



ARCHOS S.A.,
Petitioner,

-versus-

DANNY KO,
Respondent-Registrant.

X ----- X

IPC No. 14-2012-00539

Petition for Cancellation
Registration No. 4-2011-012580
Date Issued: 08 March 2012

Trademark: **"ARCHOS"**

Decision No. 2013- 118

DECISION

Archos S.A.¹ ("Petitioner") filed on 23 November 2012 a petition to cancel Trademark Registration No. 4-2011-012580. The registration issued on 08 March 2012 to Danny Ko² ("Respondent-Registrant") covers the mark "ARCHOS" for the use on *"multimedia tablet, internet tablet, personal digital assistant, smart phone, telecommunication devices, phones, internet phones, mobile phones, wireless internet phones, low-power mobile phone; electronic handheld devices for the wireless receipt and/or transmission of data which may also have the capacity to transmit and receive voice, image and video communication; and related accessories, namely, docks, cradles, mounts, holders, stands, carrying cases, covers, protective or decorative skins, batteries, power adaptors, cables, connectors, headsets and speakers; computers; desktop computers; notebook computers; netbook computers; computer servers; computer storage devices in the nature of hard disc drives; memory cards; monitors; dvd rewriters; ac adaptors used with computers, notebook computers and netbook computers; battery use with computers, notebook computers and netbook computer"* all under Class 09 of the International Classification of Goods.³

Petitioner avers that Respondent-Registrant's registration for the trademark "ARCHOS" should be cancelled for being identical or confusingly similar to its own well-known "ARCHOS" mark, contrary to the provisions of Section 123.1 (e) of Republic Act No. 8293 also known as the Intellectual Property Code of the Philippines ("IP Code"). It contends that its company, directly and through its subsidiaries, owns registrations of

¹ A company duly organized and existing under the laws of France, with business address at 12 rue Ampère F-91430 Igny, France.

² With address at 54 Scout Torillo Street, Quezon City, Philippines.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

the contested mark in numerous jurisdiction including the United States of America, France, World International Property Office, Hong Kong, China and CTM. It claims entitlement of the benefits provided under Section 3 of the IP Code as both Philippines and France, its domicile, are members of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Maintaining that its mark is well-known, Petitioner posits that the Respondent-Registrant's registration is also a violation of Article 16(1) and (2) of the TRIP Agreement.

Petitioner asserts that it has extensively promoted its mark and has maintained a website, www.archos.com, which is accessible to users worldwide, including those in the Philippines. It alleges that Respondent-Registrant's appropriation of the subject mark is made knowingly, willfully and in bad faith, with prior knowledge of Petitioner's rights and with an intention to ride on the goodwill of its mark. Contending that the registration was obtained fraudulently and in bad faith, Petitioner anchors its claim on Section 151.1 (b) and Section 165.2 of the IP Code.

In support of its petition, the following pieces of evidence were submitted by Petitioner:

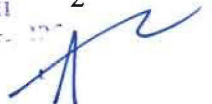
1. original notarized and legalized affidavit, with attachments, of Mr. Henri Crohas, Chairperson of Petitioner;
2. certified true copy of its USA Trademark Registration No. 2,876,279;
3. certified copy of its France Trademark Registration No. 3330966;
4. certified copy of its Hong Kong Trademark Registration No. 300359622;
5. copy of its China Trademark Registration No. 3891231;
6. original copy of its China Trademark Registration No. 01189214;
7. certified copy of its OHIM Community Trademark Registration No. 2543791;
8. certified copy of its Argentina Trademark Registration No. 2134751;
9. official copy of its Brazil Trademark Registration No. 826012434;
10. certified true copy of its Canada Trademark Registration No TMA683,248;
11. certified true copy of its India Trademark Registration No. 1358146;
12. certified copy of its Mexico Trademark Registration No. 906835;
13. certified true and correct translation of its Thailand Trademark Registration No. 248716; and
14. original notarized and legalized Officer's Certificate and Power of Attorney signed by Mr. Henri Crohas, regarding the authority of counsel to represent Petitioner in the case.

This Bureau issued a Notice to Answer dated 09 January 2013 and served a copy thereof upon the Respondent-Registrant. However, Respondent-Registrant failed to

CERTIFIED TRUE COPY

SHARON S. ALCANTARA
Records Officer II
Bureau of Legal Affairs

2



comply. Accordingly, the Hearing Officer issued on 16 April 2013 Order No. 2013-605 declaring the Respondent-Registrant in default and the case submitted for decision.

Essentially, the issue to be resolved is whether Registration No. 4-2011-012580 should be cancelled.

Prefatorily, it is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁴

Records reveal that the Respondent-Registrant was granted registration for the trademark "ARCHOS" on 08 March 2012. Petitioner, on the other hand submitted copies of its certificates of registration for its trade name "ARCHOS" issued abroad. In the Philippines, however, it does not have any pending application and/or existing registration. Regardless of this fact, Petitioner is still a proper party of the cancellation proceedings in view of the provisions of Section 165.2 of IP Code, which states thus:

"165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful." (Emphasis supplied.)

Petitioner, in this case, basically raises the issue of ownership. It imputes fraud and bad faith on Respondent-Registrant in procuring registration over the mark "ARCHOS" claiming that it is the lawful and rightful owner thereof. Succinctly, Section 151.1 of the IP Code provides in part that:

"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

⁴ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November, 1999.

person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

xxx

(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."

This provision allows any person to file a petition to cancel a trademark registration if that person believes that he will be damaged by the registration. Once filed, the cancellation proceeding becomes, basically, a review of the trademark registration in question if the legal requirements for registration have been satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the principal register would damage the Petitioner.⁵

Corollarily, it is provided in Section 138 of the IP Code that:

Sec. 138. *Certificates 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.

⁵ Section 154 of the IP Code provides:

"Section 154. *Cancellation of Registration.* - If the Bureau of Legal Affairs finds that a case of cancellation has been made out, it shall order the cancellation of registration. When the order or judgment becomes final, any right conferred upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPO Gazette. (Section 19, R.A. No. 166a)

Clearly, it is not the registration that confers ownership of the mark but it is ownership that gives rise to a right to register the same. Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.⁶ The registration system shall not be used in committing or perpetrating an unjust and unfair claim. As all presumptions, the presumptive ownership conferred by registration may be questioned, attacked and proven otherwise by evidence to the contrary.

Verily, the pronouncement by the Supreme Court in *Berris Agricultural Company, Inc. vs. Norvy Abyadang*⁷ is enlightening on this point, thus:

"The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of 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. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce."(Emphasis supplied.)

⁶ *Shangri-la International Hotel Management Ltd. Vs. Developers Group of Companies, Inc.* G.R. No. 159938, 31 March 2006.

⁷ G.R. No. 183404, 13 October 2010.

Perusal of the Respondent-Registrant's trademark shows that it is undoubtedly confusingly similar, if not identical, with that of Petitioner's trade name. Owing to the fact that both have the same spelling, they echo the same pronunciation. Hence, Petitioner's trade name cannot co-exist with Respondent-Registrant's trademark. The foremost reason is that it is likely that consumers will have the impression that their products originate from the same source or that the sources thereof are connected or associated with one another. Most especially in this case in which "ARCHOS" is applied by both of parties on electronic products. In the case of Societe des Produits Nestle S.A. vs. Martin T. Dy, Jr.⁸, the Supreme Court reiterated this well entrenched jurisprudential rule, to wit:

"Callman notes two types of confusion. The first is the confusion of goods 'in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other.' In which case, 'defendant's goods are then bought as the plaintiff's, and the poorer quality of the former reflects adversely on the plaintiff's reputation.' The other is the confusion of business: 'Here though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.'"

In this regard, this Bureau finds it proper to give due course to the instant petition. Petitioner has proven that it has been awarded earlier registrations. While Respondent-Registrant only applied for registration on 19 October 2011 and was allowed registration on 08 March 2012, Petitioner has been granted certificate of registration for "ARCHOS" as early as 22 July 2003 issued by the Office of Harmonization of Internal Market (OHIM). In the USA, its registration has been issued on 24 August 2004. It holds various other registrations from different jurisdictions. Evidence is likewise submitted proving the extensive promotion of the mark way before 2011. Noteworthy, the mark is completely unique and distinct with respect to the goods it covers. As explained in the affidavit submitted as evidence by Petitioner, the term "ARCHOS" is an anagram of the last name of the person who established the company, Mr. Henri Crohas. Thus, it is highly unlikely that Respondent-Registrant can come up of a mark for use of the same goods as that of Petitioner's merely by coincidence. No explanation was offered by Respondent-Registrant despite the opportunity given to it.

⁸ G.R. No. 172276, 08 August 2010.

Therefore, the prima facie validity of Registration No. 4-2011-012580 has been successfully attacked by Petitioner warranting the cancellation thereof. While it is true that Respondent-Registrant is the first to file an application for registration of the trademark "ARCHOS" in the Philippines, Petitioner is able to present substantial evidence that it has coined, has owned and has been using the said mark both as its trade name and trademark long before the former has appropriated and registered the same in its favour.

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2011-012580 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 21 June 2013.



ATTY. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs