



SAO PAULO ALPARGATAS, S.A.,
Petitioner,

-versus-

KING G. ONG,
Respondent-Registrant.

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}
} IPC No. 13-2010-00233
} Cancellation of:
} Registration No. 3-2009-000657
} Date Registered: 25 January 2010
} Design: "SLIPPER"

NOTICE OF DECISION

HECHANOVA BUGAY & VILCHEZ
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GREETINGS:

Please be informed that Decision No. 2013 - 244 dated December 20, 2013 (copy enclosed) was promulgated in the above entitled case.

Taguig City, December 20, 2013.

For the Director:


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



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IPC No. 13-2010-00233

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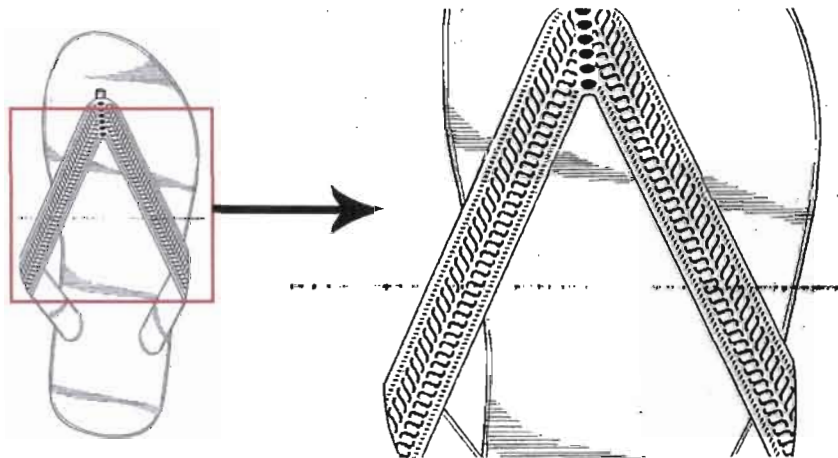
KING G. ONG
Respondent-Registrant.

x-----x

Decision No. 2013- 244

DECISION

SAO PAULO ALPARGATAS, S.A. ("Petitioner")¹ filed on 08 October 2010 a Petition for Cancellation of Industrial Design Registration No. 3-2009-000657. The registration, issued on 25 January 2010 to KING G. ONG ("Respondent-Registrant")², covers the industrial design entitled "SLIPPER", a representation of which is replicated below:



The Petitioner alleges the following:

- "7. The registration of the industrial design entitled 'SLIPPER' in the name of Respondent-Registrant contravenes and violates Section 113 of the IP Code and Rules 300 and 301 of the Utility Model and Design Regulations, because it is not new and original.
- "8. The continued registration of the 'SLIPPER' Industrial Design Registration No. 3-2009-000657 in the name of Respondent-Registrant will cause grave and irreparable injury and damage to the Petitioner for which reason it seeks the cancellation of said registration.

¹ A foreign corporation organized and existing under the laws of Brazil, with principal address at Rua Funchai 160, Vila Olimpia, Sao Paulo, Brazil.

² With address at 6159 Tatalon Street, Brgy. Ugong, Valenzuela City.

- “9. Petitioner is the owner of the trademark HAVAIANAS GREEK PATTERN LOGO under Trademark Registration No. 4-2009-500174 filed on April 2, 2009, which was registered with the Intellectual Property Office of the Philippines on January 21, 2010. As such registered trademark, it is entitled to protection in the Philippines against unauthorized use or expropriation or registration of said mark by third parties.
- “10. The special appearance or design as claimed by Respondent-Registrant is identical to Petitioner’s trademark. Publications abound proving that Petitioner’s HAVAIANAS GREEK PATTERN LOGO has been disclosed to the public much earlier than the filing date of the Respondent-Registrant for its SLIPPER design on October 19, 2009.
- “11. As provided also in Section 119 of the IP Code, the following provisions relating to patents shall apply mutatis mutandis to an industrial design registration:
- ‘Section 23 - Novelty;
- ‘Section 24 - Prior Art: Provided, That the disclosure is contained in printed documents or in any tangible form.’
- “12. Novelty as defined in Section 23 of the IP Code states that an invention shall not be considered as new if it forms part of a prior art. Section 24 of the IP Code states:
- x x x
- “13. Attached x x x is a notarized Affidavit executed by Atty. Chrissie Ann L. Barredo, wherein she identifies printouts from the Petitioner’s website, and other websites in the internet containing information on the Petitioner’s corporate history and products, dating back 1962, public disclosure of the Petitioner’s famous marks ‘HAVAIANAS’, ‘HAVAIANAS GREEK PATTERN LOGO’, and ‘HAVAIANAS RICE PATTERN LOGO’ in Asia since 2003.
- “14. Attached x x x is the notarized affidavit of Mr. Ammiel M. De Leon, Marketing Head of Terry SA Inc. official Philippine distributor of SPASA which states that as early as 2003 Terry SA has been selling HAVAIANAS sandals in the Philippines which already depicted SPASA’s other equally famous trademarks ‘HAVAIANAS GREEK PATTERN LOGO’ and ‘HAVAIANAS RICE PATTERN LOGO.’
- “15. Attached x x x is the Affidavit of Engineer Rolando Saquilabon, former Assistant Director of the IPPhil, whom we are presenting as expert witness on design, or a person with special knowledge under the Rules of Court, the provisions of which are suppletoryly applied to the IPPhil. Also attached is his resume or biodata x x x. Engineer Saquilabon has viewed all the foregoing materials, and in addition perused two (2) Philippine publications; (a) the August, 2008 issue of the fashion magazine MEGA which has model Apples Aberin Sadhwani on the cover, which shows the Petitioner’s HAVAIANAS sandals on page 83 which also shows the HAVAIANAS GREEN PATTERN LOGO and HAVAIANAS RICE PATTERN LOGO and (b) the July, 2009 issue of the fashion magazine PREVIEW which has Maricel Soriano on the cover, which shows on page 49, Petitioner’s HAVAIANAS sandals showing the ‘HAVAIANAS GREEK PATTERN LOGO’. Reproduced below are the images published in the abovementioned magazines as compared with Respondent-Registrant’s design registration no. 3-2009-000657. As stated by Engineer Saquilabon, the presence of the abovementioned publications negate the claim of novelty and originality of designer KING G. ONG in his design registration no. 3-2009-000658. In fact, his application of his registered design to his actual product clearly shows his intention to copy and ride on the popularity of Petitioner’s well-known trademarks: HAVAIANAS, and HAVAIANAS RICE PATTERN LOGO, and HAVAIANAS GREEK PATTERN LOGO which acts are also offenses under the IP Code. x x x

- “16. As also explained by Engineer Saquilabon, there is no substantive examination of applications for design registration since the new IP Code or Republic Act No. 8293 was promulgated on Jan. 1, 1998. Hence, the design patent examiners of the IPPhil do not look at prior art, but simply checks whether the formalities requirements of the IPPhil for design applications have been complied with. However, being in the footwear business, it would be impossible for the designer Mr. King G. Ong to claim that he has no knowledge of the HAVAIANAS branded sandals and/or its appearance when he filed his design registration. Mr. Ong’s bad faith is evident. Lacking novelty and originality his design registration no. 3-2009-000657 must be cancelled in accordance with law.

The Petitioner’s evidence includes:

1. certified true copy of Design Reg. No. 3-2009-000657;
2. certified true copy of Certificate of Reg. No. 4-2009-500174 for the mark “HAVAIANAS GREEK PATTERN LOGO”;
3. Affidavit-Direct Testimony of Atty. Chrissie Ann L. Barredo and the annexes thereto;
4. Affidavit of Mr. Ammiel M. De Leon, Marketing Head of Terry SA Inc. official distributor of Sao Paulo Alpargatas SA, and the annexes thereto consisting of catalogs, publications, and advertisements;
5. Resume of Engineer Rolando Saquilabon;
6. Affidavit of Engineer Rolando Saquilabon and the annexes thereto consisting of catalogs, publications, and advertisements; and
7. Affidavit of Atty. Editha R. Hechanova.³

The Respondent-Registrant in his *Verified Answer* alleges the following, among other things:

- “15. Respondent-Registrant’s industrial design entitled “SLIPPER” with Industrial Design Registration No. 3-2009-000657 is entirely different from the “HAVAIANAS GREEK PATTERN LOGO” mark owned by the Petitioner. It should be remembered that rights granted under the IPC are entirely different and are used for entirely different purposes and cannot be compared. The Petitioner’s trademark is used as a brand to identify its goods whereas Respondent-Registrant’s design is used as a design for a particular article. The Petitioner’s argument that the Respondent-Registrant’s industrial design is confusingly similar with its mark is entirely misplaced.
- “16. Moreover, records will show that the Respondent-Registrant’s filed his application for industrial design entitled “SLIPPER” on October 19, 2009, which is prior to the registration of Petitioner’s mark “HAVAIANAS GREEK PATTERN LOGO”. In this regard, it is the Respondent-Registrant who is entitled to the protection of his design from the unauthorized use and expropriation by the Petitioner of his registered industrial design for the said slippers.
- “17. Furthermore, the Respondent-Registrant’s design is different from the prior art cited by the Petitioner. His characteristic design, appearing on the straps of slippers having the “HAVANA” mark, consists of a series of four (4) parallel designs with six (6) oval shape designs at the center of the strap. On the other hand, the “HAVAIANAS GREEK PATTERN LOGO” mark owned by the Petitioner appearing on the straps of HAVAIANAS slippers consists of two (2) parallel designs only.
- “18. The Respondent-Registrant has extensively promoted and sold slippers bearing the registered “SLIPPER” design in the Philippines as its own. The advertising materials used by the Respondent-Registrant for the slippers bearing the “HAVANA” mark sold and distributed in the

³ Marked as Exhibits “A” to “H”, inclusive.



Philippines visibly discloses the manufacturer of the product, namely, Kentex Manufacturing Corporation. In this regard, there is no way for the consumers to make a connection or association between the Respondent-Registrant's slippers and Petitioner's trademark.

"19. Finally, the Respondent-Registrant is serious in the promotion of products and employs extensive advertising campaigns. Because of this and the superior quality of its products, the slippers bearing the mark "HAVANA" which utilizes the subject industrial design have established good faith and attained a solid following from the general public.

The Respondent-Registrant's evidence consists of photographs of Respondent-Registrant's design and the Affidavit of Respondent-Registrant himself, King G. Ong.⁴

Should Design Registration No. 3-2009-000657 be cancelled?

Sec. 112 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") the IP Code, defines an industrial design as "*any composition of lines or colors or any three dimensional form, whether or not associated with lines or colors; Provided, that such composition or form gives a special appearance to and can serve as pattern for an industrial product or handicraft.*" Corollarily, Sec. 113.1 of the IP Code provides that "*Only Industrial Designs that are new or ornamental shall benefit from protection under this Act.*" Also, Rule 301 of the Rules and Regulations on Utility Models and Industrial Designs states that "*in order to be registrable, an industrial design must be any new or original creation relating to the ornamental features of shape, configuration, form or combination thereof, an article of manufacture, whether or not associated with lines, patterns or colors, which impart an aesthetic and pleasing appearance to the article ...*".

In this regard, the Petitioner claims that the subject design is not novel, pointing out that there is a prior art at the time the application for registration was filed. The prior art cited by the Petitioner is its registered trademark "HAVAIANAS GREEK PATTERN LOGO" (Reg. No. 4-2009-500174).

But, can a trademark be considered prior art to bar or cancel the registration of an industrial design?

Sec. 119 of the IP Code states that the following provisions apply *mutatis mutandis* to an industrial design registration:

Section 23 - Novelty;

Section 24 - Prior Art: Provided, That the disclosure is contained in printed documents or in any tangible form.

Sec. 23 states that an invention shall not be considered as new if it forms part of a prior art, while Sec. 24 describes what is a prior art, to wit:


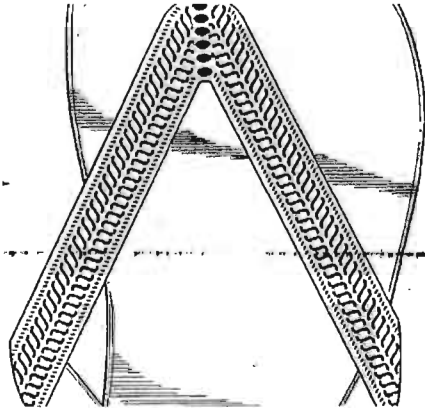
24.1 **Everything** which has been made available to the public anywhere in the world, before the filing date or priority date of the application claiming the invention." (Underscoring supplied)

⁴ Exhibit 1, inclusive.

A trademark or service mark is defined under Sec.121.1 as “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. 166)”.

Aptly, Sec. 24.1 of the IP Code uses the term “Everything” without any qualification that the prior art should also be an industrial design. Thus, a trademark which has been made available to the public anywhere in the world before the filing date or priority date of the application for registration of an industrial design may constitute as prior art. In this regard, the determination of whether an industrial design should be denied registration, or whether an industrial design registration should be cancelled, is not a matter of enforcing the protection accorded under the Trademark Law. Instead, the issue is whether or not the industrial design meets the requirement of novelty for the registration purposes. What is to be established therefore is, *first*, the mark has been made available to the public anywhere in the world before the filing date or priority date of the application for the registration of the industrial design, and *second*, the composition of the mark is identical or similar to the industrial design. If these elements are present, then the registration of the industrial design should be denied or cancelled for lack of novelty.

In this case, the Respondent-Registrant’s “SLIPPER” design is practically identical to the Petitioner’s “HAVAIANAS GREEK PATTERN LOGO” trademark, as shown below:

<p align="center">Petitioner’s HAVAIANAS GREEK PATTERN LOGO (Reg. No. 4-2009-500174)</p>	<p align="center">Respondent-Registrant’s “SLIPPER” design Reg. No. 3-2009-000657</p>
	

This Bureau finds no merit on the Respondent-Registrant’s contention that his “SLIPPER” design is “different from the prior art cited by the petitioner”. While its true that the “SLIPPER” design consists of a series of four (4) parallel designs with six (6) oval shape designs at the center of the strap”, as compared to the registered trademark GREEK PATTERN LOGO’s “two (2) parallel designs only”, the difference is inconsequential. The composition of the two inner parallel designs, which is identical to the Petitioner’s GREEK PATTERN LOGO, dominates and defines the “SLIPPER” design. The outer parallel designs and the six oval shape designs at the center of the strap hardly make an impression. Moreover, the Petitioner’s “HAVAIANAS GREEK PATTERN LOGO” is used and visible on the straps of its sandal or



footwear products. To the eyes of an observer, the “HAVAIANAS GREEK PATTERN LOGO” is not only a trademark but is also a design. In fact, it can be gleaned from some of the pieces of evidence presented by the Petitioner, particularly the catalogs and advertisement, that the straps of the Petitioner’s sandals/products bear also two outer parallel designs and oval shapes at the center, similar to those appearing in the Respondent-Registrant’s design.

Aptly, records show that the Petitioner applied for the registration of the “HAVAIANAS GREEK PATTERN LOGO” on 02 April 2009, earlier than the filing date of Respondent-Registrant’s application for registration of the “SLIPPER” design on 19 October 2009. The evidence also shows that the Petitioner’s “HAVAIANAS GREEK PATTERN LOGO” was already disclosed to the public long before the year 2009.

To conclude, the Petitioner established the existence of prior art that warrants the cancellation of Industrial Design Reg. No. 3-2009-000657

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Industrial Design Registration No. 3-2009-000657 be returned, together with a copy of this Decision, to the Bureau of Patents for information and appropriate action.

SO ORDERED.

Taguig City, 20 December 2013.



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