



EDDIE BAUER, INC.,  
Opposer,

-versus-

JOAQUIN NG. JR.,  
Respondent-Applicant.

x-----x

} IPC No. 14-2009-00130  
} Opposition to:  
} Appln. Serial No. 4-2007-013313  
} Date filed: 04 December 2007  
} TM: "EDDIE BAUER WITHIN  
} RECTANGULAR DEVICE"

**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2012 - 104 dated June 25, 2012 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, June 25, 2012.

For the Director:

Atty. ADORACION U. ZARE  
Hearing Officer, BLA

CERTIFIED TRUE COPY

SHARON S. ALCANTARA  
Records Officer II  
Bureau of Legal Affairs, IPO



EDDIE BAUER, INC.,

*Opposer,*

-versus-

JOAQUIN NG, JR.,

*Respondent-Applicant.*

X-----X

IPC No. 14-2009-00130

Opposition to:

Appln. Serial No. 4-2007-013313

Date Filed: 04 December 2007

TM: EDDIE BAUER WITHIN  
RECTANGULAR DEVICE

Decision No. 2012- 104

## DECISION

EDDIE BAUER, INC. ("Opposer")<sup>1</sup>, filed on 28 July 2008 an Opposition to Trademark Application Serial No. 4-2007-013313. The application, filed by JOAQUIN NG, JR., ("Respondent-Applicant")<sup>2</sup>, covers the mark "EDDIE BAUER WITHIN RECTANGULAR DEVICE" for use on "*business of manufacture, distribution, wholesale and retail services namely: consumer goods, clothing, footwear, headgear, eyewear, sporting goods, sports accessories, sports equipment, sports medicine, stationeries, outdoor equipment and accessories and publications*" under Classes 35 and 40 of the International Classification of goods<sup>3</sup>. The Opposer alleges, among other things, the following:

**"I Joaquin Ng's Application Should Be Denied Since He Is Not The true Owner Of The Mark 'Eddie Bauer'. Opposer Is The true And Rightful Owner Of The Mark 'Eddie Bauer' And Its Variations.**

"1. 'EDDIE BAUER' is the name of a real person who was the founder of EDDIE BAUER, INC. Eddie Bauer started his clothing line of business in the 1920's when he opened a store in downtown Seattle called Eddie Bauer's Sport Shop.

"2. In 1936, after nearly freezing to death during a winter hunting trip, Eddie Bauer designed a quilted down jacket that was patented in the 1940's. Eddie Bauer also manufactured an innovative goose down garment which became known as the Skyliner jacket and was patented in 1940. In 1942, the U.S. Army Air Corps commissioned Eddied Bauer Flight Parka for use during altitude flights.

"3. During World War II, Eddie Bauer produced garments and sleeping bags in support of the U.S. War effort during World War II. The 'EDDIE BAUER' mark was attached on these military garments. It is noteworthy that 'EDDIE BAUER' was the only private mark which appeared on U.S. Government-issued gear during World War II.

<sup>1</sup> A corporation organized and existing under the laws of U.S.A. with principal address at 10401 Northeast 8<sup>th</sup> Street, Suite 500, Bellevue, Washington, 98004, U.S.A.

<sup>2</sup> With address at 147 J. Ruiz Street, San Juan, Metro Manila.

<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.

"4. In 1963, Jim Whitakker became the first American to summit Mount Everest. Jim Whitakker's outfit was designed by EDDIE BAUER, INC.

"5. In 1983, EDDIE BAUER, INC., entered into a partnership with Ford Motors for the manufacture of an 'EDDIE BAUER' Edition Ford vehicle. In 1984, EDDIE BAUER Edition Ford vehicles rolled out of production lines.

"6. In 1996, [www.eddiebauer.com](http://www.eddiebauer.com) was launched which consequently resulted in wider distribution and marketing reach of 'EDDIE BAUER' products through online order, distribution and sale, including the Philippines.

"7. The 'EDDIE BAUER' badminton shuttlecock remains at present the standard for the sport since 1934.

"8. From the time of its establishment in the 1920's, it has remained the cornerstone of the 'EDDIE BAUER' business philosophy that in conjunction with innovative design and exceptional customer service, 'EDDIE BAUER' offers premium-quality clothing, accessories and gear for men and women that complement today's modern outdoor lifestyle.

"9. EDDIE BAUER, INC., also licenses the 'EDDIE BAUER' mark and its variations to several multinational companies. For instance, licensing of the 'EDDIE BAUER' mark has been granted to :

- a. Cosco Management, Inc. - for use of the 'EDDIE BAUER' mark on infant car seats and strollers;
- b. Skyway Luggage Company - for use of the 'EDDIE BAUER' mark on luggage and travel accessories;
- c. American Recreation Products, Inc. - for use of the 'EDDIE BAUER' mark on camping gears;
- d. Ford Motor Company - which uses the 'EDDIE BAUER' mark on premium Ford Explorer and Expedition models.
- e. The Lane Company - for use of the 'EDDIE BAUER' mark on home furnishing products.

"10. Due to these licensing agreements with various multinational companies for use of the 'EDDIE BAUER' mark, it cannot be denied that the mark has an extensive reach to general consumers wherever in the world including the Philippines.

"11. As early as 23 November 2004, Opposer filed trademark applications for the mark 'EDDIE BAUER' and its variations with the Philippine Intellectual Property Office. The details of EDDIE BAUER, INC.'s issued trademark registrations are as follows:

x        x        x

"12. Considering that it is Opposer who first used and popularized the mark 'EDDIE BAUER' and its signature design, Opposer was thus surprised to learn that JOAQUIN NG had filed applications for registrations of the mark 'EDDIE BAUER' and its variations which were registered by the IPO. The details of JOAQUIN NG's trademark registrations are summarized in the table below:

x        x        x

"13. However, JOAQUIN NG's trademark registrations are not conclusive evidence or proof of

his ownership over the mark 'EDDIE BAUER', as he is not the true owner of the same and obtained said trademark registrations fraudulently from the IPO. Section 138 of the Intellectual Property Code ("IP Code") provides:

x x x

"14. By itself, registration is not a simple mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. Registration merely creates a *prima facie* presumption of the validity of the registration of the registrant's ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

"15. The *prima facie* evidence in favor of JOAQUIN NG is refuted through relevant and competent evidence showing that it is Opposer, and not JOAQUIN NG, who is the originator, and the owner of the mark 'EDDIE BAUER' and its variations. As opposed to JOAQUIN NG who was able to register the mark 'EDDIE BAUER' in the Philippines only in 2006, Opposer has been using the mark 'EDDIE BAUER' and/or its variations as early as 1920.

"16. A side-by side comparison of the Opposer's registered marks and Respondent-Applicant's marks show that they are identical, hence, confusion to the public:

x x x

"17. It has been held that when a trademark copycat adopts a portion of another's trademark as his own, there is doubt that the adoption is intentional. But if he copies not only a portion but the exact word itself, the slightest doubt vanishes. It is then replaced by the certainty that the adoption was **deliberate, malicious and in bad faith**. In the instant case, JOAQUIN NG is applying for the same exact words 'EDDIE BAUER' which, as already pointed out, is the name of a natural person who popularized said mark. Hence, even if JOAQUIN NG was able to register the mark 'EDDIE BAUER' and its variations in the Philippines, such are easily cancellable since Respondent-Applicant was a bad faith applicant.

"18. Good faith is required in order to ensure that a second user may not merely take advantage of the goodwill established by the true owner. This point is bolstered by the fact that under Section 151 of the IP Code, or Article 6bis(3) of the Paris Convention, no time limit is fixed for the cancellation of marks registered or used in bad faith. Section 151 of the IP Code pertinently provides:

x x x

"19. Precisely to illustrate JOAQUIN NG's utter bad faith, at the time he was prosecuting his Application No. 4-2004-004812 for 'EDDIE BAUER WITHIN A RECTANGULAR DEVICE', the IPO's trademark examiner objected to the registration thereof on the ground that the mark identifies a living individual without his consent. Respondent-Applicant however misleadingly and fraudulently replied to the action paper that it does not identify any particular living individual and that it allegedly is a coined mark. x x x.

"20. JOAQUIN NG's registrations for the marks 'EDDIE BAUER' and its variations were obtained fraudulently or contrary to the provisions of the IP Code since JOAQUIN NG is not the true owner of the said mark. JOAQUIN NG knew very well that 'EDDIE BAUER' sportswear, clothing goods, bags, shoes and other goods were already extensively sold throughout the world,

including the Philippines but he nonetheless illegally and fraudulently obtained and appropriated the said mark. Since JOAQUIN NG has no legal right to use the mark, Trademark Application No. 4-2007-013313 that is subject of the instant opposition must necessarily be denied registration by the Honorable Bureau.

**“II Opposer's Mark ‘Eddie Bauer’ And Its Signature Design Are Well-known And Registered In the Philippines. Hence, They Are Protected Against Copying And Registration In The Name Of Third Parties Such As Joaquin Ng.**

“21. As owner of the ‘EDDIE BAUER’ mark and its variations, EDDIE BAUER, INC. has caused the registration of said marks in various parts of the world. EDDIE BAUER, INC. had registered or applied for the mark ‘EDDIE BAUER’ and its variations in the intellectual property offices in more than thirty two (32) countries including, but not limited to: Australia, Austria, Benelux, Bolivia, Canada, China, Colombia, Czech Republic, Dominican Republic, Ecuador, France, Germany, Honduras, Hongkong, Indonesia, Ireland, Italy, Jamaica, Japan, Mauritius, Mexico, Panama, Paraguay, Peru, Philippines, Portugal, Puerto Rico, Singapore, Switzerland, Taiwan (ROC), United Kingdom and United States.

“22. The table below summarizes Opposer's representative samples of trademark registrations for ‘EDDIE BAUER’ and its variations around the world:

x x x

“23. As an unquestionable demonstration that ‘EDDIE BAUER’ has attained the status of well-known mark around the world including the Philippines, a word search using the search engine and database of Lexis Nexis reveals that the mark ‘EDDIE BAUER’ is owned by EDDIE BAUER, INC. and that ‘EDDIE BAUER’ is known to many people as it had outfitted several expeditions, including expeditions to the world's tallest peak and expeditions to Antarctica. Lexis Nexis is reported to be ‘world's largest collection of public records, unpublished opinions, forms, legal, news, and business information’ which offers their products to a wide range of professionals in the legal, news, and business information’ which offers their products to a wide range of professionals in the legal, risk management, corporate, government. law enforcement, accounting and academic markets. The following were found in Lexis Nexis:

x x x

“24. In 2001, the WIPO Arbitration and Mediation Center itself decided in favor of EDDIE BAUER, INC. and ordered the transfer to Opposer of several internet domain names that are similar to the mark ‘Eddie Bauer’ such as eddie.bauerer.com and eddiebaur.com. In this case, the WIPO ruled that the domain names eddiebauerer.com and eddiebaur.com are confusingly similar to Opposer's Eddie Bauer trademark and service mark and that the respondent in that case has no rights or legitimate interests in respect to the above-stated domain names. x x x.

“25. Opposer's mark ‘EDDIE BAUER’ is widely known around the world and has been written about by various publications in regard to its various business activities and operations.

x x x

“26. ‘EDDIE BAUER’ has been part of history as the only mark allowed to be sewn on US

military garments during the WW II. Undeniably, these military garments reached the Philippines during the arrival of the American liberation forces. Moreover, 'EDDIE BAUER' continues to be the standard shuttlecock in badminton sport which is a favorite sport in the Philippines. 'EDDIE BAUER' was worn by the first American to ascent Mount Everest. 'EDDIE BAUER' mark is used not only in clothing, but also in other goods including motor vehicles which have also been made available through marketing for sale in the Philippines.

"27. In fact, the 'EDDIE BAUER' Edition of Ford Expedition has been rolling on Philippine roads. x x x

"28. Opposer has been widely selling goods with the mark 'EDDIE BAUER' and its variations in various jurisdictions and has also made substantial investments in advertising of its products worldwide.

x x x

"29. Opposer has likewise been selling its products to local consumers. The patronage of local consumers is proved by the Order Summaries generated from the Opposer's computer mainframe.

x x x

"30. Opposer also advertises its products bearing the 'EDDIE BAUER' brand in its own website, <http://www.eddiebauer.com/home.jsp>. This website is accessible to consumers worldwide, including the Philippines. x x x

"31. The Eddie Bauer mark appeared on the New York Times several times thereby proving that the awareness of the mark has reached many people.

x x x

"32. To say that 'EDDIE BAUER' has not attained the level of well-known mark is equivalent to deliberately turning a blind eye to an undeniable truth. No other mark is comparable to the uniqueness and rich involvement of the 'EDDIE BAUER' mark which is simply already forms part of history.

"33. In *Sehwani, Incorporated vs. In-N-Out Burger, Inc.*, G.R. No. 171053 (15 October 2007), the Supreme Court agreed with the Honorable Bureau's finding that the mark 'IN-N-OUT' is a well-known mark, and held that the following pieces of evidence proved such well-known status of the same:

x x x

"34. Since in the instant case opposition, Opposer has submitted voluminous evidence proving the duration, extent and geographical area of the use, 'EDDIE BAUER' promotion and its quality image or reputation of the mark, following the Supreme Courts' pronouncement in the *In-N-Out* case, there is no doubt that the mark 'EDDIE BAUER' as owned by Opposer, is a well-known mark.

"35. It is clear that 'EDDIED BAUER' is a well-known mark that is entitled to protection against JOAQUIN NG's appropriation, even if JOAQUIN NG's trademark application is for a class that is not identical to the class in which Opposer's mark 'EDDIE BAUER' and its variation are registered in the Philippines, *i.e.*, Class 12.

"36. The Philippines, as a signatory to the Paris Convention for protection of Industrial Property, must honor its obligation on matters concerning internationally well-known marks pursuant to the generally accepted principle in international law that treaty obligations must be complied with in good faith or *pacta sunt servanda*. No less than the Philippine Constitution declares that 'The Philippines...adopts the generally accepted principles of international law as part of the land...'

"37. Article 6bis of the Paris Convention for protection of Industrial Property states:

x x x

"38. In a 1999 joint recommendation Concerning provisions on the Protection of Well-Known Marks, a declaration was made that a mark is in conflict with a well-known mark in the following instances;

x x x

"39. The rule that a well-known mark deserves utmost protection has been specified in our IP Code in a clear and unambiguous terms, to wit:

x x x

"40. Based on the foregoing, it is indisputable that a well-known mark is entitled to paramount protection even if not registered in the Philippines. Moreover, a well-known mark that is registered in a particular class is entitled to protection against identical or similar marks registered in another class. An application of the above-mentioned cited laws will outright lead to the inescapable conclusion that JOAQUIN NG's application for the mark 'EDDIE BAUER IN A RECTANGULAR DEVICE' under Classes 35 and 40 must be denied registration because it is identical with the well-known and registered mark of Opposer; this notwithstanding the fact that Opposer's registrations are under Class 12.

"41. Further, section 123.1 (e) of the IP Code prohibits the application by JOAQUIN NG as it covers services which are identical to the services with which Opposer is actually engaged in the Philippines and all over the world, namely the business of manufacture and distribution of sportswear, footwear, sport accessories and equipment and clothing goods. In view thereof, the application subject of the instant opposition should be denied registration. On the other hand, Opposer hereby reserves the right to institute cancellation cases against JOAQUIN NG's trademark registrations for the mark 'EDDIE BAUER' and its variations.

"42. In view of the foregoing, there is no doubt that the marks 'EDDIE BAUER' and its variations are internationally well-known by reason of Opposer's continuous use thereof worldwide and the numerous foreign trademark registrations that Opposer has obtained for said marks. Being well-known marks, they are entitled to protection against copying and registration by JOAQUIN NG, who is not the true owner of the mark 'EDDIE BAUER'. Hence, JOAQUIN NG's trademark application for 'EDDIE BAUER' should be denied for being contrary to Sections 123.1 (e) of the IP Code and Art. 6Bis of the Paris Convention.

**"III 'Eddie Bauer' Is The Lawful Trade Name of Opposer Which Has Been Used In the Philippines. Thus, The Mark 'Eddie Bauer' Cannot Be Used Or Registered By Joaquin Ng.**

"43. Opposer operates under the trade name 'Eddie Bauer, Inc.' and hence, has intellectual property rights over its trade name as enunciated under Article 8 of the Paris Convention, which states:

x x x

"44. Protection to trade names provided under the Paris Convention has been implemented by Philippine legislations. The IP Code is crystal clear that trade names are protected even without registration as such. Section 165.2 (a) of the IP Code provides:

x x x

"45. More particularly, the IP Code explicitly spelled out that an existing trade name cannot be used by a third party as a trademark, trade name or collective mark. Section 165.2 (b) of the IP Code provides:

x x x

"46. As such, EDDIE BAUER, INC., has the exclusive right to use the same in business. Hence, Opposer has the right to exclude third parties, including JOAQUIN NG, from using its trade name as a trademark. It is obvious that JOAQUIN NG's use has been misleading the public that the goods he deals in originate from Opposer, which is precisely the evil that the IP Code seeks to prevent. In view thereof, it is unquestionable that JOAQUIN NG's application should be denied registration."

The Opposer's evidence consists of the following:

1. Exh. "A": print out of Joaquin Ng's application published in the IPO E-Gazette and released for publication on 09 January 2009;
2. Exh. "B": certified copy of the Opposer's Cert. of Reg. No. 4-2004-011047 for EDDIE BAUER issued on 26 March 2007;
3. Exh. "C": certified copy of Opposer's Cert. of Reg. No. 4-2004-011048 for EDDIE BAUER (Signature Design) issued on 27 Nov. 2006;
4. Exh. "D": copy of Respondent-Applicant's application for EDDIE BAUER WITHIN A RECTANGULAR DEVICE filed on 02 June 2004;
5. Exh. "E": copy of Respondent-Applicant's application for BAUER SPORTS AND DEVICE filed on 06 Aug. 2004;
6. Exh. "F": copy of Respondent-Applicant's application for EDDIE BAUER WITHIN A RECTANGULAR DEVICE filed on 04 Dec. 2007;
7. Exh. "G": certified copy of Registrability Report of the Respondent-Applicant's application for EDDIE BAUER WITHIN A RECTANGULAR DEVICE;
8. Exh. "H": certified copy of Respondent-Applicant's Cert. of Reg. o. 4-2004-004812 for EDDIE BAUER WITHIN A RECTANGULAR DEVICE issued on 16 June 2006;
9. Exh. "I" to "MMM": foreign certificates of registration for EDDIE BAUER;
8. Exh. "NNN-1": the Wall Street Journal article dated 08 Sept. 1993 entitled "*Merchandiser Agrees to Sell Eddie Bauer Goods in Japan*";
9. Exh. "NNN-2": article entitled "*Clothing inspired by great outdoors*" published on 16 Jan. 2006;
10. Exh. "NNN-3": article entitled "*Eddie Bauer to trade on Naasdaq*" published on 11 October 2006;
11. Exh. "NNN-4": article entitled "*Eddie Bauer names new president CEO*" published on



15 June 2007;

12. Exh. "NNN-5": article entitled "*New gear put through paces on world's highest peak*" published on 27 Feb. 2009;

13. Exh. "OOO": WIPO Decision dated 26 April 2001;

14. Exh. "PPP-1": article entitled "*Eddie Bauer Blazes a Web Trail*" published by Internet Retailer on 27 Feb. 2009;

15. Exh. "PPP-2": article entitled "*Star-Struck Eddie Bauer Goes Green*" published by Multichannel Merchant on 07 July 2004;

16. Exh. "PPP-3": article entitled "*Nordstrom scores for service*" which mentioned Eddie Bauer as one of Top 10 retail Stores for Customer Service in a survey conducted by the National Retail Federation Foundation and the American Express Company published by CNNMoney.com on 15 Nov. 2005;

17. Exh. "PPP-4": article entitled "*Retailer Rankings*" which mentioned Eddie Bauer as one of Top 20 Online Retailers in terms of customer experience published by CNNMoney.com on 15 Nov. 2005;

18. Exh. "PPP-4": article on the life of Eddie Bauer published by Historylink website on 15 Nov. 2005;

19. Exh. "QQQ": print out of Ford Philippines website showcasing the elite class Ford EDDIE BAUER Expedition;

20. Exh. "RRR": page from Car Finder website, a popular online buy and sell site for cars in the Philippines offering an "EDDIE BAUER" ford Expedition for sale;

21. Exh. "SSS-1" to "SSS-2": Opposer's advertisements through its product catalogs;

22. Exh. "TTT-1" to "TTT-5": certified copy of the screenshots of the Order Summary showing named persons placing an order for Eddie Bauer merchandise;

23. Exh. "UUU": true print outs of the contents of Opposer's website showing a variety of Eddie Bauer goods

24. Exh. "VVV-1" to "VVV-5": articles published in New York Times which featured the Eddie Bauer mark; and

25. Exh. "WWW": Secretary's Certificate.

The Respondent-Applicant filed his Answer on 05 October 2009, alleging among other things that he has registered the mark EDDIE BAUER WITHIN A RECTANGULAR DEVICE in good faith. According to the Respondent-Applicant, he is:

" x x x a legitimate businessman in the Philippines with business registered with the Department of Trade and Industry selling goods with EDDIE BAUER WITHIN A RECTANGULAR DEVICE.

"15. Respondent-Applicant is not aware of any living individual in the Philippines or worldwide with the name of EDDIE BAUER WITHIN A RECTANGULAR DEVICE at the time of the development of the mark EDDIE BAUER WITHIN A RECTANGULAR DEVICE in 2004.

"16. Further, at the time of filing the response to the Office Action marked paper No. 2 issued by the IPO, Respondent-Applicant is not aware of any living individual in the Philippines or worldwide with the name of EDDIE BAUER.

"17. Respondent-Applicant came to know of an individual in the name of EDDIE BAUER only upon receipt of this Opposition. Upon diligent search, Respondent-Applicant came to know that EDDIE BAUER died in 1986, or almost 20 years prior to the filing of the present application and

from filing the response to the office action marked Paper No. 2 issued by the IPO.

"18. Opposer's allegations that Respondent-Applicant's adoption of EDDIE BAUER WITHIN A RECTANGULAR DEVICE is malicious and in bad faith has no basis. Further, Opposer allegations that Respondent-Applicant misled and fraudulent replied to the Office Action marked Paper No. 2 is without basis as there is no living individual named Eddie Bauer at the time.

"19. The prohibition against the registration of marks containing name of persons only apply if the person is living. Sec. 123.1 (c) R.A. 8293 otherwise known as the IP Code provides: x x x

**"II. Respondent-Applicant is the first filer and holds a prior registration for EDDIE BAUER WITHIN A RECTANGULAR DEVICE in the Philippines.**

"20. Respondent-Applicant is the prior filer and holder of prior registrations for EDDIE BAUER WITHIN A RECTANGULAR DEVICE in classes 18 and 25 in the Philippines and other BAUER marks as follows:

x x x

"21. The above applications were filed 5 months and 3 months respectively before the Opposer's marks and were registered before the Opposer's marks. As such, Opposer has the prior rights to the mark EDDIE BAUER WITHIN A RECTANGULAR DEVICE in the Philippines and Respondent-Applicant's use of the mark is protected.

**III. Opposer's mark has not attained a well-known mark status and cannot be protected as a well-known mark.**

"22. Opposer's mark is not a well-known mark as it was never declared by any competent authority in the Philippines as such.

"23. As Opposer's mark is not a well-known mark, it cannot claim the protection granted thereto. In addition, the protection granted to the Opposer's trademark is only with respect to 'trucks and utility vehicles' in class 12, which is entirely different from Respondent-Applicant's goods and services.

"24. Further, the Opposer failed to comply with the requirement that evidence submitted must be certified true copies. The trademark registrations from other countries submitted by the Opposer are not certified true copies and as such cannot be admitted as evidence. Photocopies of the trademark registrations are not considered original documents.

**"IV. The Opposer's and Respondent-Applicant's Marks are not confusingly similar as the goods are entirely different.**

"25. Opposer's mark covers 'trucks and utility vehicles' in class 12 which are entirely different from Respondent-Applicant's goods in classes 18 and 25 and services in class 35 and 40. Respondent-Applicant is engaged in the manufacture, sale and distribution of clothing, headwear, footwear and accessories. The goods and services of the Opposer and the Respondent-Applicant flow in different channels of trade, hence, confusion is impossible.

"26. The Supreme Court has once decided there is quite a difference in goods such as soy sauce and edible oil which are both ordinary household items. If one is in the market for the former, he

is not likely to purchase the latter just because of the trademark LOTUS. Even on rare occasions that a mistake does not occur, it can easily be rectified. In the instant therefore, 'trucks and utility vehicles' is entirely different and cannot be confused with 'business of distribution, wholesale and retail services namely consumer goods, clothing, footwear, headgear, eyewear, sporting goods, sports accessories, sports equipment & accessories and publications,' and 'business of manufacture, namely consumer goods, clothing, footwear, headgear, eyewear, sporting goods, sports accessories, sports equipment, sports medicine, stationeries, outdoor equipment & accessories and publications.'

"27. Further, in resolving whether goods are related, several factors come into play such as:

- (a) the business (and its location) to which the goods belong
- (b) the class of product to which the goods belong
- (c) product's quality, quantity or size, including the nature of package, wrapper or container
- (d) the nature and cost of the articles
- (e) the descriptive properties, physical attributes or essential characteristics with reference to their form, composition, texture or quality
- (f) the purpose of the goods
- (g) whether the article is bought for immediate consumption, that is, day-to-day household items
- (h) the fields of manufacture
- (i) the conditions under which the article is usually purchased and
- (j) the channels of trade through which the goods flow, how they are distributed, marked, displayed and sold

"28. Using the above criteria, the goods and services covered by Respondent-Applicant's mark cannot be considered related to Respondent's goods. Respondent-Applicant's goods and services relate to the business of manufacture and sale of clothing, footwear and headgear and are sold in entirely different circumstances as the Opposer's goods. The kind, nature and essential characteristics of the goods differ. The purpose and use of the goods are entirely different. Opposer's goods and Respondent-Applicant's goods and services are, therefore, non-competing. Confusion among the buying public is, thus, very unlikely to happen.

The Respondent-Applicant's evidence consists of the following:

1. Exh. "1": Verified Answer;
2. Exh. "2": Special Power of Attorney confirming the appointment of Claire B. Corral as Counsel for Respondent-Applicant;
3. Exh. "3": affidavit of Respondent-Applicant;
4. Exh. "4": certified copy of Respondent-Applicant's business name registration issued by the Securities and Exchange Commission on 09 January 2002;
5. Exh. "5": list of outlets selling EDDIE BAUER WITHIN A RECTANGULAR DEVICE
6. Exh. "6": copy of Respondent-Applicant's response to Paper No. 2 filed with the IPO;
7. Exh. "7": certified copy of Respondent-Applicant's Cert. of Reg. No. 4-2004-004812 for the mark EDDIE BAUER WITHIN A RECTANGULAR DEVICE;
8. Exh. "8": certified copy of Respondent-Applicant's Cert. of Reg. No. 4-2004-007115 for the mark BAUER SPORTS AND DEVICE;
9. Exh. "9": actual packaging and tags of goods bearing EDDIE BAUER WITHIN A RECTANGULAR DEVICE clearly indicating the manufacturer of the goods;
10. Exh. "10": pictures of outlets selling goods bearing EDDIE BAUER WITHIN A

RECTANGULAR DEVICE; and

11. Exh. "11": sales report and invoices showing the sales of EDDIE BAUER WITHIN A RECTANGULAR DEVICE.

The Opposer filed a Reply (To Respondent-Applicant's Answer dated 02 October 2009) on 22 October 2009. The Opposer submitted as additional evidence printouts of Google search results showing the top thirty hits which point to Opposer as the owner of the EDDIE BAUER mark, printouts of the webpage ebay.ph showing EDDIE BAUER products for commercial sale within the Philippines, certified true copies of foreign trademark registrations, and printout from the webpage ford.com.ph showing EDDIE BAUER Expedition.<sup>4</sup> The preliminary conference was conducted and terminated on 15 January 2010, after which the parties filed their respective position papers on 23 February 2010.

Should the Respondent-Applicant's trademark application be allowed?

The Opposer is contesting the Respondent-Applicant's application for the mark EDDIE BAUER WITHIN RECTANGULAR DEVICE on the ground that the latter's adoption and registration of the mark EDDIE BAUER was obtained fraudulently and in bad faith, the Respondent-Applicant having no legal right to use the mark as he is not the true owner thereof.

After a judicious evaluation of the records and evidence, this Bureau finds merit in the Opposer's assertion that the Respondent-Applicant's adoption and use of the mark EDDIE BAUER is tainted with fraud and bad faith. The Opposer's and the Respondent-Applicant's marks are identical as shown below:

**EDDIE BAUER**



*Eddie Bauer*

*Opposer's marks*

*Respondent-Applicant's mark*

The marks consist of the words or name "EDDIE BAUER". Regardless whether the words or name is written in script and in any font, the consumers will likely have the impression that goods or products bearing the mark 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:<sup>5</sup>

<sup>4</sup> Marked as Exhibits "XXX" to "GGGG"

<sup>5</sup> *Converse Rubber Corporation v. Universal Rubber Products Inc., et al.*, G.R. No. L-27906, 08 Jan.1987.

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.

In this regard, public interest requires that confusion, mistake, deception and fraud should be avoided. It is emphasized that 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.<sup>6</sup>

The Respondent-Applicant's argues that he is the first filer and holds a prior registration for EDDIE BAUER WITHIN A RECTANGULAR DEVICE in the Philippines. However, 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.

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<sup>6</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.

Art. 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:

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

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

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.<sup>9(23)</sup> 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 proved that it is the owner of the contested mark. It has submitted evidence relating to the origin and history of the EDDIE BAUER trademarks<sup>10</sup> and their use in commerce long before the filing of the Respondent-Applicant's trademark application. The mark was derived from the name of the creator thereof, Eddie Bauer, and which is essentially the Opposer's corporate name. Also, the Opposer submitted copies of certificates of registration for the mark and its variations issued or filed in various countries, most of which were issued before the filing of application and registration by the Respondent-Applicant of his marks<sup>11</sup> and are used on same classes of goods as that of the Respondent-Applicant's. Two of these show that the mark EDDIE BAUER was registered in the United States Patent and Trademark Office on 11 November 1969 indicating its first use as about 1922 and in commerce on 15 May 1961.<sup>12</sup> Furthermore, the Opposer has also shown that it has used the mark EDDIE BAUER in different countries worldwide including the Philippines and that its mark is available in various web sites that are accessible anywhere in the world.

In contrast, the Respondent-Applicant's evidence, including copies of sales invoices and photographs, is not conclusive of his claim of ownership of the mark EDDIE BAUER as these only show the transactions made by the Respondent-Applicant involving the said mark.

It must be emphasized that the mark EDDIE BAUER is unique and highly distinctive with respect to the goods it is attached with. The mark is exactly the name of the creator thereof. It is incredible that the Respondent-Applicant came up with the same mark for use on goods that are similar and/or closely related to the Opposer's by mere coincidence. He has no plausible explanation on how he came up with the mark EDDIE BAUER.

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 combinations of letters and designs available, the Respondent-Applicant had to come up with a

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<sup>10</sup> See pars. 1 to 10 of the Verified Opposition.

<sup>11</sup> See Exhs. "I" to "MMM", "CCCC" to "FFFF".

<sup>12</sup> See Exhs. "MMM-1", "DDDD".

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>13</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. 4-2007-013313 together with a copy of this Decision be returned to the Bureau of Trademarks (BOT) for information and appropriate action.

**SO ORDERED.**

Taguig City, 25 June 2012.

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

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<sup>13</sup> *American Wire & Cable Company v. Director of Patents*, G. R. No. L-26557, 18 Feb. 1970.