

YELLOW BOX CORPORATION,	}	IPC No. 14-2008-00323
Petitioner,	}	Petition for Cancellation
	}	Reg. No. 4-2003-003095
-versus-	}	Date registered: August 11, 2005
	}	Trademark: "YELLOW BOX"
	}	Class 35
	}	
RUSTICA Y. QUE,	}	
Respondent-Registrant.	}	
x-----x		Decision No. 2009-120

DECISION

For decision is the Petition for Cancellation of the registration of the mark YELLOW BOX under Registration No. 4-2004-003095 issued in 11 August 2005 for goods under Class 35 namely: "Retail store services, engaged in the selling of man's and woman's clothing, accessories, namely RTW dresses, blouses, t-shirts, shirts, pants, skirts, bags, handbags, wallets, belts, shoes and sandals", in the name of Rustica Y. Que (hereinafter referred to as respondent-registrant), Filipino, with address at 43 Greenhills Shopping Theater Mall, Greenhills Shopping Center, San Juan, filed by Yellow Box Corporation, (hereinafter referred to as petitioner), a corporation duly organized and existing under the laws of California, U.S.A., with office address at 19835 E. Walnut Drive City of Industry, CA.

The grounds for the Petition for Cancellation are as follows:

"6. Registration No. 4-2004-003095 for the trademark "YELLOW BOX", registered on August 11, 2005, covering goods in Class 35, in the name of Rustica Y. Que, should be cancelled in accordance with Section 151.1 pars (a) and (b), in relation to Section 123.1 pars (d), (e) and (g) of RA 8293, otherwise known as the Intellectual Property Code of the Philippines.

7. Section 155.1 pars (a) and (b) authorizes any person who will suffer damage by the continued existence of the registration, to file a Petition for Cancellation to wit:

Section 151. *Cancellation* – 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

(a) Within five (5) years from the date of the registration of the mark under this Act.

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently

or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used. (n)

8. Section 123.1 pars (d), (e) and (g), states what may not be registered to wit:

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

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(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;

(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 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;

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(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

9. Petitioner is the owner and prior user of the internationally well-known mark “YELLOW BOX AND DESIGN” and “YELLOW BOX”.

10. The marks “YELLOW BOX AND DESIGN” and “YELLOW BOX” were first used by Petitioner in California in February 1998. From then on, the mark “YELLOW BOX AND DESIGN” became an instant hit and its popularity spread like a wildfire, unstoppable, and without signs of slowing down.

11. In its home country, the United States of America, the mark “YELLOW BOX” was registered on May 25, 1998 under Registration No. 2247768. A certified copy of US Registration No. 2247768 is annexed to EXHIBIT C hereof.

12. Petitioner’s marks “YELLOW BOX AND DESIGN” and “YELLOW BOX” are likewise registered in numerous countries and jurisdictions worldwide, including Australia, Chile, China, the European Union, Israel, Japan, Mexico, Canada, and Turkey, details of which are summarized as follows:

Representation of the Mark	Country	Registration Number	Registration Date	Filing Date	Class	Application Number
YELLOW BOX	Japan	4466408	4/13/2001	11/26/1999	25	11(1999)-108843
	Turkey	2006 60502	8/12/2006		25	
YELLOW BOX	U.S.A.	2,247,768	5/25/1999	4/30/1998	22.39	
YELLOW BOX	Australia	804924	10/6/2000	8/26/1999	25	
	China	1937499	9/7/2002		25	
YELLOW BOX	Mexico	799608	3/13/2003		25	
YELLOW BOX	Europe	2243699	10/17/2003		25	
	Chile	762.805			25	
	Israel	180449	6/9/2006	9/5/2005	25	

Certified copies of the abovementioned registrations are annexed to the EXHIBIT C1.

13. In the Philippines, the marks “YELLOW BOX AND DESIGN” and “YELLOW BOX” are subject of trademark application nos. 04-2008-014428 and 4-2008-014427, respectively. Said marks have been used and are continuously being used in connection with “*footwear and clothing including dresses and t-shirts*”, imported through Tyrell Limited, and is currently being sold in popular malls and department stores, such as Rustan’s Department Sore.

14. As clearly demonstrated above, and on account of Petitioner’s worldwide registrations and global use of the marks “YELLOW BOX AND DESIGN” and “YELLOW BOX”, which predates Respondent-Applicant’s

application and subsequent registration, as well as the extensive market penetration of "YELLOW BOX AND DESIGN" and "YELLOW BOX" products, there is no doubt that the said marks are internationally and locally well-known.

15. In support of Petitioner's factual allegations, attached as EXHIBIT C is the legalized and notarized Affidavit-direct testimony of Ms. Terry Chen, President of Petitioner Yellow Box Corporation, (the original of which is attached to the Petition for Cancellation against Registration No. 4-2003-006646, registered in the name of Regan N. Pacheco filed with the Bureau of Legal Affairs). Annexed to the said Affidavit-direct testimony are certified copies of the above-mentioned registration certificates as well as duly authenticated invoices and sales receipts evidencing worldwide, as well as Philippines, sales of Yellow Box Products.

Petitioner submitted the following evidence in support of the petition:

EXHIBIT	DESCRIPTION
"A"	Special Power of Attorney
"B"	Verification and Certification against Forum Shopping
"C"	Affidavit of Ms. Terry Chen with Annexes

ANNEX	DESCRIPTION
"A"	US Trademark Registration
"B"	Summary of foreign applications and registrations
"C"	Copies of foreign trademark registrations
"D"	copy of brochure of Yellow Box's Spring and Summer Collection
"E", "F"	Copies of Invoices
"G"	documents related to objection by YELLOW GROUP, INC.

A Notice to Answer dated 15 December 2008 was personally served on respondent-registrant on 19 February 2009, but no Answer was filed.

This issues are whether the mark YELLOW BOX is an internationally well-known mark and whether such registration is contrary to the provisions of the IP Code, specifically 123.1 (d), (e), and (g).

As regards the issue of being well-known, Section 123 (e) and (f) of Republic Act No. 8293 (“RA 8293”) states:

SECTION 123. Registrability. – 123.1. A mark cannot be registered if it:
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(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;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

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 which the Philippines and in other countries, of the goods and/or services to which the mark applies;

- (c) the degree of 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;

After consideration of the evidence presented, the Bureau disagrees with petitioner's contention that YELLOW BOX is a well-known mark. In support of its contention petitioner submitted its registration in the United States of America (Annex "A" of Exhibit "C") and registrations it obtained from OHIM, Canada, Israel, Chile, Mexico, China, Australia, Turkey and Japan (Annex "C" of Exhibit "C"). Petitioner's registrations were also obtained outside the Philippines. Its use in the Philippines was not substantial for it to be conferred the status of being well known. Its promotional and advertising efforts in the Philippines and abroad were not even substantiated except for a brochure (Annex "D"), thus the mark YELLOW BOX and SUNSHINE DESIGN cannot be considered well-known.

Be that as it may, respondent-registrant's mark should be cancelled. The law states:

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

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(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services"

The marks of the contending parties are reproduced below for comparison.

Petitioner's mark	Respondent-registrant's mark
	

A perusal of the evidence show that petitioner secured registration of the word mark YELLOW BOX and YELLO BOX and SUNFLOWER DESIGN in various jurisdictions abroad like the United States of America, OHIM, Canada, Israel, Chile, Mexico, China, Australia, Turkey and Japan (Annex "A" of Exhibit "C"; Annex "C" of Exhibit "C").

As regards to petitioner's use of the YELLOW BOX and SUNFLOWER DESIGN petitioner presented samples of commercial invoices/documents to evidence sales overseas (Annex "F" of Exhibit "C"). Petitioner mentioned sales in the Philippines but a perusal of the Invoice (Annex "E" of Exhibit "C") are several invoices billed to Tyrell Limited, 24 West 23rd St., 3rd Fl. Tyrell Building New York, NY 10010 from opposer. The Bill of Lading indicates carrier's name as EES Trucking from Yellow Box Corporation and consigned to Worldwide Trade Logistics with destination indicated as 8820 Bellanca Avenue, Los Angeles, C.A., but not in the Philippines.

However, given that the word marks of the contending parties are identical. It can be surmised that the respondent-registrant copied the same from the petitioner. Moreover, respondent-registrant's mark is exactly the same as that of petitioners mark. Confusion of the public as to origin and ownership of the goods is highly likely. The foreign registrations of the petitioner were secured earlier than that of respondent-registrant who secured her Philippine registration on August 11, 2005. Petitioner's registration of the SUNFLOWER DESIGN in Mexico is dated March 13, 2003. (Annex "B" and "C"). The word mark YELLOW BOX was registered by petitioner in the United States of America (Annex "A") as early as May 25, 1999.

The Supreme Court in Shangri-la International Hotel Management, Ltd. V. Developers Group of Companies, Inc. [G.R. No. 159938. March 31, 2006.], quotes the petitioner and discussed:

"At any rate, it is ludicrous to believe that the parties would come up with the exact same lettering for the word "Shangri-La" and the exact same logo to boot. As correctly observed by the petitioners, to which we are in full accord:

. . . When a trademark copycat adopts the word portion of another's trademark as his own, there may still be some doubt that the adoption is

intentional. But if he copies' not only the word but also the word's exact font and lettering style and in addition, he copies also the logo portion of the trademark, the slightest doubt vanishes. It is then replaced by the certainty that the adoption was deliberate, malicious and in bad faith.

It is truly difficult to understand why, of the millions of terms and combination of letters and designs available, the respondent had to choose exactly the same mark and logo as that of the petitioners, if there was no intent to take advantage of the goodwill of petitioners' mark and logo.

Although respondent-registrant has an earlier filing date and was able to obtain a registration for the mark YELLOW BOX and DESIGN, registration does not confer ownership upon the registrant. There is nothing in Sec. 122 of the IP Code which states that registration confers ownership of the mark. What the provision speaks of is that rights in a mark shall be acquired through registration which is made validly in accordance with the provisions of the law. The law provides:

"Section 138. Certificate of Registration. – A certificate of registration of a mark shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate."

Proceeding from the foregoing, in the presence of evidence showing proof of true ownership of a mark, the previous registration cannot be upheld. Quoting the decision rendered in Appeal No. 14-07-53 (IPC NO. 14-2007-00071) dated 10 December 2008, the decision states:

"The Appellee's adoption of a mark containing the exact words and an almost identical design shows her intention to ride on the goodwill generated by the Appellant's mark. Hence, the registration of the mark K'S KIDS AND DEVICE in favor of the Appellee will damage the interests of the Appellant."

To conclude, the intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods and services by a visible sign that distinctly points out the origin and ownership of such goods and services. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner."

Although respondent-registrant's mark was registered under class 35 namely "retail store services", it is specified that she is "engaged in the selling of man's and woman's clothing, accessories, namely RTW dresses, blouses, t-shirts, shirts, pants, skirts, bags, handbags, wallets, belts, shoes and sandals", thus related to class 25, which includes "footwear and clothing".

In *Mighty Corporation and La Campana Fabrica de Tabaco, Inc. v. E. & J. Gallo Winery and the Andersons Group, Inc.* (G.R. No. 154342. July 14, 2004), the High Court ruled:

“In resolving whether goods are related, several factors come into play:

- (a) the business (and its location) to which the goods belong
- (b) the class of product to which the goods belong
- (c) the product’s quality, quantity, or size, including the nature of the package, wrapper or container
- (d) the nature and cost of the articles
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality
- (f) the purpose of the goods
- (g) whether the article is bought for immediately consumption, that is, day-to-day household items
- (h) the fields of manufacture
- (i) the conditions under which the article is usually purchased and
- (j) the channels of trade through which the goods flow, how they are distributed, marketed, displayed and sold.”

WHEREFORE, premises considered the PETITION FOR CANCELLATION filed by Yellow Box Corporation, against Rustica Y. Que, is, as it is hereby, SUSTAINED. Accordingly, Registration No. 4-2004-003095 for the trademark YELLOW BOX in the name of Rustica Y. Que, respondent-registrant is hereby CANCELLED.

Let the file wrapper of “YELLOW BOX”, 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, 30 September 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs