

PT BANTENG PRATAMA RUBBER Petitioner, IPC No. 14-2012-00072 Petition for Cancellation of Trademark Registration

Reg. No. 4-2008-009665 Issued on: 16 March 2009 Trademark: MIZZLE

- versus -

ALEX MESINA,

Respondent-Registrant.

Decision No. 2012-<u>154</u>

DECISION

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PT BANTENG PRATAMA RUBBER ("Petitioner")¹ filed on 15 February 2012 a petition to cancel Trademark Reg. No. 4-2008-009665. The registration, issued to ALEX MESINA ("Respondent-Registrant")², covers the mark "MIZZLE" for use on automotive, motorcycle, bicycle tires and tubes under Class 12 of the International Classification of goods.³

The Petitioner alleges among other things, that it is the owner of the mark Device of a Boy and is duly authorized by the registered owner of the mark MIZZLE AND DEVICE OF A BOY in Indonesia, ANTON KUSUMAWIJAYA HALIM, to manufacture and sell the MIZZLE products – "tyres for motorcycles and rim for wheels of motorcycles"- exporting these to the Philippines since 26 April 2007 continuously up to the present. It claims that it is the first adopter and actual user of the mark in commerce in Indonesia and in the Philippines. Anchoring its petition on Sec.151.1 (b) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), the Petitioner argues that the Respondent-Registrant has no right to register the mark because he is not the owner or the licensee of the contested mark.

In support of its petition, the Petitioner submitted as evidence the following:

- Exh "A", "A-1" and "A-2": Special Power of Attorney from Anton Kusumawijaya, Director and duly authorized officer of Petitioner, PT Banteng Pratama Rubber in favor of Atty. Estrellita Beltran Abelardo;
- 2. Exh. "A-3" to "A-6": Secretary's Certificate to the effect that the Board of Directors of Petitioner PT Pratama Rubber has authorized Estrellita Beltran-Abelardo Law Office to sign the petition for cancellation and to prosecute the same in its behalf;
- 3. Exh. "B", "B-1" to "B-3": Affidavit executed by Mr. Anton Kusumawijaya Halim, registered owner of MIZZLE trademark and Director of Petitioner, PT Banteng Pratama Rubber;
- 4. Exh. "B-4" to "B-8": translation of certificate of registration of the mark MIZZLE

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A corporation duly organized and existing under the laws of Indonesia located at Jalan Pangeran, Jayakarta 68, Blk.C9-10, Jakarta 10730.

² With address at RS-12 A Primeblock Mall, Tutuban Center, C.M. Recto Avenue, Manila.

³ 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.

and Device in Indonesia with Registration No. IDM00326983 in favor of Anton Kusumawijaya Halim;

- 5. Exh. "C", "C-1" to "C-10" Bill of Lading issued by Shandong Province Yantai International Marine Shipping Co., shipped on board on 25 Aug. 2007, and 06 Sept. 2007, by Hapag Lloyd in favor of PT Banteng Rubber issued 24 Aug. 2007 for shipment of MIZZLE products to Asia Cargo Container Line Inc., of Manila Philippines, as consignee;
- 6. Exh. "D", "D-1" to "D-9": Bill of Lading issued by Tokyo Senpaku Kaisha Ltd. dated 2 July 2008 with Ram Tyres, Inc., Mandaue City Philippines as consignee; Bill of Lading issued by Regional Container Lines dated 21 July 2008 with Ram Tyres Inc. of Mandaue City, Philippines as consignee and Bill of Lading issued by Evergreen Line dated 27 Nov. 2008, with Overseas Container Transport of Manila Philippines as consignee, all issued in favor of, PT Banteng Pratama Rubber, Petitioner;
- 7. Exh. "E", "E-1" to "E-8": Bill of Lading issued by CNC Line dated 19 Feb. 2009, Bill of Lading issued by Korea Marine Transport Co. Ltd. dated 01 July 2009 and Bill of Lading issued by Heung-A Shipping Co. Ltd. dated 13 Dec. 2009, all issued in favor of PT Banteng Pratama Rubber with Overseas Container Transport System, Inc., and Tasco, Inc., as consignees;
- Exh. "F", "F-1" to "F-8": Bill of Lading issued by Regional Container Lines Dated 01 Oct. 2010, Bill of Lading issued by Korea Marine Transport Co. Ltd., dated 28 June 2010 and Bill of Lading issued by Wan Hai Lines dated 18 Dec. 2010, all issued in favor of PT Banteng Pratama Rubber with Overseas Container Transport System Inc., and Tasco, Inc. as consignees;
- 9. Exh. "G", "G-1" to "G-14": Bill of Lading issued by Regional Container Lines dated 01 Sept. 2011, Bill of Lading issued by Wan Hai Lines Ltd. dated 12 Feb. 2011 and 12 March 2011; Bill of Lading issued by China Shipping Container Lines Co. Ltd., dated 08 Apr. 2011 and Bill of Lading issued by Yang Ming dated 08 June 2011, all issued in favor of PT Banteng Pratama Rubber with Overseas Container Transport System Inc. as consignee;
- 10. Exh. "H", "H-1" to "H-11": Bill of Lading issued by Yang Ming dated 25 June 2011, Bill of Lading issued by Evergreen Line dated 19 July 2011 and 08 Aug. 2011 and Bill of Lading issued by CNC Lines Co. Ltd., dated 14 Sept. 2011, all issued in favor of PT Banteng Pratama Rubber with Overseas Container Transport System Inc. as consignee;
- 11. Exh. "I": Affidavit of Edwin Y. Cua, President and General Manager of Tasco, Inc. exclusive distributor/agent of MIZZLE products in the Philippines;
- 12. Exh. "I-1" and "I-2": brochures of different MIZZLE tires/products being sold by Tasco, Inc. to customers in the Philippines;
- 13. Exh. "I-3": Affidavit of Enrique Mollida Ng, owner of DEKA MOTORCYCLE PARTS attesting to the fact that he is a customer of Tasco, Inc. buying MIZZLE products;
- 14. Ex. "I-4": Affidavit of JORGE V. CALINGO, owner of VILLAMAYOR MOTOR CYCLE PARTS attesting to the fact that he is a customer of Tasco, Inc., buying MIZZLE products;
- Exh. "I-5" to "I-52": commercial Invoices, Bill of Ladings and Packing List of Mizzle products issued by PT Banteng Pratama Rubber and received by Tasco., Inc., from 20 Apr. 2007 up to 23 Sept. 2011;
- 16. Exh. "J", "J-1" to "J-24": duplicate originals of the sales invoices issued by Tasco, Inc. to the following establishment who bought MIZZLE products from 03 Aug.

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2007 up to 30 Sept. 2011:

- 1. VILLAMOR Motor Cycle Parts
- 2. DEKA MOTOR CYCLE PARTS
- 3. JOHN ARCEGA RM MOTORZONE
- 4. ASAC M/C Parts and Accessories
- 5. RJG Scooters and Accessories
- 6. Kid Cycle General Merchandise
- 7. Cycle Land Enterprises
- 8. Tough Motorcycle Parts and Accessories
- 9. Motoindustria Enterprises
- 10. Deka Motorcycle Parts
- 11. Bonzai Cycle Center
- 12. Hi Tech Cycle Supply
- 13. Arcerga's Trading Ent. Inc.
- 14. Arguelles Auto and Motorcycle Supply; and
- 17. Exh. "K": Reg. No. 4-2008-009665 issued in favor of Alex Mesina on 16 Mar. 2009 for the registration of the trademark MIZZLE for goods under Class 12-Automotive, motorcycle, bicycle tires and tubes

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Registrant on 03 March 2012. The Respondent-Registrant, however, did not file an Answer.

Should Reg. No. 4-2008-009665 be cancelled?

There is practically no difference between the mark registered in favor of the Respondent-Registrant, as shown below:



and the Petitioner's, to wit:



Also, the goods covered by the Respondent-Registrant's registration are similar and/or closely related to the goods dealt in by the Petitioner bearing the mark MIZZLE. 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 the goods but on the origin thereof as held by the Supreme Court, to wit:⁴

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily 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 the 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 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 product⁵.

In this regard, the Respondent-Registrant has secured a trademark registration in the Philippines for the mark MIZZLE. Sec. 138 of the IP Code provides that "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 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". Under this provision, however, it is clear that the ownership of the mark is only a presumption, and therefore may be overcome by an adverse superior claim and evidence of ownership. Corollarily, Sec. 151.1 of the IP Code provides among other things that

A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follow:

x x x (b) Any time, if the registered mark x x x or its registration was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant as to misrepresent the source of the goods or services on or in connection with which the mark is used. x x x

Obviously, the Petitioner has interests which are affected and prejudiced by the registration of the mark MIZZLE and the maintenance thereof in the Trademark Registry in favor of the Respondent-Registrant. Records show that the Petitioner has been exporting for sale in the Philippine market MIZZLE tyres for motorcycles and rim for wheels of motorcycles from 26 April 2007 up to the present through it duly

⁴ Converse Rubber Corporation v. Universal Rubber Products Inc., et al, G.R. No. L-27906, 08 Jan. 1987.

⁵ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

authorized distributor/agent, Tasco Inc., located at No. 70, 20th Avenue, Murphy, Quezon City⁶. Tasco, Inc. in turn sells tyres for motorcycle and rim or wheels of motorcycles bearing the mark MIZZLE to its different customers in the Philippines starting 03 Aug. 2007 and continuously up to present.⁷ The mark "MIZZLE" and device of a boy has been registered in Indonesia under Reg. No. IOM000051173 issued on 21 Apr. 2005 and Reg. No. 470311 issued on 20 Jan. 2000 covering goods under Class 12, in favor of Anton Kusumawijaya Halim. The mark MIZZLE was first launched in Indonesia on 20 Feb. 2000 by the Petitioner. Halim, who is also the Director of the Petitioner, authorized the latter to file and prosecute the instant petition.

In this regard, a cancellation proceeding based on an allegation of fraud on the part of the Respondent-Registrant becomes basically, a review of the trademark registration in question to determine if the legal requirement for registration have been fully satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the trademark registry would damage the Petitioner. The inquiry even goes further beyond pitting the alleged rights of the parties. The primordial objective of resolving a petition to cancel a trademark registration is to ensure the integrity of the trademark registration system.

Aptly, it is not the application or the registration, therefore, that confers ownership of a mark, but it is the 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.⁸ 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 Abyadang⁹, 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

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Exh. "J", "J-1" to "J-24". Exh. "C" to "H" and sub-markings.

See Sec. 236 of the IP Code.

⁹ G.R. No. 183404, 13 Oct. 2010.

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.

As discussed above, the Petitioner proved that the mark MIZZLE was created, owned and since then used in commerce including in the Philippines for motorcycle tires and rims by somebody other than the Respondent-Registrant, and long before the latter secured a trademark registration for the same mark. The mark MIZZLE is a unique and highly distinctive mark for motorcycle tires and rims. It is inconceivable therefore for the Respondent-Registrant to have come up with exactly the same mark without having been inspired by or motivated by an intention to imitate the Petitioner's mark. It is highly impossible for another person to come up with an identical or nearly identical mark for use on the same goods or related goods purely by coincidence. The field which a person may select a trademark is practically unlimited. As in all cases of colorable imitation, the unanswered riddle is why, of the millions of terms and combination of letters are available, the Respondent –Registrant had come up with a mark identical or so nearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark¹⁰.

In conclusion, the Respondent-Registrant cannot claim ownership of the mark MIZZLE. Without ownership of the mark it has no right to register it.

WHEREFORE, premises considered, the Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Reg. No. 4-2008-009665 issued on 16 Mar. 2009 be returned, together with a copy of this Decision, to the Bureau of Trademark for information and appropriate action.

SO ORDERED.

Taguig City, 24 August 2012.

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

10 See American Wire and Cable Co. v. Director of Patents et. al (SCRA 544) G.R. No. L-26557, 18 Feb. 1970.