



**K-2 CORPORATION,**  
Opposer,

**-versus-**

**EVELYN NATURNAS,**  
Respondent-Applicant.

X-----X

} **IPC No. 14-2011-00470**  
}  
} Opposition to:  
} Appln. Serial No. 4-2011-000608  
} Date filed: 19 January 2011  
} **TM: "ADIO AND DEVICE"**

### **NOTICE OF DECISION**

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#### **Ms. EVELYN NATURNAS**

Respondent-Applicant  
Borgaily Building  
San Pedro Street, Brgy. 3A Poblacion  
Davao City

#### **GREETINGS:**

Please be informed that Decision No. 2013 - 159 dated August 01, 2013 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, August 01, 2013.

For the Director:

  
**Atty. PAUSI U. SAPAK**  
Hearing Officer  
Bureau of Legal Affairs



**K-2 CORPORATION,**  
*Opposer,*

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Case Filed: 19 December 2011

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**TM: "ADIO AND DEVICE"**

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**Decision No. 2013- 159**

### DECISION

K-2 CORPORATION ("Opposer")<sup>1</sup> filed an opposition on 19 December 2011 to Trademark Application Serial No. 4-2011-000608. The application, filed by EVELYN NATURNAS ("Respondent-Applicant")<sup>2</sup>, covers the mark "ADIO AND DEVICE" for use on "bags for travel, shirts, sweatshirts, pants, jackets, hats, socks, athletic shoes, skateboard shoes" under Classes 18 and 25 of the International Classification of Goods and Services<sup>3</sup>.

The Opposer alleges, among other things the following:

- "1. Opposer is the true and rightful owner of the ADIO and A LOGO marks.
- "2. The registration of the Respondent-Applicant's ADIO and DEVICE is prohibited under Sec. 123.1 (e) of the IP Code because it is confusingly similar to the internationally and locally well-known ADIO and A LOGO marks with respect to identical goods.
- "3. Respondent-Applicant's application for registration was done in bad faith because she knows or ought to have known the existence of the ADIO and A LOGO marks.
- "4. Opposer's interest and goodwill will be damaged and its ADIO and A LOGO marks diluted by Respondent-Applicant's use and registration of her ADIO and DEVICE mark".

The Opposer's evidence consists of the following:

1. Exhibit "A" – History of K-2 Corporation;

<sup>1</sup> A corporation organized and existing under the laws of the United States of America, with office address at 4201 6<sup>th</sup> Avenue, S Seattle Washington.

<sup>2</sup> With address ar Borgaily, San Pedro St., Brgy. 3A Poblacion, Davao 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.

2. Exhibit "B" – A print out of Opposer's website page at <http://www.k2sports.com/about>. Last visited On 02 November 2011;
3. Exhibit "C" – Print out of an ADIO webpage at <http://www.adiofootwear.com/about.html>. Last visited On 02 November 2011;
4. Exhibit "D" – Print out of a Shilo webpage describing Mr. Gomez's career and his role in developing the ADIO brand, at <http://www.darnellworks.com/shilo/bio-jg.html>. Last visited on 02 November 2011;
5. Exhibit "E" – The complete list of registered ADIO and A LOGO trademarks. To date, there are now about 108 ADIO and A LOGO marks registered under Opposer's name in 39 countries spanning six continents;
6. Exhibit "F" – Translation of a certified copy of a Registration Certificate No. 128291 issued in the Republic of Lebanon;
7. Exhibit "F-1" – Rep. sample of Reg. No. 2006-00264 issued on 05 January 2006 in South Africa for the mark ADIO and LOGO;
8. Exhibit "F-2" – Rep. sample of Reg. No. 2,373,389 issued on 01 August 2000 in United States for the mark ADIO & LOGO;
9. Exhibit "F-3" – Rep. sample of Reg. No. 2,525,838 issued on 01 January 2002 for the mark ADIO & LOGO;
10. Exhibit "F-4" – Rep. sample of Reg. No. 005247648 issued on 01 June 2007 by the European Union for the mark ADIO & LOGO;
11. Exhibit "F-5" – Rep. sample of Reg. No. 001625789 issued on 19 June 2001 by the European Union for the mark ADIO & LOGO;
12. Exhibit "F-6" – Rep. sample of Reg. No. 200308205AA issued on 12 November 2002 in Hong Kong for the mark ADIO & LOGO;
13. Exhibit "F-7" – Rep. sample of Reg. No. 200307872AA issued on 12 November 2002 in Hong Kong for the mark ADIO & LOGO;
14. Exhibit "F-8" – Rep. sample of Reg. No. 4288523 issued on 02 July 1999 in Japan for the mark ADIO & LOGO;
15. Exhibit "F-9" – Rep. sample of Reg. No. 4288525 issued on 02 July 1999 in Japan for the mark ADIO & LOGO;
16. Exhibit "F-10" – Translation of the Mexican trademark certificate for the mark ADIO & LOGO;
17. Exhibit "F-11" – Translation of Mexican certificate for the mark ADIO & LOGO;
18. Exhibit "F-12" – Affidavit of the translator certifying that his translation is correct and complete;
19. Exhibit "G" – Print out of the article as published on [www.signonsandiego.com](http://www.signonsandiego.com);
20. Exhibit "H" – Print out of the 25 April 2007 article about Opposer;
21. Exhibit "I" – Print out of an article by Seth Peterson, a fashion blogger;
22. Exhibit "J" – Opposer's brochures for spring 2000;
23. Exhibit "J-1" – Opposer's brochures for fall/holiday 2001;
24. Exhibit "J-2" – Opposer's brochures for spring/summer 2002;
25. Exhibit "J-3" – Opposer's brochures for holiday 2009;
26. Exhibit "J-4" – Opposer's brochures for summer 2010;
27. Exhibit "J-5" – Opposer's brochures for spring 2010;
28. Exhibit "K" – Certified copy of the Peruvian decision with an English translation;
29. Exhibit "L" – Certified copy of the Chilean decision with an English translation;
30. Exhibit "M" – Certified copy of the Thailand Trademark Office's decision with an English translation; and

31. Exhibit "N" – Certified copy of the South Korean decision with an English translation.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant. However, the Respondent-Applicant did not file the required Verified Answer, hence Order No. 2012-683 dated 09 May 2012 was issued declaring Respondent-Applicant in default and the instant opposition is deemed submitted for Decision based on the opposition and evidence submitted by the Opposer.

Should the Respondent-Applicant be allowed to register the trademark ADIO and DEVICE?

The Opposer submitted in evidence a complete list of registered ADIO & A LOGO trademarks issued in its name in 39 countries spanning six continents<sup>4</sup>. Some representatives samples of certificate of registrations for the mark ADIO issued in the name of the Opposer in many countries are on file<sup>5</sup>. One of the certificates shows that the mark ADIO was registered in Japan on 02 July 1999 for leather and fur, bags and the like, pouches, handbag, frames, purse frames, walking sticks, and another registration issued in the United States for the mark ADIO for used on goods luggage, tote bags, back packs, shoulder bags under Class Reg. No. 2,525,838 issued on 01 January 2002<sup>6</sup>. Further, Opposer has likewise registered its mark ADIO in the United States on 01 August 2000 Reg. No. 2,373,389 for clothing, shoes, shirts, t-shirts, sweaters, hats, and caps under Class 25<sup>7</sup>.

One of the grounds of the Opposer's opposition is that the Respondent-Applicant's filing of the application for registration of the mark ADIO and DEVICE was done in bad faith, the Respondent-Applicant having no legal right to use the mark as she is not the true and rightful owner thereof.

For comparison and scrutiny, the competing marks are reproduced below:



Opposer's Mark



Respondent-Applicant's Mark

Obviously, the marks are not only confusingly similar, but are in fact identical. Both are composite marks, consisting of an A Logo and the word ADIO. The word elements of the marks are similar and/or identical in all aspect, more particularly the same numbers of letters, syllables, font style and appearance. Also, both marks are accompanied by a DEVICE which is likewise exactly the same. The only difference of the competing marks is the place where the

<sup>4</sup> Exhibit "E".

<sup>5</sup> Exhibits "F", "F-1" to "F-10".

<sup>6</sup> Exhibit "F-3".

<sup>7</sup> Exhibit "F-2".



device is located wherein it is above the word ADIO for the Opposer and it is in the left side in the Respondent-Applicant. However, this slight distinction is insignificant because it will not diminish and/or avoid the likelihood of the occurrence of mistake, confusion or even deception cannot be avoided. The goods covered by the Opposer's trademark are practically similar to those indicated in the Respondent-Applicant's trademark application under Classes 18 and 25 of the International Classification of Goods and Services. Thus, it is likely that the consumers will have the impression that these 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<sup>8</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.

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. 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 articles as his product<sup>9</sup>.

In this regard, the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of 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.

<sup>8</sup> Converse Rubber Corporation v. Universal Rubber Products Inc., et.al. G.R. No. L-27906, 08 Jan. 1987.

<sup>9</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

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.

Art. 16(1) of the TRIPS Agreement states:

Article 16  
Rights Conferred

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, 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. Significantly, Sec. 122 refers to Sec. 2-A of R.A. 166, as amended (the old Law on Trademarks), which states:

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>10</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>11</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 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>12[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.

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<sup>10</sup> See Sec. 236 of the IP Code.

<sup>11</sup> G.R. No. 183404, 13 Oct. 2010.



In this instance, the Opposer proved that it is the owner of the contested mark. It has submitted evidence relating to the origin and/or how the mark ADIO was created in 1998 by legendary skater Chris Miller and acquired by the Opposer. The A Logo accompanying the word ADIO was created in October 1997 by Jose Gomez, an employer of Opposer<sup>13</sup> among the other pieces of evidence submitted by the Opposer are certificate of registrations for the mark ADIO & DEVICE issued in many countries of the world long before the filing of the Respondent-Applicant's trademark application in the Philippines.

The Respondent-Applicant despite the opportunity given, failed to explain her side and defend her trademark application. It is highly improbable that the Respondent-Applicant have come up with the mark ADIO by mere coincidence because even the stylized A Logo has been copied.

In Shangri-la International Hotel Management, Ltd. V. Developers Group of Companies, Inc. G.R. No. 159938, 31 March 2006, the Supreme Court said:

"When a trademark copycat adopts the word portion of another's mark as his own, there may still be some doubt that the adoption is intentional. But if he copies not only the word but also the word's exact font and lettering style and in addition, he copies also the logo portion of the trademark, the slightest doubt vanishes. It is even replaced by the certainty that the adoption was deliberate, malicious and in bad faith."

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<sup>14</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 and services by a visible sign that distinctly points out the origin and ownership of such goods and services.

**WHEREFORE**, premises considered the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-000608 be returned, together with a copy of this Decision, to the Bureau of Trademark for information and appropriate action.

**SO ORDERED.**

Taguig City, 01 August 2013.

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


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<sup>13</sup> Exhibit "D".

<sup>14</sup> American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 Feb. 1970.