



CALPHALON CORPORATION,
Opposer,

-versus-

GOURDO'S INCORPORATED,
Respondent - Applicant.

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IPC No. 14-2009-00191
Opposition to:
Appln. Serial No. 4-2006-001395
Date filed: February 07, 2006
TM: "CALPHALON & LOGO"

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NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 19 dated January 20, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 20, 2014.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



CALPHALON CORPORATION,
Opposer,

- versus -

GOURDO'S INCORPORATED,
Respondent-Applicant.

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IPC No. 14-2009-00191

Opposition to:

Appln. Serial No. 4-2006-001395

Date Filed: 07 February 2006

Trademark: "CALPHALON &
LOGO"

Decision No. 2014 - _____

DECISION

CALPHALON CORPORATION ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2006-001395. The application, filed by GOURDOU'S INCORPORATED ("Respondent-Applicant")², covers the mark "CALPHALON & LOGO" for use on goods under class 21³ for utensils and containers for household and kitchen use namely, cookware/kitchenware, combs and sponges; brushes (except paint brushes); brush-making); brush-making making; articles for cleaning purposes; steel wool; unworked or semi-worked-worked glass (except class used in building); glassware, porcelain and earthenware not included in other classes.⁴

The Opposer alleges the following:

"A. OPPOSER IS THE OWNER, PRIOR USER AND ADOPTER OF THE INTERNATIONALLY WELL-KNOWN TRADEMARK 'CALPHALON'.

"1. Opposer is the prior adopter, user, owner of the internationally well-known trademark 'CALPHALON' in the United States of America and elsewhere in the world.

x x x

"11. Subsequently, Opposer expanded the use of the trademark 'CALPHALON' in its products, such that to this date, the 'CALPHALON' trademark is not only used on cooking utensils under Class 21 but also on barware, textiles, bakeware, kitchen tools, cutlery and barware under different Classes. x x x

"12. Opposer has obtained and continues to obtain registrations for the trademark 'CALPHALON' from the intellectual property offices of various countries around the world. x x x

"13. Opposer's 'CALPHALON' trademark has acquired immense and valuable goodwill as a result of enormous sums of money spent in advertising, promotions and

¹ A corporation organized and existing under the laws of the State of Ohio, United States of America with principal address at 10B Glenlake Pkwy, Suite 600, Atlanta, Georgia, 30328.

² A corporation doing business under the laws of the Republic of the Philippines with address at KLG Building, Delbros Avenue corner V. de Leon St., Bo. Ibayo, Paranaque City.

³ The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

⁴ The application was published in the Intellectual Property Office Official Gazette, officially released for circulation on 13 July 2007.

sales worldwide, including the Philippines.

"14. Opposer maintains the website www.calphalon.com where information about its history, range of products and distribution of 'Opposer's 'CALPHALON' products can be easily accessed by customers all over the world. In this website also appears the different countries where Calphalon Corporation maintains its distributors and where its products were being made available. x x x

"15. Opposer's distribution network is so widespread, that by simply surfing and clicking the Opposer's well known mark in the internet, several web pages on the internet carrying Opposer's products bearing the 'CALPHALON' trademark are shown.
x x x

"17. Opposer's internationally well known trademark 'CALPHALON' has long become distinctive of the business and/or goods of the Opposer, through Opposer's long and exclusive use in international commerce.

"18. Respondent-Application's appropriation of Opposer's 'CALPHALON' clearly shows its intention to ride on the goodwill of Opposer's trademark and to pass-off its goods as those of the Opposer, in violation of Opposer's intellectual property rights.

"B. THE ACT OF RESPONDENT-APPLICANT OF APPLYING FOR REGISTRATION OF THE MARK 'CALPHALON' & LOGO' CONSTITUTES FRAUD

"19. In the Philippines, the Opposer appointed KLG International, Inc. ('KLG') with principal office address at Delbros Avenue Corner Venetia de Leon St., Bo. Ibayo, Paranaque City, as its Philippine distributor effective November 2005. Products such as non-stick cookware, cooking utensils and gadgets, and barware were sold in the Philippines thru the above Philippine distributor KLG starting March 2006.

"19.1 KLG and Respondent-Applicant are affiliated companies and sharing the common address at Debris Ave. cur Venetia De Leon St., Bayou, Paranaque City. With such a relationship, Respondent-Applicant certainly is aware of that distributorship arrangement between KLG and Opposer, and knows that the latter owns the mark CALPHALON, and hence, it cannot appropriate said mark in its name. The act of Respondent-Applicant to file the CALPHALON trademark in its own name is act of fraud on its part. Opposer's website as shown on Exhibit 'D' list KLG as one of its product retailers.

x x x

"C. THE TRADEMARK 'CALPHALON' OF OPPOSER IS AN INTERNATIONALLY WELL-KNOWN MARK AND THUS ENTITLED TO PROTECTION

"21. The Respondent-Applicant's mark 'CALPHALON' is identical or confusingly similar to Opposer's internationally well-known trademark 'CALPHALON'. x x x

"22. The mark 'CALPHALON' & LOGO' is identical or similar to Opposer's internationally well known trademark 'CALPHALON' covering the aforementioned goods also in Class 21, which Opposer markets world wide and in the Philippines. Respondent-Applicant's mark, if used in connection with the identified goods, i.e. utensils and containers for household and kitchen use namely: cookware/kitchenware, combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steel wool; unworked or semi-worked glass (except class used in building); glassware, porcelain and earthenware not included in other classes' would be

likely to cause confusion or mistake in the mind of the consumers, in the view of Opposer's ownership and prior use of the trademark 'CALPHALON'.

"23. The registration of the trademark 'CALPHALON' & LOGO' in the name of respondent-Applicant will contravene and violate the following provisions of the IP Code, to wit Sections 123.1 (e) and (g), x x x

"24. As internationally well-known trademark, such 'CALPHALON' trademark is protected under Article 6bis of the Paris Convention, x x x

"25. The identity or confusing similarity between Respondent-Applicant's 'CALPHALON' & LOGO' mark and Opposer's internationally well-known trademark 'CALPHALON' is very likely to deceive the purchasers of goods on which the mark is being used as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods, to which it is affixed.

"26. Confusion as to the origin or source of the goods is all the more likely considering that the word 'CALPHALON' is not only the dominant and distinguishing portion of all Calphalon Corporation's products but it is also the dominant portion of its business name. Under Section 165.2 (a) of the Intellectual Property Code of the Philippines (RA 8293) trade name of business names shall be protected, even prior to or without registration, against any unlawful act committed by third parties. In particular, any subsequent use of the trade name by the third party, whether as a trade name or a mark or a collective mark, or any such use of a similar trade name, likely to mislead the public, shall be deemed unlawful.

"27. Opposer will be damaged by the registration of the mark 'CALPHALON' & LOGO' in the name of Respondent-Applicant, considering the fact that Opposer's mark 'CALPHALON' have long been established and have obtained goodwill and consumer recognition in the Philippines and worldwide.

"28. Respondent-Applicant's application to register the 'CALPHALON & LOGO' mark is violation of the intellectual property rights of the Opposer, being the owner and prior user of said mark.

"29. The registration of the mark 'CALPHALON', and irreparably injure or damage the interest, business reputation and goodwill of said trademark. The registration of Respondent-Applicant's mark will surely dilute the distinctiveness of Opposer's mark, thereby reducing its economic value.

"30. The registration of Respondent-Applicant's mark 'CALPHALON' & LOGO' should be proscribed on the ground that it dilutes the distinctiveness and good reputation of Opposer's trademark 'CALPHALON & LOGO'. The use of mark 'CALPHALON & LOGO'. Class 21 for goods such as 'utensils and containers for household and kitchen use namely: cookware/kitchenware, combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steel wool; unworked or semi-unworked glass (except class used in building); glassware, porcelain and earthenware not included in other classes.') will bring disrepute to opposer's internationally well-known trademark 'CALPHALON' and used on high quality cookware, bake ware, textile, cutlery and the like. x x x

"31. It is also apparent that the registration of the mark 'CALPHALON' & LOGO' in the name of Respondent-Applicant, which mark is identical or confusingly similar to Opposer's well-known trademark 'CALPHALON' will not only prejudice the Opposer but will also allow the Respondent-Applicant to unfairly benefit from and get a free ride on the good will of Opposer's well-known mark."

The Opposer's evidence consists of the following:

1. Special Power of Attorney;
2. Illustration of competing trademarks;
3. Duly notarized Affidavit of Michael Otterman;
4. Affidavit-Direct Testimony of Branda P. Rivera;
5. Notarized certification of Chrissie Ann Barredo;
6. Original Print-out of Webpage;
7. Original Print-out of History of Calphalon trademark;
8. Original Print-out of Calphalon products; and
9. Original Print-out of website of Calphalon's advertisement and sale on line.

On 04 January 2010, the Respondent-Applicant filed its Answer alleging among other things the following:

"The Opposition should be dismissed outright for having been filed beyond the reglementary period.

"6. As correctly found by the Honorable Bureau of Legal Affairs, the Opposition was filed out time or beyond the reglementary period provided by law.

"7. In its Decision (Order Nos. 2008-16(D) and 2008-55(D), the Honorable Bureau of Legal Affairs found that:

"a. The Opposition was filed out of time or beyond the reglementary period provided by Office Order No. 79, series of 2005. It should be noted that Opposer had been given three extensions of time, with the final deadline falling on November 10, 2007 but Opposer filed its Opposition only on November 14, 2007-four days beyond the reglementary period;

"b. The verification and Certification Against Forum-Shopping, attached to the Opposition was not duly authenticated and

"c. No Special Power of Attorney was attached to the opposition and the same was belatedly filed only on January 03, 2008-some two months beyond the reglementary period for filling the Opposition.

"8. Clearly, and considering that the Opposition was filed beyond the 120-day reglementary period, not accompanied by a duly authenticated Certification against Forum Shopping and a Special Power of Attorney, the same should have been dismissed outright in accordance with the Rules on Inter-Partes proceedings and Office Order No. 79, series of 2005, x x x

"9. Manifestly, the Opposition should be dismissed outright, in accordance with the Rules on Inter-Partes proceedings and its amendments. "Opposer is neither the owner nor the prior user of the mark "CALPHALON AND LOGO"

"10. Contrary to the self-serving claims of Opposer, it has failed to show an iota of evidence that it has prior use of the subject mark.

"11. The truth of the matter is that it is Respondent who first used and popularized the mark 'CALPHALON and LOGO' in the Philippines.

"12. It is in fact through the efforts of Respondent that the subject mark became known in the Philippines.

"13. In contrast, Opposer has neither used nor applied for the registration of the mark 'CALPHALON and LOGO' in the Philippines.

"14. Clearly, Opposer's claim that it is the owner and prior user of the mark 'CALPHALON and LOGO' is nothing but baseless and self-serving arguments that deserve no consideration.

"The mark 'CALPHALON and LOGO' is not internationally well-known

"15. Opposer also claims that the mark 'CALPHALON and LOGO' supposedly owned by it, is well-known.

"16. It should be noted that the issue of well-known-ness is a question of fact that must be established by the party claiming well-known-ness.

"17. In the case at bar, however, Opposer failed to show an iota of evidence supporting its claim of well-known-ness."

Respondent-Applicant submitted as evidence the Special Power of Attorney/Secretary's Certificate and Verification and Certification against Forum Shopping.

Opposer filed its Reply dated 18 January 2010. The Opposer submitted as additional evidence the Affidavit of Brenda Rivera, official receipts and pictures of Calphalon products.

Should the Respondent-Applicant be allowed to register the trademark CALPHALON?

Before proceeding with the resolution of the substantive issue, this Bureau tackles the procedural issue of whether the filing of the Opposition and the formalities required in the regulation was complied accordingly.

In this regard, this Bureau finds the Opposer's contention⁵ on the issue meritorious, to wit:

2.1 Respondent's allegation that Opposer's Verified Notice of Opposition was filed beyond the reglementary period is wrong. The verified Notice of Opposition was filed on November 12, 2007, and not November 14, 2007 as stated in the Order of the Asst. Director of the BLA. This has been verified by the Office of the Director General as shown in paragraph 3 of the Decision in Appeal No. 14-08-20. Moreover, on February 15, 2008, Opposer filed a Motion to Correct dated Feb. 5, 2008, which Opposer received on February 14, 2008. To date, the BLA has not issued any Order resolving this motion. There is no question that the Verified Notice of Opposition was timely filed.

⁵ Pp. 3-4, Reply to Respondent's Answer dated 18 January 2010.

2.2 Opposer had complied with the formalities required in the filing of the verified notice of opposition. Attached thereto were the original notarized verification and certification of non-forum shopping executed by the Secretary of the Opposer company, and the notarized affidavit of Opposer's witness. The authenticated documents were submitted before the filing of the Answer, and before the unauthorized dismissal of the said opposition by the Assistant Director of the BLA. Moreover, in compliance with Section 7.3 of Office Order No. 79, said opposition was re-filed within one (1) day from the receipt of the unauthorized dismissal by the Asst. Director. Hence, in both instances, the requirements under Office Order No. 79 were complied with. Furthermore, the Director General had requested additional proof of the authority of the person executing the special power of attorney, which Respondent-Applicant did not consent. In fact, Respondent-Applicant did not file any pleading during the proceedings of the instant case before the Director General, hence, it is stopped from questioning the formalities of the verified notice of opposition, which was complied with by the Opposer.

This Bureau now delves on the issue of whether Respondent-Applicant's trademark application for CALPHALON should be allowed.

The competing marks are identical as shown below.

Calphalon® 

Opposer's mark

Calphalon 

Respondent-Applicant's mark

Moreover, the goods covered by the Opposer's trademark⁶ are similar and/or closely related to those indicated in the Respondent-Applicant's trademark application⁷ which is accessible to the consumers through the same market channels. Thus, it is likely that the consumers will have the impression that these parties' respective goods or products originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, 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, the 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.

The public interest, therefore, requires that the two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different

⁶ Exhibits "C-3" to "C-88", and "C-4" of Opposer.

⁷ File wrapper records.

proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of 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.⁸

In this instance, it is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 15 of the TRIPS Agreement reads:

Section 2: Trademarks
Article 15
Protectable Subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertaking, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provisions of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of the period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

Significantly, the IP Code adopted the definition of the mark under the old law on

⁸ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

Trademarks (Rep. Act 166), to wit:

12.1. "Mark" means any visible signs capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods;

Sec. 122 of the IP Code states:

Sec. 122. How marks are acquired. The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provision of the law.

Corollarily, Sec. 138 of the IP Code provides:

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. (emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect. The registration is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and, therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Norvy Abyadang*⁹, the Supreme Court held:

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

⁹ G.R. No. 183404, 13 October 2010.

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 the one who first used it in trade or commerce.

In this instance, the Opposer proved that it is the owner of the contested mark. The records and evidence show the history of Opposer's trademark as far back as 1963¹⁰. Opposer's product name CALPHALON has later evolved into a brand name of a cookware into a kitchen brand.¹¹ In the Philippines, CALHALON products were sold through KLG International, Inc.,¹² starting March 2006, offering non-stick cookware, cooking utensils, gadgets and barware.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹³

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 or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2006-001395 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 20 January 2014.


Atty. **NATHANIEL S. AREVALO**
Director IV, Bureau of Legal Affairs

¹⁰ Exhibits "D-2", "D-3" of Opposer.

¹¹ Exhibits "D-5", "D-6" and "D-7" of Opposer.

¹² Exhibit "C" of Opposer.

¹³ American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.