



PAUL FRANK INDUSTRIES, INC.,
Petitioner,

-versus-

ALAN S. YU,
Respondent.

x-----x

} IPC No. 14-2009-00158
} Petition For Cancellation:
} Reg. No. 4-2003-011092
} TM: "PAUL FRANK WITH LOGO
} AND PAUL FRANK COLLECTION
} WITH HOUSE DESIGN"

NOTICE OF DECISION

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FELICILDA & ASSOCIATES

Counsel for Respondent-Assignee
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GREETINGS:

Please be informed that Decision No. 2012 - 131 dated July 17, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 17, 2012.

For the Director:


Atty. EDWIN DANILO A. DATING
Assistant Director, BLA



PAUL FRANK INDUSTRIES, INC.,
Petitioner,

IPC No. 14-2009-00158
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TM: "PAUL FRANK WITH LOGO
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Respondent-Assignee.

x-----x

Decision No. 2012- 131

DECISION

PAUL FRANK INDUSTRIES, INC.¹ ("Petitioner") filed on 22 June 2009 a Petition For Cancellation of Trademark Reg. No. 4-2003-011092. The trademark registration issued to MICHAEL KENETH CO and assigned to ALAN S. YU² ("Respondent-Assignee") covers the mark "PAUL FRANK WITH LOGO AND PAUL FRANK COLLECTION WITH HOUSE DESIGN" for use on "*toys, games and playthings, etc.*" under Class 28 of the International Classification of goods.³

The Petitioner alleges, among other things, that it is the true, originator, prior user, and adopter of the marks PAUL FRANK, PAUL FRANK and DESIGN and JULIUS MONKEY DESIGN and variations thereof. According to the Petitioner, the marks are well-known marks and therefore protected under Sec. 123.1 (e) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). The Petitioner also claims that the subject trademark registration was obtained fraudulently and in bad faith. Furthermore, says the Petitioner, the Respondent-Assignee has already abandoned the mark and therefore cancellation thereof is authorized under Sec. 151.1(c) of the IP Code.

On 11 December 2009, the Respondent-Registrant filed his Verified Answer alleging among other things that he acquired the trademark registration in good faith through a Deed of Assignment duly filed with the Bureau of Trademarks. He argues that PAUL FRANK does not qualify as an internationally well-known. He also claims that he has not abandoned the use of the mark PAUL FRANK.

The Petitioner filed on 04 January 2010 a "REPLY WITH MOTION TO EXPUNGE" the Respondent-Assignee's Answer on the ground that it was filed out of time. This prompted the Respondent-Assignee to file on 18 January 2010 a

¹ A corporation organized and existing under and by virtue of the laws of the State of Delaware, United States of America (USA), with principal place of business at 960 w. 16TH Street, Costa Mesa, California, USA.

² With address at 52 Jacson St., Unit 3, Varsity Hills, Loyola Heights, Quezon City.

³ The 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. 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.

“COMMENT/OPPOSITION TO MOTION TO EXPUNGE” disputing the allegation of the Petitioner. On 25 January 2010, the Hearing Officer issued Order No. 2010-197 denying the motion. Then after, the preliminary conference was terminated on 26 January 2010 and the Hearing Officer issued Order No. 2010-229 ordering the parties to file their respective position papers.

On 16 May 2011, the Petitioner filed a “MANIFESTATION” stating that the case has been resolved by the Court of Appeals in its Decision in CA-G.R. SP No. 112425, entitled *PAUL FRANK INDUSTRIES, INC. v. ALAN SIA YU*. The Court decided against the appeal of the herein Respondent-Assignee from the Decision of the Director General promulgated on 22 December 2009, in Appeal No. 14-09-19 (Inter Partes Case No. 14-2007-00247). The Director General, ruled that the PAUL FRANK marks are well-known marks and that the true owner thereof is the Petitioner.

This Bureau agrees with the Petitioner that the decision of the Director General in Appeal No. 14-09-19 (IPC No. 14-2007-00247) effectively resolved the issue as to the ownership, and therefore who has the right to trademark registration of the PAUL FRANK marks, including the mark subject of this case, to wit:

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“The Appellee’s [Respondent-Assignee] certificate of registration for PAUL FRANK LOGO is only a prima facie evidence of ownership of the mark. The presumption can be overcome by substantial evidence that would show otherwise. The Appellant [Petitioner] had proved its ownership of the mark PAUL FRANK and its variations. It submitted evidence that as early as 2000 it has already used PAUL FRANK, which is, in fact, derived from the name of the creator thereof, and which is essentially the Appellant’s corporate name. Moreover, the Appellant has evidence that it has used the mark PAUL FRANK in different countries worldwide including the Philippines and that its mark is available in various websites that are accessible anywhere in the world. The advent of technological innovation like the use of internet enables the transaction of business across countries and opens to the public an abundance of knowledge including commercial information like trademarks, service marks and trade name. It is thus, not unlikely that the Appellee has knowledge of the Appellant’s marks prior to the filing of his trademark application. In addition, the copies of sales invoices and photographs submitted by the Appellee did not prove that he is the owner of the mark PAUL FRANK. These pieces of evidence only show the transactions done by the Appellee involving the mark PAUL FRANK.

“The mark PAUL FRANK, derived from the name of its creator, is definitely distinctive. The variations of this mark where the designs of a monkey, a cloud, a house (or a factory with smoking stack) and trees are added to the words PAUL FRANK enhances its uniqueness. On the other hand, there is nothing in the records that indicates how the Appellee arrived at using the mark PAUL FRANK or FRANK PAUL LOGO. The Appellee, despite the opportunity given to it, failed to explain why his mark is identical and/or similar to the Appellant’s mark.

“It is incredible that the Appellee came up with marks consisting of the name PAUL FRANK, and designs of a monkey, a cloud, a house (or a factory with smoking stack) that are exactly the same as the features in the Appellee’s marks, on pure coincidence and in good faith. The field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswerable riddle is why, of the millions of terms and combinations of letters and designs available, the Appellee has 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.”

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The Court of Appeals affirmed the Director General's decision. On the Respondent-Assignee's claim of good faith, the Court held:

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"Finally, petitioner's claims that he is merely an assignee of the application, hence even granting that bad faith or fraud attended the application, the same should be personal to the original owner and should not prejudice his rights as a good faith assignee of the mark. The contention is very trivial and a defensible argument. As an assignee of the subject application, he acquires no greater right than what was possessed by his assignor and simply stands into the shoes of the latter"

X X X

Having said, there is no cogent reason to rule otherwise in this case.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Reg. No. 4-2003-011092 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 17 July 2012.


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