicant’s products emanate from or are under the sponsorship of Opposer for the following reasons:

- (i) the marks are similar in terms of commercial appearance and other particulars;
 - (ii) the marks are applied on identical goods;
 - (iii) the parties are engaged in competitive business; and
 - (iv) the goods on which the marks are used are purchased by the same class of purchaser or flow through the same channels of trade.
- “6. Applicant obviously intends to trade, and is trading on, Opposer’s goodwill. In fact, Applicant had also previously appropriated other trademark of Opposer, including its “LEE”, “LEE RIDERS” and “OGIVE CURVE DEVICE”.
- “7. The registration and use of a confusingly similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark.

On May 19, 1992, Respondent-Applicant filed its Answer to the Notice of Opposition whereby it admitted some of the grounds of the opposition and denied the others and further alleged the following as its affirmative and/or special defenses:

- “1. That the Notice of Opposition was filed out of time;
- “2. That Opposer has no valid legal ground to oppose the application in question;
- “3. That Opposer is barred by the equitable principles of acquiescence, estoppel and laches from opposing the application in question;
- “4. That Respondent-Applicant adopted and started the use and subsequently applied for the registration of the trademark “DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)” in good faith;
- “5. That the approval of application Serial No. 70479 is in accordance with Republic Act No. 166 as amended, the Revised Rules of Procedure in Trademark Cases, and the Paris Convention for the Protection of Industrial Property.

For failure of the parties to reach an amicable settlement of the case during the pre-trial conference, full blown trial has been conducted whereby both parties submitted their respective evidences.

To be noted in this particular case is the fact that the trademark application bearing Serial No. 70497 for the registration of the trademark “DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)” which is the subject of the instant opposition was filed on January 8, 1990 under Republic Act No. 166, as amended, the law in force and effect before Republic Act No. 8293, Otherwise known as the Intellectual Property Code of the Philippines, which took effect on January 1, 1998.

Considering that the trademark subject of the instant opposition proceeding was filed during the effectivity of the old trademark law (Republic Act No. 166 as amended), the Bureau of Legal Affairs shall resolve the case under said law so as not to adversely effect rights already acquired prior to the effectivity of the new Intellectual Property Code (Republic Act No. 8293).

The Opposer submitted its evidence consisting of Exhibit “A” to “III” inclusive of sub-markings (Order No. 2006-1156 dated 09 August 2006).

On the other hand, Respondent-Applicant submitted its evidence consisting of Exhibit "1" to "25" inclusive of sub-markings (Order No. 2007-728 dated 9 May 2007).

The ultimate issue to be resolved in this case is:

WHETHER OR NOT RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE TRADEMARK "DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)" IN ITS FAVOR.

It is fundamental principle in Philippine Trademark Law that actual use in commerce in the Philippines is a pre-requisite of ownership over a trademark or a trade name. (Kabushiki Kaisha Isetan vs. Intermediate Appellate Court, et. Al., G.R. No. 75420, November 15, 1991).

Likewise, the use required as a foundation of the trademark rights refer to the local use at home and not abroad. (2 Callman, Unfair Competition and Trademark, par. 76.4 p. 1006).

Relative thereto, Sections 2 and 2-A of Republic Act No. 166, as amended, provides that:

"Section 2. What are registrable- Trademarks, trade names and service marks owned by persons, corporations, partnership and association domiciled in the Philippines and by persons, corporations, partnerships or association domiciled in any foreign country may be registered in accordance with the provisions of this Act: Provided, that said trademarks, trade names or service marks are actually used in commerce and services not less than two months in the Philippines before the time the applications for registration are filled; and Provided further that the country of which the applicant for registration is a citizen grants by law substantially similar privileges to citizens of the Philippines, and such fact is officially certified, with a certified true copy of the foreign law translated into English language, by the government of the Republic of the Philippines."

"Section 2-A. Ownership of trademarks, trade names and service marks , how acquired.- Anyone who lawfully produces or deals in merchandise of any kind or engages in any lawful business, or who renders lawful service in commerce, by actual use thereof in manufacture or trade, in business, and the service rendered, may appropriate to his exclusive use a trademark, trade names or service mark not so appropriate by another, to distinguish his merchandise, business or service from the merchandise, business or services of others. The ownership or possession of a trademark, trade name or service mark heretofore or hereafter appropriated, as in the section provide, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the laws."

The same law also provided that an owner has the right to register the mark in its name unless his mark resembles a mark registered in the Philippines or one which is previously used in the Philippines by another and no abandoned. Thus, Section 4 of Republic Act No. 166, as amended, provides that:

"Section 4. – Registration of trademarks, trade names and service marks on the Principal Register. – There is hereby established a register of trademark, trade name and service marks which shall be known as the Principal Register. The owner of a trademark, trade name or service mark used to distinguish his goods, business or services from the goods, business or services of others shall have the right to register the same on the principal register, unless it:

(d) Consist of or comprises a mark or trade name which so

resembles in the Philippines, or a mark or trade name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods business or services of the applicant, to cause confusion or mistake or to deceive purchasers.”

The claim of Opposer over the trademark in dispute stemmed from the various certificate of registrations issued by several countries in its favor covering the trademark “OGIVE CURVE DEVICE” as well as its use in many countries of the world.

The evidence submitted by the Opposer in support of its claim were objected to by the Respondent-Applicant on the ground that they were mere photocopies. It failed to submit any evidence to prove that it is actually using the mark in commerce in the Philippines.

Opposer must be well-aware that registrations obtained abroad and advertisement outside the Philippines cannot be made source of trademark rights in the Philippines (Section 2 and 2-A Republic Act No. 166 as amended).

The protection under foreign registration could not extend to the Philippines because “the law on trademarks rest upon the doctrine of nationality.” The United States of America, from which our trademark laws have been copied and most other countries, respect this basic premise. 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 (Callman, Unfair Competition and Trademarks, Section 76.4, p 100).

Further, as held in *Sterling Products International Inc., vs. Farbenfabriken A.G.* 21 SCRA 1214:

“The United State is not the Philippines. Registration in the United States is not registration in the Philippines x x x plaintiff itself concedes that the principle of territoriality of trademark law has been recognized in the Philippines. Accordingly, the registration in the United States of the “BAYER” trademark would not itself afford plaintiff protection for use by the defendants in the Philippines of the same trademark for the same or different goods.”

In another case, the Supreme Court held that a foreign company selling a brand of shoes abroad and not in the Philippines has no goodwill that would be damaged by registration of the same trademark in favor of the domestic corporation which has been using it for years here (*BATA INDUSTRIES LTD., vs. COURT OF APPEALS*, 114 SCRA 318).

On the other hand, upon examination of the evidences on record, it appears that the trademark “DOUBLE REVERSIBLE WAVE LINE (Back Pocket Design)” has been adopted and used by the Respondent-Applicant on its goods under Class 25 on October 1, 1973 (Exhibits “23-b” and “23-c”). On said date, no other person and/or entity had appropriated and/or used, much less, registered trademark “DOUBLE REVISIBLE WAVE LINE (Back Pocket Design)” in the Philippines.

Moreover, as shown by the records, it appeared that Respondent-Applicant has been actually started selling goods using in commerce the mark “DOUBLE REVISIBLE WAVE LINE (Back pocket Design)” on October 1, 1973 (Sales Invoice No. 4992 dated October 1, 1973 showing sale of six (6) pieces of 101 Kynoché jeans) [Exhibit“17”] and continuously using it since October 1, 1973 up to the present (Exhibit “17-a” to “17-r”, “19” to “19-n”, “21” to” 21-k”).

A sale made by a legitimate trader in the course of his doing business established trademark rights. In this regard, Respondent-Applicant was able to present evidence sufficient to sustain a finding of actual sales pf goods in the local market using the mark “DOUBLE

REVERSIBLE WAVE LINE (Back Pocket Design)" which signifies commercial use ahead of the Opposer in the Philippines which is crucial in determining trademark ownership.

This unmistakably proves that in the Philippines, it is through Respondent-Applicant's effort, initiative and industry that the trademark "DOUBLES REVERSABLE WAVE LINE (Back Pocket Design)" has generated goodwill among the Filipino consumers. It would be erroneous if not unfair to assume/conclude that Respondent-Applicant's business standing and reputation was occasioned by it cashing in on the fame of Opposer's mark when the evidence clearly shows that Respondent-Applicant has prior adoption and use of the mark "DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)" in the Philippines which is as early as October 1, 1973 and is continuously being used ever since. Opposer's insistence that it has goodwill in the Philippines that would be damaged by Respondent-Applicant's registration of its mark which have been applied for or registered in some countries abroad and advertising which may or may not have been circulated in the Philippines, cannot by any stretch of imagination influence the Filipino public. The evidence show that the impact of the "DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)" mark on the Filipino buying public was entirely through Respondent-Applicant's efforts.

As aptly enunciated by the supreme Court in the case *Kabushiki Kaisha Isetan vs. Intermediate Appellate Court*, 203 SCRA 593;

"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 Manufacturing Co., vs. Leader Station 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 stationary. (*Consumers Petroleum Co., vs. Consumers Co. of Ill.*, 169 F 2d 153)."

Moreover, at the time of Respondent-Applicant's application, Opposer had no commercial use nor existing registration of the mark in the Philippines that would justify any conclusion that confusion, deceit or mistake would likely to happen if the mark "DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)", is registered in favor of the Respondent-Applicant.

Likewise, Opposer's allegation that it is a well-known mark and deserves protection as a consequence to the Paris Convention (Article 6bis) is devoid of any proof. This Bureau is not unmindful of the said treaty but it must be pointed out that the Opposer's mark "OGIVE CURVE DEVICE" is not one of those Internationally known trademarks mentioned under the Memorandum dated 20 November 1980 of the Honorable Luis R. Villafuerte of the Ministry of Trade nor one which can be declared as internationally well-known mark on the basis of evidence presented by Opposer to support its contention.

The Bureau therefore concludes that the law and judicial precedents lean in favor of the herein Respondent-Applicant. To reiterate, Section 2-A of Republic Act No. 166 as amended or the Old Trademark Law provides that "anyone who lawfully produces or deals in merchandise of any kind or engages in any lawful business or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, may appropriate to his exclusive use a trademark, trade name or service mark not so appropriated by another to distinguish his merchandise, business or services from the merchandise, business or service of others."

WHEREFORE, premises considered, the Notice of Opposition is, as it is, hereby DENIED. Consequently, application bearing Serial No. 70497 for the mark "DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)" FILED ON January 8, 1990 by EMERALD GARMENTS MANUFACTURING CORPORATION is hereby GIVEN DUE COURSE.

Let the filewrapper on the trademark "DOUBLE REVERSABLE WAVE LINE (Back Pocket Design)" 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, 29 June 2007

ESTRELLITA BELTRAN ABELARDO
Director, Bureau of Legal Affairs