



REPUBLIC CEMENT CORPORATION
(Formerly Lloyds Richfield Industrial Corp.,)
Petitioner,

-versus-

EAGLE CEMENT CORPORATION,
Respondent –Registrant.

X-----X

}
} IPC No. 14-2010-00235
} Cancellation of:
} Regn. No. 4-2009-012374
} Date Issued: 13 May 2010
} TM: "EAGLE CEMENT
} EXCEED LABEL MARK"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 43 dated February 14, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, February 14, 2014.

For the Director:


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



REPUBLIC CEMENT CORPORATION
(formerly LLOYDS RICHFIELD
INDUSTRIAL CORPORATION)
Petitioner,

IPC No. 14-2010-00235

Cancellation of:

-versus-

EAGLE CEMENT CORPORATION,
Respondent-Registrant.

Regn No. 4-2009-012374
(Issued Date: 13 May 2010)
Trademark: "EAGLE CEMENT
EXCEED LABEL MARK"

x _____ x

Decision No. 2014 - 43

DECISION

REPUBLIC CEMENT CORPORATION ("Petitioner")¹ filed a petition for cancellation of Trademark Registration No. 4-2009-012374. The registration by EAGLE CEMENT CORPORATION ("Respondent-Registrant")², issued on 13 May 2010, covers the trademark "EAGLE CEMENT EXCEED LABEL MARK" for use on "cement" under class 19 of the International Classification of Goods and Services³. The Petitioner alleges among other things the following:

"4. It was LLOYDS RICHFIELD INDUSTRIAL CORPORATION ('LRIC,' for brevity) that first adopted and is the prior user of the 'Eagle Cement' mark. The Articles of Incorporation of LRIC forms part of this Petition as Exhibit 'B'. Since 1992, LRIC had been using the 'Eagle Cement' mark on its cement products, which have been widely sold in the Philippines.

"5. Certified copies of random samples of sales invoices issued within LRIC's first year of operations (i.e., Year 1992) are attached to this Petition (Exhibit 'C'). The said invoices and the other sales invoices for subsequent years were issued by LRIC, Bronx Trading Corporation ('Bronx'), Anistar Trading and Brokerage Corporation ('Anistar'), and Elanstar Trading Corporation ('Elanstar'). Bronx, Anistar and Elanstar are distributors and/or dealers of LRIC. A copy of the Dealership Agreement between LRIC and Anistar is attached as Exhibit 'D'. The affidavit of Ms. Irish S. Villariba, a former officer of Bronx, that attests to the exclusive dealership agreement between LRIC and Bronx is attached as Exhibit 'E'. The affidavit of Ms. Jocelyn Amper that attests to the exclusive dealership agreement between LRIC and Elanstar is attached as Exhibit 'F'.

"6. It can be garnered from the sales invoices that, even on its initial year, 'Eagle Cement' products were already sold in various parts of the Philippines. From Pasig City to Cebu City to Lanao del Sur, LRIC's 'Eagle Cement' products were sold in numerous points scattered all over Luzon, Vizayas and Mindanao.

"7. In June 1997, LRIC, through an in-house company officer, filed an application for the 'Eagle Cement Brand' mark. The application was considered abandoned due to LRIC's failure to comply in time with the formal requirements for registration. A record containing details of the said application may be accessed at the trademark database of the IPO website and is attached to this

¹ A company organized under the laws of the Philippines, with principal place of business at 25th Flr., The Salcedo Tower, HV dela Costa St., Salcedo Village, Makati City.

² A company organized under the laws of the Philippines with principal place of business is at 153 EDSA, Mandaluyong City.

³ The Nice Classification of goods and services is for registering trademark and service marks, based on a Multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

Petition as Exhibit 'G'. Notwithstanding the abandonment of the application, LRIC (and subsequently, RCC) never stopped using the 'Eagle Cement Brand' mark in connection with cement its products.

"8. The Department of Trade and Industry ('DTI') Bureau of Product Standards granted Iligan Cement Corporation ('ICC') the license to use the Philippine Standard Quality Certification Mark. Certified true copies of the certificates evidencing such license are attached to this Petition as Exhibit 'H'. LRIC and ICC are affiliated companies. LRIC had outsourced the production of 'Eagle Cement' products to ICC, and ICC continues to be a licensed manufacturer of 'Eagle Cement' products up to this very day. Certified true copies of financial statements showing that LRIC is an affiliate company of ICC are attached as Exhibit 'I'.

"9. The DTI Bureau of Product Standards likewise granted LRIC the license to use the Philippine Standard Quality Certification Mark. A certified true copy of the certificate evidencing such license is attached to this Petition as Exhibit 'J'.

x x x

"10. On 31 July 2007, LRIC, along with two other companies, was merged with Petitioner RCC, with Petitioner as the surviving corporation. As a consequence of the approved Plan of Merger, all the rights, privileges and powers of LRIC arising out of its government licenses, permits and registrations were vested in Petitioner by operation of law. A copy of the Certificate of Filing of the Articles and Plan of Merger is attached as Exhibit 'K'.

"11. Certified true copies of random samples of invoices issued for the sale of 'Eagle Cement' products from 1993 to 2009 are attached to this Petition (Exhibit 'L'). The 2009 original sales invoices were issued by Mindanao Portland Cement Corporation ('MPCC'), which is likewise a distributor and/or dealer of Petitioner's 'Eagle Cement' products. As can be culled from the 1992 samples of invoices (see Exhibit 'C') and 1993 to 2009 samples of invoices (see Exhibit 'L'), Petitioner and its predecessor-in-interest consistently sold 'Eagle Cement' products for at least eighteen (18) years. Petitioner's 'Eagle Cement' products were sold in several localities all throughout the Philippines. It was sold in Metro Manila, Mandaue City, Cagayan de Oro City, Davao City, Bacolod City, Camiguin, Bohol, Antique and numerous other areas in the country, in large quantities. A single sales transaction would sometimes yield revenues of more than Three Million Pesos (PhP 3,000,000.00). From the period covering 1992 up to the present day, the total amount of revenues earned from its sales is at least Two Billion Three Hundred Ninety-Four Million One Hundred Eighty-Three Thousand Five Hundred Sixty-One Pesos and Twenty-One Centavos (PhP 2,394,183,561.21).

"12. Due to the widespread sale of Petitioner's products for at least eighteen (18) years, Petitioner's 'Eagle Cement' mark has become well-known in the cement industry. Petitioner's 'Eagle Cement' products enjoy a name-recall status in the market due to its first-rate quality, which the Petitioner is known to ensure and provide.

"13. A certified true copy of samples of Petitioner's cement sacks that are actually used in commerce are attached to this Petition as Exhibit 'M'. The 'Eagle Cement' mark appears on the sacks of cement that are sold by Petitioner. x x x

"14. A certified true copy of Respondent's Articles of Incorporation is attached to this Petition as Exhibit 'N'. x x x Clearly, Respondent is aimed to engage in the same line of business as that of Petitioner's, i.e. the manufacture and sale of cement products.

"15. On 03 December 2010, Respondent filed its trademark application with the Intellectual Property Office of the Philippines ('IPO') for the 'Eagle Cement Exceed Label Mark'. The mark was registered on 13 May 2010. A certified true copy of the certificate of trademark registration is attached to this Petition (Exhibit 'O'). The Mark is required for goods under Class 19 of the International Classification of Goods and Services, viz:

building materials, natural and artificial stone, cement, lime, mortar, plaster and gravel; pipes of earthenware or cement; road-making materials; asphalt, pitch and bitumen; portable buildings; stone monuments; and chimney pots.

x x x

The prominent feature of the Mark is the 'Eagle Cement' logo, which contains a lettering of the words 'Eagle Cement' and a silhouette of an eagle with outstretched wings. The lettering and eagle silhouette are enclosed in an oval."

The Respondent-Registrant filed its Verified Answer on 22 December 2010 alleging among other things the following:

"6. The Respondent is engaged in the manufacturing and selling of cement products bearing, among others, the 'EAGLE CEMENT & DEVICE' mark.

"7. On 10 June 2008, Respondent filed an application for the registration of its mark 'EAGLE CEMENT & DEVICE' under Class 19 and was subsequently granted registration. Trademark Certificate of Registration No. 4-2008-006759, was issued in favor of the Respondent.

"8. Consistent with its earlier registration of its 'EAGLE CEMENT & DEVICE' mark, Respondent also filed applications for the registration of the mark 'EAGLE CEMENT EXCEED LABEL,' which is the subject mark in this case, as well as the following marks:

- a) EAGLE CEMENT STRONG CEM LABEL MARK (appl. serial no. 4-2009-012381);
- b) EAGLE CEMENT ADVANCE LABEL MARK (appl. serial no. 4-2009-012376);
- c) EAGLE CEMENT PREMIUM PLUS LABEL MARK (appl. serial no. 4-2009-12380);
- d) EAGLE CEMENT EAGLE PLUS LABEL MARK (appl. serial no. 4-2009-012375).

"9. Since its inception, the Respondent had been using its registered mark 'EAGLE CEMENT & DEVICE' in commerce up to the present day. To strengthen its brand the above-mentioned marks were developed for its other cement products and applied for trademark registration.

"10. Upon publication of the application for registration of the mark 'EAGLE CEMENT EXCEED LABEL,' the Opposer came forward and filed this Opposition as well as on the Respondent's aforementioned applications.

"A. The Opposer's 'EAGLE CEMENT' mark is not registered with the Bureau of Trademarks in accordance with R.A., 8293, otherwise known as the Intellectual Property Code. It does not have the right to cause the cancellation of this registration.

"11. The Opposer expressly admitted that its alleged predecessor-in-interest, Lloyds Richfield Industrial Corporation ('LRIC'), failed to accomplish the registration of its 'EAGLE CEMENT' mark back in June 1997. Since then and until present, neither LRIC nor the Opposer exerted efforts at reviving the application. For over thirteen years, the Opposer did not even attempt to register its 'EAGLE CEMENT' mark or give any explanation why it did not. The Opposer is thus not a registered owner. It has no rights under the R.A. 8293. Section 122 of the law states:

x x x

"B. Contrary to the Opposer's situation, Respondent has an existing and valid registration over the mark 'EAGLE CEMENT & DEVICE'.

"15. Respondent validly holds Trademark Certificate of Registration No. 4-2008-006759 for its 'EAGLE CEMENT & DEVICE' mark. Upon Respondent's filing of its application for the aforesaid registered mark, the Bureau of Trademarks declared that the same was registrable, and allowed it for publication. If Opposer's claim of ownership and use over its mark 'EAGLE

CEMENT' is true, it could have filed its opposition thereto, but it did not. Upon registration of Registrant's 'EAGLE CEMENT & DEVICE' on 13 October 2008, the Opposer could have immediately pursued a cancellation thereof, but it did not. It took the Respondent almost two years before it acted. Such inaction by the Opposer highlights its lack of interest over claiming exclusivity over its mark and even renders this Opposition as mere afterthought.

"16. The Opposer's mere reference to its alleged Philippine Standard Quality Certification Mark issued by the DTI Bureau of Product Standards could not confer to it rights pertaining under R.A. 8293. The Bureau of Product Standards' concern is consumer protection from substandard products and not the protection of intellectual property rights. The said Certification does not even directly belong to the Petition as it has admitted that it was issued in favor of Iligan Cement Corporation, an entity distinct from it or from its alleged predecessor-in-interest LRIC.

"17. Thus, it is the Respondent who now has the exclusive right to prevent third parties from using its 'EAGLE CEMENT & DEVICE' mark and other similar marks thereto, being the legitimate registrant. The provisions of R.A. 8293 are not subject to any interpretation. Only owners of registered marks shall have the exclusive right to prevent others from using marks which are identical or similar to the registered mark.

x x x

"C. That the Opposer is allegedly a prior user and has supposedly made its mark well-known in the local industry is self-serving.

"19. The Opposer has devoted a significant portion of its Opposition to allegedly show that its 'EAGLE CEMENT' brand is already well-known in the local industry through its usage. Hence, the Respondent's current application/s should be barred. The Opposer is presumptuous. It has the burden of proving that 'Eagle Cement' has in fact, reached such status taking into consideration the knowledge of the relevant public. The mere issuance of invoices and the use of such mark on its cement bags do not constitute evidence of the relevant public's view.

"D. Section 123(g) of R.A. 8293 invoked by Opposer is inapplicable. The same goes for the law on human relations.

x x x

"25. The Opposer invokes Section 123(g) of R.A. 8293 as basis to oppose the instant application. Rule 101(g) of the Implementing Rules of the IP Code provides a more definitive application of Section 123 (g),

x x x

"E. The Opposer cannot use the instant Opposition to remedy its failure to register and acquire the rights accorded by law.

"35. The Opposer's theory is that since it has alleged prior use, it owns the 'EAGLE CEMENT' mark and has the right to cause the cancellation of the Respondent's application/s. However, it did not even consider registering such mark under the law to protect its claim of exclusivity. It belatedly does so now using this Opposition to unilaterally accord itself with the protective rights under the law, as if it were registered.

"36. On the other hand, the Respondent, in good faith, followed the procedure in R.A. 8293 and was lawfully granted registration for its 'EAGLE CEMENT & DEVICE' and has pursued the same process for its other marks. It is obvious who should be afforded protection under the law.

"37. This Honorable Office by accepting the Opposer's theory will reward inaction to the prejudice of those who complied with the law. More importantly, it will degrade faith in the system of trademark registration and render the entire registration process useless. As discussed

elsewhere, it bears emphasizing that it took the Opposer almost two (2) years from the Registrant's registration before it showed any interest in the mark by filing its Petition for Cancellation. It should not escape the attention of this Honorable Bureau that for a total of thirteen (13) years that passed since the Opposer's abandonment of its prior application in 1997, it has made no attempt to file and complete its registration. The glaring fact that the Opposer slept on its alleged rights over the mark cannot just be sidestepped.

"F. The Opposer has not proved that it is the owner of the 'EAGLE CEMENT' mark.

"38. The Opposer avers that it outsourced the production of 'EAGLE CEMENT' products to Iligan Cement Corporation ('ICC') and that ICC continued to be a licensed manufacturer of 'EAGLE CEMENT' products. However, the Opposer has not presented any manufacturing agreement or licensing agreement between it and ICC. Only financial statements (Annex 'I' of the Petition) showing allegedly that Lloyds Richfield Industrial Corporation ('LRIC') is an affiliate company of ICC. Assuming but only *arguendo* that LRIC is indeed an affiliate of ICC, such affiliation does not prove that the Opposer or LRIC is/was the owner of the 'EAGLE CEMENT' mark. Again, even assuming that there is such a relationship between these two companies, there is no proof of a manufacturing or licensing agreement other than the bare allegation by the Opposer. Even sister companies document any agreement between them by entering into contracts. There is no such contract presented by the Opposer.

"39. In addition, the bottom portion of the Opposer's sample cement sack on page 8 of the Opposition contains the following:

'A QUALITY PRODUCT OF: ILIGAN CEMENT CORPORATION.'

Nowhere is it shown in the said cement sack that the product or the EAGLE brand is owned by the Opposer. If indeed there is a manufacturing or licensing agreement, the said cement sack should have stated that the product is manufactured by ICC for the Opposer or words to that effect. There is no mention of the Opposer at all.

"40. The foregoing, coupled with its failure to pursue the registration, demonstrates the Opposer's lack of interest in monopolizing the 'EAGLE CEMENT.'

Should the Respondent-Registrant's trademark registration for "Eagle Cement Exceed Label" be cancelled?

It is emphasized that 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 out 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.* This purpose will not be served by the co-existence in the market of the competing marks, shown below:

* *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91, of the Trade related Aspect of Intellectual Property (TRIPS Agreement).



Opposer's mark



Respondent-Registrant's mark

It is likely that the consumers will have the impression that the parties' cement products originate from a single source or the sources thereof are connected or associated with one another. The likelihood of confusion would subsist not only the purchaser's perception of goods but on the origins thereof as held by the Supreme Court, to wit:⁵

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, the 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 the belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

Succinctly, the Petitioner raises the issue of ownership of the contested mark. According to the Opposer, the Respondent-Registrant has no right to the registration of the mark because the latter is not the owner thereof. In contrast, the Respondent-Registrant argued:

"15. Respondent validly holds Trademark Certificate of Registration No. 4-2008-006759 for its 'EAGLE CEMENT & DEVICE' mark. Upon Respondent's filing of its application for the aforesaid registered mark, the Bureau of Trademarks declared that the same was registrable, and allowed it for publication. If Opposer's claim of ownership and use over its mark 'EAGLE CEMENT' is true, it could have filed its opposition thereto, but it did not. Upon registration of Registrant's 'EAGLE

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

CEMENT & DEVICE' on 13 October 2008, the Opposer could have immediately pursued a cancellation thereof, but it did not. It took the Respondent almost two years before it acted. Such inaction by the Opposer highlights its lack of interest over claiming exclusivity over its mark and even renders this Opposition as mere afterthought."

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 provision 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.

Article 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, not 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 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 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. 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.⁶ 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*⁷, 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. 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.

Records and evidence show that goods, particularly cement, bearing the mark "Eagle Cement" are sold in many places in the Philippines since 1992. There were sales invoices for transactions involving the said goods and trademark in Cebu City, Iligan City, Danao del Sur, Mandaue City, Pasig City, Zamboanga City, Camiguin, Iloilo City, Dumaguete City, Davao City, Cagayan De Oro, and Ormoc City⁸. These invoices were issued by Lloyds Richfield Industrial Corporation ("LRIC") and its exclusive distributors and/or dealers.⁹ LRIC merged with the Opposer, as shown by the filing of the Articles and Plan of Merger with the Securities and Exchange Commission.¹⁰ In fact, in 1997, LRIC

⁶ See Section 236 of the IP Code.

⁷ G.R. No. 183404, 13 Oct. 2010.

⁸ Exhibits "C" and "L" of the Petitioner.

⁹ Exhibits "D", "E" and "F" of the Petitioner.

¹⁰ Exhibit "K" of the Petitioner.

applied for the registration of the mark "Eagle Cement". While the said application was declared abandoned and that the trademark was canceled, "Eagle Cement" continues to be sold in the market.

The Respondent-Registrant pointed out in its Answer:

"38. The Opposer avers that it outsourced the production of 'EAGLE CEMENT' products to Iligan Cement Corporation ('ICC) and that ICC continued to be a licensed manufacturer of 'EAGLE CEMENT' products. However, the Opposer has not presented any manufacturing agreement or licensing agreement between it and ICC. Only financial statements (Annex 'T' of the Petition) showing allegedly that Lloyds Richfield Industrial Corporation ('LRIC') is an affiliate company of ICC. Assuming but only *arguendo* that LRIC is indeed an affiliate of ICC, such affiliation does not prove that the Opposer or LRIC is/was the owner of the 'EAGLE CEMENT' mark. Again, even assuming that there is such a relationship between these two companies, there is no proof of a manufacturing or licensing agreement other than the bare allegation by the Opposer. Even sister companies document any agreement between them by entering into contracts. There is no such contract presented by the Opposer.

"39. In addition, the bottom portion of the Opposer's sample cement sack on page 8 of the Opposition contains the following:

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Nowhere is it shown in the said cement sack that the product or the EAGLE brand is owned by the Opposer. If indeed there is a manufacturing or licensing agreement, the said cement sack should have stated that the product is manufactured by ICC for the Opposer or words to that effect. There is no mention of the Opposer at all.

However, the issue to be resolved in this opposition is not necessarily a contest between the two parties as to who has the better right over the contested mark. The real issue is whether the Respondent-Registrant is the owner of the mark. If it owns the mark then it is entitled to register the mark and obtain exclusive right thereto. In this case, records and evidence clearly show that somebody else has coined, appropriated and been using the contested mark on cement products prior to the Respondent-Registrant's adoption and filing of applications for the registration of exactly the same mark for use also on cement.

The field from which a person may select a trademark is practically unlimited. As in all cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Respondent-Registrant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.¹¹

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.

¹¹ *American Wire and Cable Co. v. Director of Patents et. al.*, (SCRA 544), G.R. No. L-26557, 18 Feb. 1970.

WHEREFORE, the instant Petition is hereby **SUSTAINED** on the grounds stated above. Let the file wrapper of Trademark Registration No. 4-2009-012374 be returned together with a copy of this Decision to the Bureau of Trademark for information and appropriate action.

SO ORDERED.

Taguig City, 14 February 2014.



NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs