OFFICE OF THE DIRECTOR GENERAL

HAWK DESIGNS, INC., Oppos*er-Appellant,*	Appeal No. 14-2010-0024
-versus-	Inter Partes Case No. 14-2009-00072 Opposition to: Application No. 4-2008-009722
CO YEE LOCK and **ROBIN K. CHAN,** *Respondents-Appellees.*	Date Filed: 12 August 2008 Trademark: HAWK

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DECISION

Hawk Designs, Inc. ("Appellant') appeals the decision[1] issued by the Director of the Bureau of Legal Affairs ("Director") denying the Appellant's opposition to the registration of the mark "HAWK" in favor of Co Yee Lock and Robin K. Chan ("Appellees").

Records show that the Appellees filed on 12 August 2008 Trademark Application No. 4-2008-009722 for HAWK for use on footwear namely: shoes, boots, sandals, and slippers belonging to Class 25 of the Nice Classification.[2] The trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks on 07 November 2008. On 09 March 2009, the Appellant filed a "VERIFIED NOTICE OF OPPOSITION" stating that the registration of HAWK in the name of the Appellees will damage and prejudice the Appellant's rights and interests and is contrary to the express provisions of Rep. Act No. 8293 or the Intellectual Property Code of the Philippines ("IP Code"). The Appellant alleged that:

1. It is the prior applicant in the Philippines of the marks "TONY HAWK" and "HAWK HEAD DEVICE" which were both filed on 27 June 2007;

2. HAWK is identical with or confusingly similar with TONY HAWK and under Sec. 123.1 (d) of the IP Code, this mark cannot be registered in the name of the Appellees;

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[1] Decision No. 2009-194 dated 04 December 2009.

[2] The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

3. TONY HAWK is a well-known mark and the approval of the Appellees' trademark application is contrary to Sections 123.1 (e) and (f) of the IP Code;

4. The Appellees' use and registration of HAWK will cause confusion, mistake, and deception upon the consuming public and mislead them as to the origin, nature, quality, and characteristics of the goods;

5. Even without the prior application for TONY HAWK, this mark deserves full protection because it is internationally well-known and any mark that is confusingly similar with this mark cannot be registered by the Appellees;

6. The approval of the Appellees' trademark application for HAWK will violate its proprietary rights and interests, business reputation, and goodwill on TONY HAWK; HAWK is identical to TONY HAWK which is a highly distinctive mark and which it has exclusive use and registration in numerous countries worldwide;

7. The approval of the Appellees' trademark application for HAWK will enable the Appellees to unfairly profit commercially from the goodwill, fame, and notoriety of "TONY HAWK" to the damage and prejudice of the Appellant; and

8. It is objecting to the registration of HAWK on the ground of trademark dilution under the ruling of the Supreme Court in the case of *Levi Strauss & Co. & Levi Strauss (Phils), Inc. vs. Clinton Apparelle, Inc.*.[3]

The Appellant submitted the following evidence to support the opposition:

1. Affidavit of Sean Pence, dated 27 February 2009;[4]
2. Copies of certificates of registration (foreign) for TONY HAWK and HAWK HEAD DEVICE issued in favor of the Appellant;[5]
3. List of trademark and service mark registrations and applications for TONY HAWK;[6]
4. Poster for the "HAWK European Tour in 2007";[7]
5. Affidavit of Amando S. Aumento, Jr., dated 04 February 2009;[8]

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[3] G. R. No. 128900, 30 September 2005.
[4] Exhibit "A".
[5] Exhibits "B", "B-1" to "B-11".
[6] Exhibit "C".
[7] Exhibit "D".
[8] Exhibit "E".

6. Special Power of Attorney executed on 27 February 2009;[9]
7. Printouts from the websites http://www.quiksilver.com, http://tonyhawk.com and http://www.hawk-city.com; [10]
8. Copies of the Appellant's trademark applications for TONY HAWK and HAWK HEAD DEVICE;[11]
9. Printouts from the websites where products bearing the marks TONY HAWK and HAWK HEAD DEVICE appear;[12]
10. Printouts from the websites where the sports figure Tony Hawk is featured;[13] and
11. Printout from the web page of *Google* showing the search results for the key words "TONY HAWK" and "HAWK CLOTHING".[14]

On 25 August 2009, the Appellees filed their "ANSWER" to the opposition alleging the following:

1. They are the lawful owners of HAWK which they use on shoes and that they have better and superior right to this mark as against the Appellant;

2. They, together with *Rosa Kaw,* are the majority stockholders of *Sportrend Mfg. Corp.,* a corporation duly organized under the laws of the Philippines and existing since its incorporation on 29 August 1989;

3. On 13 December 1985, *Rosa Kaw* adopted the mark HAWK and through *Sportrend Mfg. Corp.* started using HAWK on shoes; she filed on 28 May 1987 an application for the registration of HAWK on shoes, and on 03 November 1989, Cert. of Reg. No. 46817 for HAWK was issued in her favor; she also filed an application for the registration of the mark LADY HAWK & DESIGN on 27 July 1988 and was issued Cert. of Reg. No. 49237 on 01 October 1990;

4. *Rosa Kaw* did not file any affidavit of use for her registrations, although through *Sportrend Mfg. Corp.,* her registered marks have been continuously used without any interruption, and without any intention of abandoning them; beginning 2003, the Appellees, through *Shoexpress, Inc.,* continue using HAWK for footwear;

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9 Exhibit "F".
10 Exhibits "G", "G-1", and "G-2".
11 Exhibits "H" to "H-1".
12 "I" to "I-26".
13 Exhibits "J", "J-1", and "J-19".
14 Exhibits "K" to "K-1"

5. On 12 August 2008, *Rosa Kaw* filed a "re-application" of her Cert. of Reg. No. 46817 which was cancelled for her failure to file an affidavit of use following the 5th anniversary;

6. On 15 September 2008, *Rosa Kaw* executed an assignment of her trademark application in favor of the Appellees, which assignment was recorded in this Office on 16 September 2008;

7. Through actual and continuous commercial use of HAWK on shoes since 13 December 1985, they have acquired ownership of this mark; their right to register this mark has been preserved by express provisions of Sec. 236 of the IP Code;

8. The Appellant's claim of first use of HAWK is fourteen (14) years after the date of their first use of this mark; when they adopted and started using HAWK, the Appellant was not yet existing, much less using its marks; TONY HAWK was registered in the United States of America ("USA") only on 14 December 1999;

9. Even assuming that the Appellant's marks TONY HAWK and HAWK HEAD DEVICE have become well-known, the fame came very much later; their assignor adopted and started using HAWK on shoes by 13 December 1985;

10. The Appellant's claim that HAWK is confusingly similar to TONY HAWK and HAWK HEAD DEVICE will not bar the registration of this mark in favor of the Appellees; TONY HAWK was first use only on 01 March 1999 while HAWK HEAD DEVICE was first used only on 11 November 2000; in the Philippines, the Appellant claims that its first use of TONY HAWK was only in 2003; TONY HAWK was first registered in the USA only on 14 December 1999 while HAWK HEAD DEVICE was registered only on 08 March 2005; the Appellant filed its application to register TONY HAWK and HAWK HEAD DEVICE in the Philippines only on 27 June 2007; and

11. Even if HAWK is confusingly similar to TONY HAWK and HAWK HEAD DEVICE, it is the registration of the Appellant's marks which is barred by the existence and continuous use by the Appellees of HAWK and not the other way around.

The Appellees' evidence consists of the following:

1. Cert. of Reg. No. 46817 for HAWK issued on 03 November 1989;[15]

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[15]Exhibit "1".

2. Assignment of Trademark Application No. 4-2008-009722;[16]
3. Details of Trademark Application No. 4-2008-009722;[17]
4. Articles of Incorporation of *Sportrend Mfg. Corp.*;[18]
5. Cert. of Reg. No. 49237 for LADY HAWK & DESIGN;[19]
6. Mayor's permits issued to *Sportrend Mfg. Corp.*;[20]
7. Sales invoices;[21]
8. Price lists of *Sportrend Mfg. Corp.*;[22]
9. Advertising and promotional materials;[23]
10. Copies of print budget appropriation for 1991-1995;[24]
11. Certificate of Incorporation of *Shoe Express, Inc.*;[25]
12. Mayor's permit and Barangay Certification;[26]
13. Affidavit of *Rosa Kaw* executed on 25 August 2009;[27] and
14. Affidavit of the Appellees executed on 25 August 2009.[28]

After the appropriate proceedings, the Director denied the opposition and held that the Appellees are the first adopter and user in commerce of the marks HAWK and LADY HAWK & DESIGN and have the better right over these marks than the Appellant. The Director ruled that the Appellees have vested right over these marks acquired in good faith under the old trademark law which cannot be impaired by the passage of the IP Code and the Appellant's application of a similar or identical mark.

The Appellant filed on 11 March 2010 an "APPEAL" contending that its trademark applications for TONY HAWK and HAWK HEAD DEVICE that were filed earlier than the Appellee's trademark application bar the registration of HAWK. According to the Appellant, the IP Code has now instituted the first-to-file system which simplified the determination of trademark rights. The Appellant maintains that the Appellees have no vested rights over the registrations for HAWK and LADY HAWK as these registrations have been cancelled when the required affidavit of use was not filed. The Appellant asserts that HAWK is beyond the reach of the Appellees because it is its corporate name and that this mark has acquired a well-known status due to the Appellant's commercial success. The next day, the Appellant filed a "SUPPLEMENT TO THE APPEAL" reiterating its position that the IP Code has now instituted the rule that the first to file will defeat the latecomer and that it is registration, not prior use, which is the source of trademark rights.

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16 Exhibit "2".
17 Exhibits "3", "3-a" to "3-k".
18 Exhibit "4".
19 Exhibit "5".
20 Exhibits "6", "6-a" to "6-h".
21 Exhibits 7", "7-a" to "7-g", "13", "13-a" to "13-l".
22 Exhibits "8" and "8-1"
23 Exhibits "9", "9-a" to "9-m"
24 Exhibits "10", "10-a" to "10-dd".
25 Exhibit "11".
26 Exhibits "12" and "12-a".
27 Exhibit "14".
28 Exhibit "15".

The Appellees filed their "COMMENT" on 15 April 2010 maintaining that the appeal is defective as it is not accompanied by a certification against forum shopping as required by Section 5 of Rule 7 of the Rules of Court and that the SUPPLEMENT TO THE APPEAL should be stricken off the record and disregarded for having been filed beyond the last day for perfecting the appeal. The Appellees claim that they are the lawful owners of the HAWK which was used on shoes long before the Appellant adopted and started using TONY HAWK and HAWK HEAD DEVICE. They maintain that they did not abandon their acquired rights over HAWK and that the Appellant failed to submit substantial evidence to prove that TONY HAWK and HAWK HEAD DEVICE are well-known internationally and in the Philippines.

The main issue in this appeal is whether the Director was correct in denying the Appellant's opposition to the registration of HAWK in favor of the Appellees.

Before resolving this issue, this Office will first tackle the Appellees' comments that the appeal is defective and that the SUPPLEMENT TO THE APPEAL should be stricken off the record and disregarded.

This Office issued an Order on 16 March 2010 stating that the instant appeal complies with the requirements under the Uniform Rules on Appeal. The Uniform Rules on Appeal, as amended,[29] does not require the filing of a verification and certification of non-forum shopping to perfect an appeal. Moreover, the certification against forum shopping is required in filing a complaint or other initiatory pleading and not in the instant appeal. The complaint and other initiatory pleadings include the original civil complaint, counterclaim, cross-claim, third (fourth, etc.) party complaint, or complaint-in-intervention, petition, or application wherein a party asserts the claim for relief.[30] Therefore, the Appellees' position that the appeal is defective because it was not accompanied by a certification against forum shopping is not meritorious.

On the other hand, the Appellees were correct in pointing out that the SUPPLEMENT TO THE APPEAL was filed beyond the period to perfect an appeal and should be stricken off the record. Moreover, there is nothing in the Uniform Rules on Appeal that allows the filing of a supplement to the appeal beyond the reglementary period for filing the appeal memorandum.

Regarding the main issue in this appeal, the Office noted the "MANIFESTATION" filed by the Appellees on 03 June 2011 alleging that the Appellant's Trademark Application No. 4-2007-006691 for TONY HAWK was abandoned with finality. The Appellees manifested that with the abandonment of the Appellant's trademark application for TONY HAWK that was filed earlier than their trademark application for HAWK, the Appellant has no more prior application that can bar the approval for the registration of HAWK. The Appellees maintain that the

[29] Office Order No. 12, Series of 2009.

[30] See Supreme Court Administrative Circular No. 04-94 dated February 8, 1994.

Appellant cannot anymore cite Sec. 123.1 (d) of the IP Code as the legal basis for its opposition.

The Office requested the Bureau of Trademarks (BOT) to issue a certification on the status of the Appellant's trademark application for TONY HAWK.[31] On 10 May 2012, the BOT issued a "CERTIFICATION" stating that the Appellant's Trademark Application No. 4-2007-006691 for TONY HAWK was abandoned with finality on 09 January 2010. The BOT also certifies that the Appellant has another application for TONY HAWK (Application No. 4-2010-001880) which is subject of opposition in another case at the Bureau of Legal Affairs.

In this regard, the Appellant anchors its appeal primarily on its trademark application for TONY HAWK which was filed earlier than the subject trademark application of the Appellees. With the abandonment of the Appellant's trademark application for TONY HAWK, the Appellant's legal basis on this part of the appeal was rendered moot. The Office, therefore, need not rule on whether the trademark application for TONY HAWK filed by the Appellant bars the Appellees from registering HAWK.

Moreover, the Appellant cannot rely on its earlier trademark application for HAWK HEAD DEVICE to support its appeal seeking the rejection of the Appellees' application to register HAWK. A check on the details of the Appellant's trademark application shows that the title of the mark is "A Representation of a Head of a Bird of Prey" which may not necessarily refer to a "hawk". Furthermore, the Appellant is applying HAWK HEAD DEVICE for goods[32] that are different from footwear namely: shoes, boots, sandals, and slippers that are covered by the Appellees' trademark application. Nonetheless, the Appellees are registering the word mark "HAWK" and in the absence of the Appellant's trademark application for TONY HAWK, the Appellant's adoption of the HAWK HEAD DEVICE cannot on its own bar the registration of HAWK.

In addition, the Appellant's contention that HAWK is its corporate name is not tenable. The Appellant's corporate name is not HAWK but "HAWK DESIGNS, INC.". Moreover, the presence of the term "HAWK" on the Appellant's corporate name is not sufficient to bar the registration of HAWK in favor of the Appellees. In the case of *Canon Kabushiki Kaisha vs. Court of Appeals and NSR Rubber Corporation*[33] the Supreme Court of the Philippines held that there is no automatic protection afforded an entity whose trade name is alleged to have been infringed through the use of that name as a trademark by a local entity. The Supreme Court of the Philippines pointed out that:

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[31] Memorandum dated 07 May 2012.

[32] Class 18 – luggage, backpacks, wallets, fanny packs, travel bags, tote bags, duffel bags, and athletic bags; Class 25 – clothing and headwear, namely, shirts, t-shirts, sweatshirts, sweat pants, tank tops, shorts, pants, jackets, sweaters, socks, belts, gloves, thermal t-shirts, hats, caps, visors, and snow hats.

[33] G. R. No. 120900, 20 July 2000.

The Paris Convention for the Protection of Industrial Property does not automatically exclude all countries of the world which have signed it from using a trade name which happens to be used in one 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.

Accordingly, just because the term "HAWK" is present in the Appellant's corporate name does not mean that the Appellees cannot register this mark in their favor. A trademark is different from a trade name. A trademark refers to a visible sign to distinguish ones goods while a trade name means the name or designation identifying or distinguishing an enterprise.[34] The essence of trademark registration is to give protection to the owners of trademarks. The rights in a trademark shall be acquired through registration made validly in accordance with the provisions of the IP Code.[35] In this case, the Appellees have shown that their predecessor-in-interest had used HAWK as a mark at a time when the Appellant is not yet using its corporate name or TONY HAWK. Thus, the Appellant cannot use its corporate name to bar the registration of HAWK in favor of the Appellees. Consequently, the Appellees who have complied with the provisions of the IP Code on the registration of a mark are entitled to the registration of HAWK. Accordingly, this Office finds no need to rule on the issue that the Appellant's marks are well-known.

Wherefore, premises considered, the appeal is hereby dismissed for the reasons discussed above. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this decision for information, guidance, and records purposes.

SO ORDERED.

AUG 24 2012 Taguig City.

RICARDO R. BLANCAFLOR
Director General

[34] Sec. 121.1 and 121.3 of the IP Code.
[35] Sec. 122 of the IP Code.