

GTFM, INC., Opposer,

-versus-

MA. ELIZABETH G. NUENO, Respondent- Applicant. IPC No. 14-2012-00116 Opposition to: Appln. Serial No. 4-2011-006922 Date filed: 14 June 2011 TM: "FUBU"

NOTICE OF DECISION

SALUDO FERNANDEZ AQUINO & TALEON Counsel for the Opposer SAFA Building 5858 Alfonso corner Fermina Streets Poblacion, Makati City

MA. ELIZABETH G. NUENO Respondent-Applicant #14 B2 Mithi Street Barangay 24, Caloocan City

GREETINGS:

Please be informed that Decision No. 2013 - <u>19</u> dated May 27, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 27, 2013.

For the Director:

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

Republic of the Philippines INTELLECTUAL PROPERTY OFFICE Intellectual Property Center, 28 Upper McKinley Road, McKinley Hill Town Center Fort Bonifacio, Taguig City 1634 Philippines T: +632-2386300 • F: +632-5539480 • www.ipophil.gov.ph



GTFM, INC., Opposer,

-versus-

MA. ELIZABETH G. NUENO, Respondent-Applicant.

IPC NO. 14-2012-00116

Opposition to: App.Serial No. 4-2011-006922 Date Filed: 14 June 2011 **TM: "FUBU"**

Decision No. 2013- ______

DECISION

GTMF, INC.¹ ("Opposer"), filed an opposition to Trademark Application Serial No. 4-2011-006922.² The application, filed by MA. ELIZABETH G. NUENO³ ("Respondent-Applicant"), covers the mark "FUBU" for use on T-shirts, polos, pants, shoes, belts, underwear, under Class 25 of the International Classification of Goods. ⁴

The Opposer alleges the following:

"1. The Opposer is filing the present Opposition under the following laws:

- a. Article 6bis (3) of the Paris Convention xxx.
- b. Section 123.1 (e) of the Intellectual Property Code (Republic Act No. 8293).
- c. Section 3 and 160, et. seq., of Republic Act No. 8293 xxx.

"2. Opposer is the owner of the mark FUBU, having used, registered and popularized the same in various countries of the world. In the Philippines, Opposer is the owner of the marks FUBU and FUBU & DEVICE, which was applied for as early as 1998, to wit:

a. Registration No. 4-1998-04381 for FUBU & DEVICE in Class 25, issued on September 18, 2004; and

b. Registration No. 4-1999-002506 for FUBU in Classes 3, 9, 14, 18, 21 & 24, issued on February 7, 2004;

"3. Opposer has applied for and registered its mark FUBU in numerous countries xxx.

"4. Opposer has been using its mark FUBU for over 20 years now, having first used and

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¹ A corporation organized and existing under the laws of United States of America, with principal office at 350 Fifth Avenue, Suite 6617, New York, New York, 10118, U.S.A.

² The application was published in the Intellectual Property E-Gazette on 13 February 2012.

³ A Filipino citizen with address at #14 B2 Mithi St., Brgy. 24, Caloocan City.

⁴The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks based on a multilateral treaty administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks concluded in 1957.

adopted the same as early as 1992.

"5. Opposer is the rightful owner of the mark FUBU having used, adopted and registered the same in numerous countries in the world much earlier than Respondent-Applicant.

"6. Through widespread and extensive use by the Opposer in most parts of the world, Opposer's mark has acquired inherent distinction.

"7. Opposer has developed goodwill and reputation for its mark FUBU through extensive promotion, worldwide registration and use.

"8. Opposer has built, for its mark FUBU, superior quality-image and substantial reputation among the public worldwide through its long use of this mark. The Opposer exerts strict controls over the use of its FUBU mark by all persons authorized to use this mark.

"9. From the foregoing, it is apparent that Opposer's mark satisfies the criteria set by the Rules and Regulations Implementing RA 8293 to be considered as a well-known mark, entitled 'to protection under Section 123 (e) and (f) of R.A. 8293.

"10. Whether it is in pronunciation, in presentation, and especially in general appearance, Respondent-Applicant's mark FUBU and Opposer's FUBU are clearly identical and hence, will cause confusion among the prospective market, considering that the goods are also identical, belonging to the same class and sold in the same channels.

"11. Considering the above circumstances, registration is proscribed by R.A. 8293, Section 123 (e), as well as the Paris Convention.

"12. If allowed contrary to existing laws and jurisprudence, Respondent-Applicant's use of the mark FUBU, which is identical to Opposer's mark FUBU, will indicate a connection between the latter's goods and services and those of Respondent-Applicant's, and will likely mislead the buying public into believing that the goods of Respondent-Applicant's are produced or originated from, or under the sponsorship of Opposer, to the detriment and damage of Opposer's interests, considering the range of goods and services for which Opposer's mark is being used, which includes goods under Class 25, the goods of interest of Respondent-Applicant.

Likewise, the use of Respondent-Applicant of the mark FUBU will diminish or demean the superior quality image and reputation of Opposer's products and services characterized by high standards which Opposer has carefully built through its long use and strict control that Opposer exerts over the use of its trademarks.

"13. Opposer hereby alleges that the Respondent-Applicant's adoption of the FUBU trademark which is identical to that of the Opposer's FUBU was clearly done with the illegal intent of riding on the popularity and goodwill of Opposer's quality-built reputation and will cause great and irreparable damage and injury to the Opposer.

"14. Further, Respondent-Applicant is clearly in bad faith in so using and adopting the subject trademark because Opposer has, because of its prior use and registration, gained worldwide notoriety for its mark FUBU."

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The Opposer's evidence consists of the following:

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- 1. Exhibit "A" legalized and authenticated Affidavit-Testimony of Lawrence Blenden;
- 2. Exhibit "B" list of FUBU trademark registrations and pending applications in various classes;
- Exhibits "C" to "C-3" certificates of Trademark Registration Nos. 4-1998-004381 for FUBU & DEVICE; 4-1999-002506 for FUBU; 4-2011009088 for FUBU & DEVICE; and 4-2011-009089;
- 4. Exhibit "D" copies of sample advertisement of the FUBU trademark;

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- 5. Exhibit "E"- copy of the photograph of the cover of LL Cool J's album G.O.A.T. which feature the artist wearing FUBU hat and the artist's career information downloaded from Wikipedia;
- 6. Exhibit "F"- copy of the photograph of Lennox Lewis from his June 8, 2002 bout with Mike Tyson wearing FUBU shorts;
- 7. Exhibit "G"- copy of the Wikipedia entry for FUBU;
- 8. Exhibit "H"- legalized and authenticated Certificate attesting that Mr. Blenden is duly authorized by the corporation;
- 9. Exhibit "I"- legalized and authenticated Special Power of Attorney;
- Exhibit "J" to "J-2"- certified copy of U.S. Registration No. 2,403,324 for the mark FUBU under Class 25; certified copy of U.S. Registration No. 2,068,058 for the mark FUBU under Class 25; and certified copy of U.S. Registration No. 1,910,169 for the mark FUBU under Class 25;
- 11. Exhibit "K" to "K- certified copy of OHIM Registration No. 000640466 for the mark FUBU under Classes 3, 9, 14 and 18; certified copy of OHIM Registration No. 000448738 for the mark FUBU under Classes 9, 25 and 38;
- 12.Exhibit "L" to "L-1"- certified copy of Canadian Registration Nos. TMA515,746 and TMA497,221 for the mark FUBU;
- 13.Exhibit "M" certified copy of Japan Registration No. 4151061 for the mark FUBU;
- 14.Exhibit "N" certified copy of the Amended and Restated Trademark Sublicense Agreement between Opposer and its local distributor (formerly Crissa Corp., now known as I-Fashion Marketing, Inc.)
- 15.Exhibit "N-1" certified copy of the receipt issued to the licensed local distributor, showing advertising expense for a billboard rental, issued by Graphitek Signmaker Corp.;
- 16.Exhibit "N-2" certified copy of the receipt issued by the licensed local distributor of Opposer;
- 17.Exhibit "O" to "O-35" various pictures showing the store fixtures of clothes containing the mark FUBU, various celebrity endorsers of the FUBU brand and other pictures showing hip-hop events sponsored by FUBU; and
- 18.Exhibit "O-36" and "O-37" posters of promotional events sponsored by FUBU;

This Bureau issued on 30 May 2012 a Notice to Answer and served a copy thereof to the Respondent-Applicant via DHL on 14 June 2012 but was returned as the address cannot be located. Another Notice to Answer was served through registered mail on 17 September but was also returned as Respondent-Applicant has moved out without any forwarding address, hence, the Notice to Answer was deemed served to her last known address. Since no Answer has been filed, the case was deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended.

Should the Respondent-Applicant be allowed to register the mark FUBU?

At the time the Respondent-Applicant filed its trademark application on 14 June 2011, Opposer has no trademark registration for the mark FUBU because its earlier registered trademarks FUBU & DEVICE on 18 September 2001 and FUBU on 7 February 2004 but was later on cancelled by the Bureau of Trademarks on 19 September 2010 and 8 February 2010 respectively, for non-filing of Affidavit of Use/Non-Use for the 5th Anniversary.⁵ Thus, the Opposer anchors its opposition on Sec. 123.1 (e) of the IP Code which provides:

SEC. 123. Registrability. - 123.1 A mark cannot be registered if it:

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(e) Is identical with or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration and used for identical or similar goods or services; Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant section of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

As shown below, the marks of the parties are similar because they both use the word FUBU although a slight difference can be observed in terms of the font used and in addition, Opposer FUBU mark contain a rectangular black box inside of which are two bard positioned vertically on the left side and the other one positioned horizontally at the bottom. Moreover, both marks are also used on identical or similar goods namely, shirts, vests, sweaters, caps, bandannas, shorts, sweat shirts, pants, belts for clothing, socks, swimwear, jackets, rainwear, blouses, dresses, footwear, hosiery, scarves, hats, head bands, pajamas and sleepwear for Opposer's and shirts, polos, pants, shoes, belts, underwear for Respondent-Applicant, both under Class 25 of the International Classification of Goods. Thus, this Bureau may find that Respondent-Applicant's mark is proscribed under Section 123.1 (e) of the IP Code.

⁵ See Exhibits " C" and "C-1".



Opposer's Marks

FUBU

Respondent-Applicant's Mark

In this regard, Rule 102 of the Trademark Regulations sets forth the criteria in determining whether a mark is a well-known mark, to wit:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

The rule requires that the party claiming a mark to be well-known satisfies at least a combination of the above stated criteria. However, Opposer fails to satisfy this requirement. The list of the registration and pending applications of its mark in various countries is self-

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serving evidence there being no sample certificates of registration of the mark that will show the extent of registration of the mark as Opposer merely submitted registration of the mark in US, CANADA and OHIM. Opposer was not also able to sufficiently show the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies. In the Philippines, while the mark is being used, Opposer was not able to prove the extent of its market share.

But even if Opposer's mark is not a well -known mark internationally and in the Philippines, Respondent-Applicant's mark cannot be registered pursuant to Section 123.1 (d) of the IP Code which provides that a mark cannot be registered if it is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or services or closely related goods or services or if it nearly resembles such a mark as to be likely to deceive or cause confusion.

It must be recalled that Opposer's mark has been registered even before Respondent-Applicant filed its application for registration of the similar mark FUBU. While the mark was cancelled by the BOT for failure to file the Affidavit of Use/Non-Use for the 5th Anniversary, the cancellation of the trademark does not necessarily constitute abandonment of trademark.

Abandonment, which is in the nature of a forfeiture of a right, must be shown by clear and convincing evidence. The disuse must be permanent and not ephemeral; it must be intentional and voluntary, and not involuntary or even compulsory. While a registration may be cancelled because of failure to comply with the aforesaid requirement, it does not follow that the registrant has lost, *ipso facto*, its prior right over the mark. Ownership of a trademark is not acquired by the mere fact of registration alone. Hence, the non-filing of affidavit of use is not fatal to the right to ownership over the mark when there is no clear intention or fact of abandonment.⁶

In fact, the Opposer's application for re-registration after its original registration belies the fact or intention of abandonment. Opposer submitted evidence that it continuously used it mark here in the Philippines even after the cancellation of the mark in 2010 up to the present as shown by the sales invoice, receipt of purchase of FUBU products, the Amended and Restated Trademark Sublicense Agreement between Opposer and its local distributor, endorsement of the FUBU products by celebrities and promotional posters showing sponsorship by FUBU of some events here in the country.⁷

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

⁶ Appeal No. 14-2004-0004, August 16, 2005.

⁷ See Exhibits "N" to "N-2" and "O" to "O-37".

as his product.8

Moreover, it has been held time and again that in cases of grave doubt between a newcomer who by the confusion has nothing to lose and everything to gain and one who by honest dealing has already achieved favour with the public, any doubt should be resolved against the newcomer in as much as the field from which he can select a desirable trademark to indicate the origin of his product is obviously a large one.⁹

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by Sec. 123.1 (d) of the IP Code.

WHEREFORE, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-006922, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 27 May 2013.

Atty. NATHANIEL S. AREVALO

Director IV Bureau of Legal Affairs

⁸See Pribhdas J. Mirpuri v. Court of Appeals, G. R. No. 114508, 19 Nov. 1999.
⁹See Del Monte Corporation et. al. v. Court of Appeals, GR No. 78325, 25 Jan. 1990.