OFFICE OF THE DIRECTOR GENERAL

ROMEO CHUATECO,
Appellant,

- versus -

PRESIDENT AND FELLOWS OF HARVARD COLLEGE (HARVARD UNIVERSITY),
Appellee.
x----------x

Appeal No. 14-2011-0012

Inter Partes Case No. 14-2009-00098
Opposition to:
Application No. 4-2007-001414
Date Filed: 12 February 2007
Trademark: HARVARD

ROMEO CHUATECO,
Appellant,

- versus -

PRESIDENT AND FELLOWS OF HARVARD COLLEGE (HARVARD UNIVERSITY),
Appellee.
x----------x

Appeal No. 14-2011-0013

Inter Partes Case No. 14-2008-00144
Opposition to:
Application No. 4-2007-000587
Date Filed: 19 January 2007
Trademark: HARVARD & Device

ROMEO CHUATECO,
Appellant,

- versus -

PRESIDENT AND FELLOWS OF HARVARD COLLEGE (HARVARD UNIVERSITY),
Appellee.
x----------x

Appeal No. 14-2011-0015

Inter Partes Case No. 14-2008-00002
Opposition to:
Application No. 4-2007-000478
Date Filed: 15 January 2007
Trademark: HARVARD JEANS CO. HJCO

DECISION

ROME CHUATECO ("Appellant") appeals Decision Nos. 2011-59 (dated 14 July 2012), 2011-60 (dated 15 July 2011), and 2011-77 (dated 23 September 2011), of the Director of the Bureau of Legal Affairs ("Director") sustaining the opposition of PRESIDENT AND FELLOWS OF HARVARD COLLEGE (HARVARD UNIVERSITY) ("Appellee") to the Appellant's Trademark Application Nos. 4-2007-000587 and 4-2007-000478, for the marks "HARVARD & Device" and "HARVARD JEANS CO. HJCO", respectively, and dismissing the opposition of the Appellant to the Appellee's Trademark Application No. 4-2007-001414 for the mark "HARVARD".

In Inter Partes Case No. 14-2008-00002, records show that the Appellant filed on 15 January 2007 Trademark Application No. 4-2007-000478 for the mark HARVARD JEANS CO. HJCO for the following goods: jackets, gloves, caps, boots, sandals, slippers, coin purse, pants, skirts, shorts, body accessories, polo shirts, t-shirts, polo, panties, bras, briefs, jeans, socks, slacks, blouse, neckties under Class 25; and belts, wallet, bags under Class 18 of the Nice Classification.[1] On 02 January 2008, the Appellee filed a VERIFIED OPPOSITION to the Appellant's application for registration of the HARVARD JEANS CO. HJCO mark.

Consequently, the Appellant filed on 05 June 2008 its ANSWER, which, in essence, refuted the material allegations of the Appellee. Thereafter, on 27 May 2009, the Director issued Order No. 2009-924 granting the Appellant's motion for the deferment of the proceedings in view of the case then pending in the Supreme Court involving the same parties and the issue of ownership of the mark HARVARD, then docketed as G.R. No. 185917 entitled "*Fredco Manufacturing Corporation vs. President and Fellows of Harvard College (Harvard University)*".

Meanwhile, in Inter Partes Case No. 14-2008-00144, on 19 January 2007, the Appellant likewise filed Trademark Application No. 4-2007-00587 for the mark "HARVARD & Device" for use on t-shirts, polo shirts, sandos, briefs, pants, jackets, slacks, jeans, cap, shool blouse, panties, bra, handkerchiefs, neckties under Class 25. The herein Appellee similarly filed its OPPOSITION on 27 June 2008, and the Appellant in turn filed its ANSWER on 25 November 2008.

On 15 April 2009, the Appellant filed a Motion to Defer Proceedings on account of the case pending in the Supreme Court involving the same parties and the issue of who owns the contested mark. The Appellee filed a Manifestation on 19 June 2009 stating that it has no objection to the Appellant's motion. On 03 February 2010, the Bureau of Legal Affairs granted the deferment of the submission of the position papers of the parties until the rendition of a decision by the Supreme Court.

In turn, Inter Partes Case No. 14-2009-00098 involved Trademark Application No. 4-2007-001414, this time filed by the Appellee on 12 February 2007, for the mark HARVARD for use on blazers, hats, sweatshirts, sweatpants, t-shirts, gloves, pants, shorts, blouses, shoes, socks, shorts, night gowns, jackets, ties, caps, slippers, booties, bathing suits, scarves, raincoats, belts, camisoles, and underwear under Class 25. The Appellant opposed the application on 27 March 2009, to which the Appellee filed is ANSWER on17 August 2009.

In sum, the Appellee relied on the following allegations:

1. Appellee was established in 1636 and is over 350 years old. It is a highly regarded institution of higher learning in the United States of America, and is well-throughout the world;

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[1] 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.

2. It is the owner of the more than 350 year old well-known name and mark HARVARD and is the proprietor of numerous trademark registrations for HARVARD in countries worldwide, including the Philippines for various classes;

3. The name and mark HARVARD was first used in connection with the word College as early as 1638 and in commerce as early as 1872;

4. It promotes, uses, and advertises its name HARVARD through various publications, services, and products in foreign countries, including the Philippines;

5. Appellee's well-known name and mark HARVARD have been rated as one of the most famous brands in the world and valued between 750 million and 1 billion U.S. dollars in the article "Most Valuable Brands" published in the October 1997 issue of the Financial World;

6. It is also the owner of Philippine trademark applications for HARVARD BUSINESS REVIEW[2] and HARVARD BUSINESS SCHOOL[3];

7. In 1989, Appellee established the HARVARD Trademark Licensing Program, operated by the Office for Technology and Trademark Licensing to oversee and manage the worldwide licensing of the HARVARD name and trademarks for various goods and services in Classes 16, 18, 21, 24, 25, and 41.

8. Appellee did not particularly authorize or license Appellant to use the name or mark HARVARD on any of his goods or services, or to keep on filing trademark applications with the name and mark HARVARD;

9. The Appellant's act of illegally appropriating and using the well-known name HARVARD violates the treaty obligations of the Philippines under Art. *6bis* and 8 of the Paris Convention for the Protection of Industrial Property;

10. Appellant's adoption and use of the trade name HARVARD as a brand name in connection with the words "Cambridge, Massachusetts" and "USA" in the articles of clothing it manufactures and the labels likewise violates Section 165 of R.A. 8293;

11. HARVARD is a well-known and respected mark. Appellant's adoption and use of the HARVARD name in bad faith cannot give rise to valid trademark rights since the name HARVARD has already been appropriated by another entity;

12. The mark HARVARD, which was the subject of cancelled Philippine Trademark Registration No. 42348, should not even have been registered by the Appellant's predecessor-in-interest in the first place since its previous registration was obtained contrary to Sections 4(a) and 37(e) of R.A. 166, which prohibited the registration of a mark that

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[2] Trademark Application Serial No. 4-2007-001483.
[3] Trademark Application Serial No. 4-2007-001482.

may disparage and falsely suggest a connection with the persons or institutions, such as the Harvard University;

13. Appellant's unauthorized use of the name HARVARD for its articles of clothing serves to mislead and to deceive the public into believing that its goods are sanctioned or sponsored by the Appellee, which is located in Cambridge, Massachusetts. "Cambridge, Massachusetts" on the logo appearing on its labels, is a deliberate attempt to deceive the public into believing that the Appellant is affiliated or connected with the Appellee, and to ride on the reputation and goodwill of the name HARVARD; and

14. Out of the many available names, symbols, and ideas, Appellant chose the well-known name and mark HARVARD for its articles of clothing, knowing very well that the name HARVARD belongs to the celebrated institution of learning, HARVARD UNIVERSITY. Appellant has not denied its knowledge of the Appellee's existence. Hence, Appellant's adoption and use of the name and mark HARVARD without the Appellee's consent is an absolute act of gross and evident bad faith.

On the other hand, the Appellant contended that:

1. Appellant is the assignee and the true and lawful owner of the mark HARVARD for t-shirts, polo shirts, sandos, briefs, pants, jackets, and slacks under Class 25 having adopted, used, popularized, and registered the same earlier than the Appellee;

2. Appellant, through its predecessor-in-interest, New York Garments Manufacturing & Export Co., Inc. first used the mark HARVARD for goods under Class 25 on 2 January 1982;

3. Appellant, through its predecessor-in-interest, New York Garments Manufacturing & Export Co., Inc., filed an application for trademark registration with the then BPTTT (now IPO) on 24 January 1985 for the same mark;

4. The said application matured into a registration in the Principal Register and was issued a Trademark Certificate of Registration No. 42348 on 12 December 1988 and in the Supplemental Register on 20 September 1985;

5. The said registration was later assigned to the Appellant, Romeo Chuateco, a family member of the family-owned New York Garments Manufacturing & Export Co. Inc.;

6. Believing that their mark was registered for a term of twenty (2) years, there being no other requirements except for its renewal after the end of the term, Appellant's predecessor-in-interest focused and concentrated all its effort in marketing and promoting the mark HARVARD for clothing;

7. In the years that followed, it has spent a considerable amount in advertisement and promotion of the mark HARVARD, thereby earning a nationwide reputation and following. Through its aggressive promotion and continuous use of the HARVARD mark, the business flourished and the mark HARVARD acquired through time in the minds of the purchasing public, a good reputation and high quality-image;

8. On October 3, 1991 or more than nine (9) years after the Appellant adopted and started using the mark HARVARD on January 2, 1982 and almost three (3) years after the Appellant's predecessor-in-interest registered the same mark with the then BPTTT, the Appellee in bad faith and with prior knowledge of the existence and reputation of the Appellant's HARVARD mark for goods under Class 25, filed a trademark application with the then BPTTT for "HARVARD VERITAS SHIELD SYMBOL" for goods under Class 25, which is identical, if not similar, with the Appellant's HARVARD mark;

9. On25 November 1993, the Appellee fraudulently obtained as was granted Philippine Trademark Registration No. 56561 for the identical/similar mark "HARVARD VERITAS SHIELD DESIGN" for goods under Class 25;

10. When the Appellee filed its application and until it was issued a registration, the Appellant had a valid and existing registration for the mark HARVARD for goods under class 25 and was used in commerce and not abandoned;

11. On 09 November 1995, Fredco Manufacturing Corp. was formed and registered with the Securities and Exchange Commission. Since then, it has been marketing and promoting the mark, and the manufacture of the clothing articles under the HARVARD mark;

12. By inadvertence, it failed to file the affidavit to use/non-use for the 5th anniversary, resulting in the cancellation of its registration on 30 July 1998; and

13. The Appellant filed a Petition for Cancellation of the Appellee's registration for the HARVARD VERITAS SHIELD SYMBOL for Class 25, which case is now pending before the Supreme Court.

In all the three (3) cases lodged before the Bureau of Legal Affairs, the Director ruled in favor of the Appellee, citing the Decision of this Office in Appeal No. 14-07-09 (IPC No. 14-2005-00094, entitled *President and Fellows of Harvard College (Harvard University) vs. Fredco Manufacturing Corporation*) which resolved the relevant issue on ownership and right to register and use the mark HARVARD in favor of the Appellee. Such decision was affirmed by the Court of Appeals in CA-G.R. SP No. 103394, promulgated on 24 October 2008, and sustained by the Supreme Court in G.R. No. 185917, which held that:

> "Harvard" is a well0known name and mark not only in the United States but also internationally, including the Philippines. The mark "Harvard" is rated as one of the most famous marks in the world. It has been registered in at least 50 countries. It has

been used and promoted extensively in numerous publications worldwide. It has established a considerable goodwill worldwide since the founding of Harvard University more than 350 years ago. It is easily recognizable as the tradename and mark of Harvard university of Cambridge, Massachusetts, U.S.A., internationally known in the world. As such, even before Harvard University applied for registration of the mark "Harvard" in the Philippines, the mark was already protected under article 6bis and article 8 of the Paris Convention. Again, even without applying the Paris Convention, Harvard University can invoke Section 4 (a) of R.A. No. 166 which prohibits the registration of a mark "which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs x x x".

In the Decisions being appealed, the Director likewise pointed out the two (2) compelling reasons held by the Supreme Court as to why the case of Fredco, the herein Appellant's predecessor-in-interest, must fail:

> First. Fredco's registration of the mark "Harvard" and its identification of origin as "Cambridge, Massachusetts" falsely suggest that Fredco or its goods are connected with Harvard University, which uses the mark "Harvard" and is located in Cambridge, Massachusetts. This can easily be gleaned from the following oblong logo of Fredco that it attaches to its clothing line:
>
> x x x
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> Fredco's use of the mark "Harvard" coupled with its claimed origin in Cambridge, Massachusetts, obviously suggests a false connection with Harvard University. On this ground alone, Fredco's registration of the mark Harvard should have been disallowed.
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> Indisputably, Fredco does not have affiliation or connection with Harvard University, or even with Cambridge, Massachusetts. Fredco or its predecessor New York Garments was not established in 1936, or in the U.S.A. as indicated by Fredco in its oblong logo.

The Director thus held that the Supreme Court decision settled the issue as to which party is the real owner of the mark HARVARD and thus, has the right to register it as a trademark. The cases were consequently decided in favor of the herein Appellee, who was determined to be the owner of the mark and has all the trademark rights appurtenant thereto, including the remedy of opposing or preventing the herein Appellant from registering the same mark.

Dissatisfied, the Appellant filed its "APPEAL MEMORANDUM" from the three (3) decisions of the Director, essentially alleging that:

1. The applicable law as to the registration of the mark HARVARD in this country is Republic Act No. 166, as amended, which required actual prior use of the mark;
2. The Appellee was not entitled to the benefit of Section 37 of R.A. 166 on the rights of foreign registrants, and hence, there is no mark registered under the Trademark Law in its favor that may be deemed granted under Section 239.2 of the IP Code, which is, in the first place, not the applicable law;

3. The Appellee does not have any goodwill in the Philippines without actual use thereof in Class 25 goods in the country;
4. The use of the HARVARD mark by the Appellant may not be deemed to have been intended to suggest a false connection to the Appellee, because the relevant purchasing public of the Appellant's goods in this country does not associate it with the Appellee, and hence, the Appellant is not riding on any goodwill;
5. The Paris Convention does not override the requirement of the Trademark Law for actual prior use of trade names in the country for it to be accorded protection, in recognition of our law's adherence to the territoriality principle; and
6. The basis for declaring the Appellee's mark as a well-known mark in this country is improper, as the requirement of actual local commercial use under the Old Trademark Law must prevail.

The Appellee consequently filed its COMMENT, contending that the final decision of the Supreme Court in the related case of "*Fredco Manufacturing Corp. vs. President and Fellows of Harvard College*", docketed as G.R. No. 185917 constituted *res judicata* in the subject case. Hence, according to the Appellee, the present appeal is barred by the conclusiveness of judgment in G.R. No. 185917.

In an Order dated 04 October 2011, this case was referred to mediation pursuant to Office Order No. 154, series of 2010, on the Rules of Procedure for IPO Mediation Proceedings. The parties were thus ordered to appear in person, with or without counsel, at the IPO Arbitration and Mediation Center (IPOPHL AMC), for the purpose of considering the possibility of settling the dispute through mediation. However, according to the Mediator's Report, the there was a failure to settle the three (3) cases through mediation, and the same were returned to the Office of the Director General for appropriate disposition.

In an Order dated 11 May 2012, this Office granted the Appellee's "Motion to Consolidate Appeal Nos. (i) 14-2011-0012; (ii) 14-2011-0013; and (iii) 14-2011-0015", in order to promote the more expeditious determination of the issues and the orderly administration of justice.

The sole issue to be resolved in this appeal is who between the herein parties is the true and actual owner of the HARVARD mark, and therefore entitled to its registration and appurtenant trademark rights.

In this regard, it should be noted that precisely the allegations in the Appellant's Appeal Memoranda have already been passed upon and categorically settled by the Supreme Court in the case of *Fredco Manufacturing Corporation vs. President and Fellows of Harvard College (Harvard University)*[4], to wit:

[4] G.R. No. 185917, 01 June 2011.

Under Section 2 of Republic Act No. 166, as amended (R.A. No. 166), before a trademark can be registered, it must have been actually used in commerce for not less than two months in the Philippines prior to the filing of an application for its registration. **While Harvard University had actual prior use of its marks abroad for a long time, it did not have actual prior use in the Philippines of the mark "Harvard Veritas Shield Symbol" before its application for registration of the mark "Harvard" with the then Philippine Patents Office. However, Harvard University's registration of the name "Harvard" is based on home registration which is allowed under Section 37 of R.A. No. 166.**[5] As pointed out by Harvard University in its Comment:

> Although Section 2 of the Trademark law (R.A. 166) requires for the registration of trademark that the applicant thereof must prove that the same has been actually in use in commerce or services for not less than two (2) months in the Philippines before the application for registration is filed, where the trademark sought to be registered has already been registered in a foreign country that is a member of the Paris Convention, the requirement of proof of use in the commerce in the Philippines for the said period is not necessary. An applicant for registration based on home certificate of registration need not even have used the mark or trade name in this country.

Indeed, in its Petition for Cancellation of Registration No. 56561, Fredco alleged that Harvard University's registration "is based on 'home registration' for the mark 'Harvard Veritas Shield' for Class 25."

In any event, under Section 239.2 of Republic Act No. 8293 (R.A. No. 8293), "[m]arks registered under Republic Act No. 166 shall remain in force but shall be deemed to have been granted under this Act x x x," which does not require actual prior use of the mark in the Philippines. **Since the mark "Harvard Veritas Shield Symbol" is now deemed granted under R.A. No. 8293, any alleged defect arising from the absence of actual prior use in the Philippines has been cured by Section 239.2**. In addition, Fredco's registration was already cancelled on 30 July 1998 when it failed to file the required affidavit of use/non-use for the fifth anniversary of the mark's registration. Hence, at the time of Fredco's filing of the Petition for Cancellation before the Bureau of Legal Affairs of the IPO, Fredco was no longer the registrant or presumptive owner of the mark "Harvard."

On the issue of being a well-known mark, the Supreme Court has likewise ruled that:

> **There is no question then, and this Court so declares, that "Harvard" is a well-known name and mark not only in the United States but also internationally, including the Philippines.** The mark "Harvard" is rated as one of the most famous marks in the world. It has been registered in at least 50 countries. It has been used and promoted extensively in numerous publications worldwide. It has established a considerable goodwill worldwide since the founding of Harvard University more than 350 years ago. It is easily recognizable as the trade name and mark of Harvard University of Cambridge, Massachusetts, U.S.A., internationally known as one of the leading educational institutions in the world. As such, even before Harvard University applied for registration of the mark "Harvard" in the Philippines, the mark was already protected under Article 6bis and Article 8 of the Paris Convention. Again, even without applying the Paris Convention, Harvard University can invoke Section 4(a) of R.A. No. 166 which prohibits the registration of a mark "which may disparage or falsely suggest a connection

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[5] *Citing* the Decision of the Bureau of Legal Affairs dated 22 December 2006, p. 154, and the Decision of the Director General dated 21 April 2008, p. 122.

with persons, living or dead, institutions, beliefs x x x."[6]

All the issues raised by the Appellant in these cases having already been laid to rest by the Supreme Court decision cited above, this Office so adopts the same. As correctly pointed out by the Appellee:

> 4. Respondent-Appellee now, therefore, invokes the application of the principle of *res judicata* in this case. In accordance with the principle of *res judicata*, an existing final judgment or decree rendered on the merits, and without fraud or collusion, by a court of competent jurisdiction, upon any matter within its jurisdiction, is conclusive of the rights of the parties or their privies, in all other actions or suits in the same or any other judicial tribunal of concurrent jurisdiction on the points and matters in issue in the first suit.[7]
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> x x x x x x x x x
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> 5. Conclusiveness of judgment under the doctrine of *res judicata* requires only the identity of parties and issues, which factors are present in this case. Under conclusiveness of judgment, a fact or a question, which was in issue in a former suit and was there judicially passed upon and determined by a court of competent jurisdiction, is conclusively settled by the judgment therein as far as the parties to that action and persons in privity with them are concerned, and cannot be again litigated in any future action between such parties or their privies in the same court or any other court of concurrent jurisdiction on either the same or a different cause of action, while the judgment remains unreversed.[8]
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> 6. As can be seen from the Decision and the Resolution in G.R. No. 185917, the judgment is conclusive as to all matters raised in issue in this case. This case, as in the case of Appeal No. 14-2011-0013, is now therefore barred by the prior judgment or the conclusiveness of judgment in G.R. No. 185917.

WHEREFORE, premises considered, the instant appeals are hereby DISMISSED. Let a copy of this Decision and the 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.

SEP 03 2012 Taguig City.

RICARDO R. BLANCAFLOR
Director General

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[6] G.R. No. 185917, pp. 20-21.
[7] *Citing Agustin vs. Delos Santos,* GR No. 168139, January 20, 2009, 576 SCRA 576.
[8] *Citing* G.R. No. 182013, *Quasha Ancheta Pena & Nolasco Law Office vs. Special Sixth Division, Court of Appeals,* December 4, 2009, 607 SCRA 712.