



DORNA SPORTS S. L.,  
Opposer,

-versus-

HSU, CHIN PEI,  
Respondent- Applicant.

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}  
} IPC No. 14-2011-00410  
} Opposition to:  
} Appln. Serial No. 4-2010-010481  
} Date Filed: 24 September 2010  
} TM: "BANJING AND DEVICE"  
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### NOTICE OF DECISION

**VERALAW**  
**(DEL ROSARIO & RABOCA)**  
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**HSU, CHIN PEI**  
Respondent-Applicant  
204 10<sup>th</sup> Avenue corner Rizal Avenue Extension  
Caloocan City

#### GREETINGS:

Please be informed that Decision No. 2014 - 15 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



**DORNA SPORTS S. L.,**  
*Opposer,*

- versus -

**HSU, CHIN PEI,**  
*Respondent-Applicant.*  
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**IPC No. 14-2011-00410**  
Opposition to:

Appln. Serial No. 4-2010-010481  
(Filing Date: 24 September 2010)

TM: **BANJING AND DEVICE**

Decision No. 2014 - 15

## DECISION

DORNA SPORTS S. L. ("Opposer")<sup>1</sup> filed an opposition to Trademark Application Serial No. 4-2010-010481. The application, filed by HSU, CHIN PEI ("Respondent-Applicant")<sup>2</sup>, covers the mark "BANJING AND DEVICE" for use on "motor engines and motorcycle accessories" under Classes 7 and 12 of the International Classification of Goods and Services<sup>3</sup>.

The Opposer alleges that the registration of the mark BANJING AND DEVICE in favor of Respondent-Applicant violates Sec. 123.1, paragraphs (e) and (g) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). According to the Opposer, BANJING AND DEVICE is nearly identical to its well-known trademark "MOTOGP" and its family of marks, which have been registered in various jurisdictions. To support its opposition, the Opposer submitted the following pieces of evidence:

1. Exhibit "A" – Special Power of Attorney in favor of the VeraLaw executed by the managing Director of Dorna Sports S.L.;
2. Exhibit "B" – Verification and Certification of non-forum shopping;
3. Annex A of Exhibit "C" – schedule of worldwide application and registration for the MOTOGP mark and related marks;
4. Annexes B to E of Exhibit "C" – certified copies of foreign registrations;
5. Annexes F to K of Exhibit "C" – certified copies of the MOTOGP mark registered in Spain, United States of America, Japan, South Africa and Australia;
6. Annexes L and M of Exhibit "C" – sales figures and advertising expenses worldwide for the last five years;
7. Annexes N-1 to N-13 of Exhibit "C" – samples of advertising and promotional materials as well as write-up and computer print outs from various websites regarding the company and its business reflecting the MOTOGP mark;
8. Annex O of Exhibit "C" – print outs from website bearing the MOTOGP mark;
9. Annex P-1 of Exhibit "C" – copy of a license agreement whereby the company granted Yamaha Motor Europe N.V. a non-exclusive right to use the MOTOGP trademark and other intellectual properties;
10. Annex P-2 of Exhibit "C" – copy of another license agreement entered into by the company;
11. Annex P-3 of Exhibit "C" – License Agreement entered into between Dorna and Capcom;

<sup>1</sup> A corporation duly organized and existing under and by virtue of the laws of the Kingdom of Spain, with principal office address at C/Pinar, 7 28006, Madrid, Spain.

<sup>2</sup> With address at 204 10<sup>th</sup> Avenue corner Rizal Avenue, Caloocan City.

<sup>3</sup> 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.

12. Annex P-4 of Exhibit "C" – agreement between Dorna Sports, S.L.U. and Opticos, S.R.L. License Agreement;
13. Annex P-5 of Exhibit "C" – agreement between Dorna Sports, S.L. and Tissot S.A.;
14. Annex P-6 of Exhibit "C" – agreement between Dorna Sports, S.L. and Alpinestarrj S.P.A.; and
15. Annex P-7 of Exhibit "C" – License Agreement between Dorna Sports, S.L. and Dubai Library Distributors.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 16 December 2011. The Respondent-Applicant, however, failed to file the Answer.

Should the Respondent-Applicant be allowed to register the trademark BANJING AND DEVICE?

The competing marks are depicted below:



*Opposer's Mark*



*Respondent-Applicant's Mark*

The competing marks are composite; each consisting of a word element and a device of a race flag. In respect of the Opposer's mark, the distinctive character thereof is shaped both by the word MOTOGP and the device of a race flag. The race flag is not just an ordinary race flag. The parallelograms are arranged in a unique manner giving the race flag a visual appearance that is different from ordinary or other race flags. This design, on its own, meets the function of a trademark, which is, to point out distinctly the origin or ownership of the goods to which it is applied; 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 to 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.

In this regard, the Respondent-Applicant appropriated a design of a race flag which is similar or identical to the Opposer's. Like in the Opposer's trademark, the design dominates the left side of the race flag. The word element ("BANJING") in the Respondent-Applicant's mark may be different from the Opposer's ("MOTOGP"). The location of the word BANJING in the race flag, however, is approximately the same as the location of the word "MOTOGP" in the Opposer's race flag.

Succinctly, because the competing marks are used on goods that deal or are associated with motorcycles, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. That the word BANJING is accompanied by Chinese characters in the Respondent-Applicant's mark is of no moment. Confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchaser as to

<sup>1</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 115508, 19 Nov. 1999.

cause him to purchase the one supposing it to be the other<sup>5</sup>. 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:<sup>6</sup>

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 belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.

Aptly, consumers may assume that Respondent-Applicant is affiliated with the Opposer. The Chinese characters and the color of the race flag in the Respondent-Applicant's mark only tend to lead consumers into thinking that it is the "Chinese version" of the Opposer's mark.

The public interest, therefore, requires that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. On this, the Opposer raises the fundamental issue of ownership of the contested mark.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 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 undertakings, 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 a 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 for the registration of a trademark to be opposed.

<sup>5</sup> *Societe Des Produits Nestle, S.A v. Court of Appeals*, G.R. No.112012, 4 April 2001, 356 SCRA 207, 217.

<sup>6</sup> *Converse Rubber Corporation v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

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. In case of the use of an identical sign for identical goods or services, 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, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R. A. No. 166a)

Sec. 122 of the IP Code also 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 provisions 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.<sup>7</sup> The registration system 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*<sup>8</sup>, 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

<sup>7</sup> See Section 236 of the IP Code.

<sup>8</sup> G. R. No. 183404, 13 October 2010.

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.”

In this instance, the Opposer submitted evidence relating to its long and continuous use and adoption of MOTOGP and its family of marks. For one, the Opposer presented certificates of registration<sup>9</sup> to prove that the mark has been registered in various jurisdictions prior to the filing of the Respondent-Applicant’s application, like the registration (No. 004227369) for its race flag device on 06 February 2006 by the Office for Harmonization in the Internal Market (“OHIM”).

The Opposer’s mark is unique and distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Applicant to have come up with the same mark practically for similar goods by pure coincidence. Succinctly, the field from which a person may select a trademark is practically unlimited. As in all cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had 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.<sup>10</sup>

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 is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2010-010481 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

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<sup>9</sup> Annexes “B” to “K”.

<sup>10</sup> *American Wire & Cable Company v. Director of Patents*, G. R. No. L-26557, 18 February 1970.