



UNDEFEATED, INC.,
Opposer,

-versus-

ANDREW SO,
Respondent-Applicant.

X-----X

} IPC No. 14-2011-00465
}
} Opposition to:
} Appln. Serial No. 4-2011-0007397
} Date Filed: 27 June 2011
} Trademark: "UNDEFEATED"

NOTICE OF DECISION

FEDERIS & ASSOCIATES LAW OFFICES

Counsel for the Opposer
2005 88 Corporate Center
141 Valero corner Sedeno Streets
Salcedo Village, Makati City

ANDREW SO


c/o **GEORGE L. KING**
Counsel for the Respondent-Applicant
Suite 501 Goldhill Tower Condominium
No. 5 Arinapolis Street, Greenhills
San Juan City

GREETINGS:

Please be informed that Decision No. 2012 – 192 dated September 28, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 28, 2012.

For the Director:


Atty. PAUSTI U. SAPAK
Hearing Officer
Bureau of Legal Affairs



UNDEFEATED, INC.,
Opposer,

IPC No. 14-2011-00465

-versus-

Opposition to:
Appln. No.: 4-2011-0007397
(Filing Date: 27 June 2011)
TM: "UNDEFEATED"

ANDREW SO,
Respondent.

X-----X

Decision No. 2012- 192

DECISION

UNDEFEATED, INC. ("Opposer")¹ filed on 19 December 2011 an opposition to Trademark Application Serial No. 4-2011-007397. The application, filed by ANDREW SO ("Respondent-Applicant")², covers the mark "UNDEFEATED and Four Vertical Lines with a Diagonal Line Ensnocned across such line" for use on "*RTW pants, shirts, skirts, jeans*" under Class 25 of the International Classification of goods.³

The Opposer anchors its opposition on the ground that the opposed mark is identical and confusingly similar to its trademarks "UNDEFEATED" and the "FIVE STRIKE LOGO", which have been extensively used and registered worldwide. According to the Opposer, the registration of the opposed mark can be validly prevented under Sections 147.1 and 147.2 of Rep. Act No.8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). The Opposer contends that the Respondent-Applicant's trademark application must be denied under Sec. 123.1, pars. (d) to (f) of the IP Code. It further argues that UNDEFEATED is its corporate name and hence, it cannot be appropriated, used or registered by the Respondent-Applicant pursuant to Sec. 165 of the IP Code.

To support its opposition, the Opposer submitted the following:

1. Exh. "A": affidavit of John R. Sommer, Vice President and Chief Administrative Officer of Stussy, Inc., the Opposer's exclusive licensee;
2. Exh. "A-1": Opposer's Articles of Incorporation;
3. Exh. "B": United States of America ("U.S.") Trademark ("TM") Reg. No. 2,754,149 for the mark UNDEFEATED;
4. Exh "C": U.S. TM Reg. No. 3,412,743 for the FIVE STRIKE LOGO;
5. Exh. "D" to "D-1": example catalogs for UNDEFEATED and FIVE STRIKE LOGO products;
6. Exh. "E" to "E-6": photographs of UNDEFEATED and FIVE STRIKE LOGO products in collaboration with the other brands such as, ADIDAS, CONVERSE, NIKE and PUMA;
7. Exh. "F" to "F-1": photographs of shoes that Opposer did in collaboration with Kobe Bryant and Allen Iverson;

¹ A foreign corporation organized and existing under the laws of the State of California, United States of America, with principal office at 112-1/2 South La Brea Avenue, Los Angeles California.

² With address at 2017 Dapitan Street, Sampaloc, 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.

8. Exh. "G" to "G-12": photographs of Opposer's products being worn by numerous famous celebrities;
9. Exh. "H": photographs of Opposer being promoted and marketed during the Super Bowl XXXVI event in the U.S. which was shown to numerous countries worldwide;
10. Exh. "I" to "I-8": photographs of Opposer' stores and which also shows the mark UNDEFEATED and FIVE STRIKE LOGO being used;
11. Exh. "J" to "J-4": screenshots of the UNDEFEATED website for the years 2003, 2004 and 2011;
12. Exh. "K" to "K-3": photographs of actual billboards, events and other promotional materials promoting and showing the UNDEFEATED and FIVE STRIKE LOGO brands;
13. Exh. "L" to "L-12": copies of invoices proving sale of UNDEFEATED and FIVE STRIKE LOGO products to Grey One Social here in the Philippines;
14. Exh. "M" to "M-72": examples of the Opposer's products catalogs, early articles about the UNDEFEATED brand and store;
15. Exh. "N" to "N-10": Clavel magazine from the Philippines which had an article about the UNDEFEATED;
16. Exh. "O": database report listing the Opposer's UNDEFEATED and FIVE STRIKE LOGO trademark applications and registrations in the U.S. and other countries;
17. Exh. "O-1" to "O-33": certificates of trademark registrations;
18. Exh. "P": affidavit of Rosario Herrera;
19. Exh. "Q" to "Q-33": photographs of Grey One Social store including its façade;
20. Exh. "R" and "S": printouts of Grey One Social's official website and Facebook official page;
21. Exh. "T" to "T-13": products distributed by Recreation Lifestyle to Philippine customers bearing the FIVE STRIKE LOGO and UNDEFEATED marks since as early as 2008; some of which are caps, t-shirts, shoes and other types of clothing;
22. Exh. "U" to "U-5": copies of sample invoices and/or receipts proving sale in the Philippines of products bearing the UNDEFEATED, FIVE STRIKE LOGO, combination and other variations thereof;
23. Exh. "V" to "V-10": written articles discussing the products sold under the FIVE STRIKE LOGO and UNDEFEATED trademarks; these articles are posted in the Internet and are accessible to customers in the Philippines;
24. Exh. "X" to "X-2": website pages which show hat FIVE STRIKE LOGO and UDEFEATED have been promoted and marketed in the Philippines through launch parties, look books, articles in magazines, which feature the products to customers here in the Philippines;
25. Exh. "Y": affidavit of Jan Abigail L. Ponce, an Associate Lawyer of Federis & Associates Law Office;
26. Exh. "Z": legalized Special Power of Attorney executed by the Opposer in favor of Federis & Associates Law Offices; and
27. Exh. "AA": certified Copy of Trademark Application No. 4-2011-009012 for the mark "FIVE STRIKE LOGO and UNDEFEATED" filed on 01 Aug. 2011 by the Intellectual Property Office.

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 19 January 2012. The Respondent-Applicant, however, did not file an Answer.

The Opposer anchors its case on Sec. 123.1(d) of the IP Code which provides that a mark shall not be registered if is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of the same goods or

services or closely related goods or services; or, if it nearly resembles such a mark as to be likely to deceive or cause confusion. Records, however, show that the Opposer has no existing trademark registration or application for the marks UNDEFEATED and/or the FIVE STRIKE LOGO in the Philippines at the time the Respondent-Applicant filed his trademark application on 27 June 2011. The Opposer filed an application in the Philippines only on 01 August 2011 (Serial No. 4-2011-009012) for goods under Class 25. Hence, Sec. 123.1 (d) of the IP Code does not apply in this instance.

The Opposer, however, also cites Sec.123.1, pars. (e) and (f) of the IP Code, to wit:

Sec.123. Registrability. - 123.1 A mark **cannot** be registered if it:

x x x

(e) Is Identical with, or confusingly similar to, or constitutes a translation of mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;”[Underscoring supplied]

(f) Is Identical with, or confusingly similar to, or constitutes a translation of mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are **not** similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided*, *further*, That the interest of the owner of the registered mark are likely to be damaged by use;”

Corollarily, Rule 102 of the Trademark Regulations sets forth the criteria for determining whether a mark is well-known, to wit:

Rule 102. *Criteria for determining whether a mark is well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- c) the degree of the inherent or acquired distinction of the mark;
- d) the quality-image or reputation acquired by the mark;
- e) the extent to which the mark has been registered in the world;
- f) the exclusivity of registration attained by the mark in the world;
- g) the extent to which the mark has been used in the world;
- h) the exclusivity of use attained by the mark in the world;
- i) the commercial value attributed to the mark in the world;
- j) the record of successful protection of the rights in the mark;
- k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- l) the presence of absence of identical or similar marks validly registered for or used on

identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.”

This Bureau finds that the Opposer submitted sufficient evidence to show the concurrence of at least a combination of the criteria laid down by the Trademark Regulations. The marks have been registered or applied for registrations in many countries including the major markets of the U.S.A., Australia, Canada, Chile, China, Hong Kong, the European Community, Japan, Korea, New Zealand. It has an existing trademark application in the Philippines under Serial No. 4-2011-009012 filed on 01 August 2011 for goods under class 25. The Opposer also submitted proof to show the extensive use and reach of its trademarks in many countries, through promotion, advertising and marketing. Products bearing its marks are being sold in the Philippines since 13 March 2008 through the “Grey One Social”, located at R2 Wing Greenbelt 5 Mall, Ayala Center, Makati City. Hence, the Opposer’s marks could be considered a well-known mark under Rule 102 of the Trademark Regulations.

Corollarily, the goods indicated in the Respondent-Applicant’s trademark application are similar and closely related to the Opposer’s goods (i.e. clothing, shoes, caps). And, “shadings” set aside, the mark applied for registration by the Respondent-Applicant is obviously identical to the Opposer’s, as shown below:



Opposer's Mark



Respondent-Applicant's Mark

Thus, the registration of the mark UNDEFEATED in favor of the Respondent-Applicant is proscribed by Sec. 123.1(e) of the IP Code.

Also, while the Respondent-Applicant may have filed his trademark application ahead of the Opposer’s, the instant opposition case, however, is essentially a controversy regarding the ownership of the mark UNDEFEATED. It is stressed that because the Respondent-Applicant’s mark is identical to the Opposer’s, 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:⁴

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.

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

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 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 product.⁵

In this regard, 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.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."

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

⁶ See Sec. 236 of the IP Code.

⁷ G.R. No. 183404, 13 Oct. 2010.

The Opposer has proved its ownership of the marks UNDEFEATED and the FIVE STRIKE LOGO. It created, used, and registered or applied for registrations the marks in many countries long before the Respondent-Applicant filed his trademark application. The Opposer has registered its mark UNDEFEATED in its country of origin (U.S.A.) as early as 19 August 2003 under Reg. No. 2,754,149 for goods in Class 35. Products bearing the Opposer's mark are being sold in the Philippines since 2008.

Aptly, 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 combinations 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.⁸ The Opposer's marks UNDEFEATED and the FIVE STRIKE LOGO, as well as the combination thereof, are unusual or unique. In respect of the goods under class 5, these marks can be considered arbitrary marks and therefore, highly distinctive. Thus, the chance that it could have been adopted by mere coincidence by two entrepreneurs, independent of each other, for similar or closely related goods, is too good to be true. It is inconceivable that the Respondent-Applicant who is engaged in the same business as the Opposer, would not have prior knowledge of the existence of the marks or brands UNDEFEATED and the FIVE STRIKE LOGO. Products bearing the marks or brands UNDEFEATED and the FIVE STRIKE LOGO are already available to the public in the Philippines long before the Respondent-Applicant filed a trademark application.

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.

WHEREFORE, premises considered, the opposition is hereby **GRANTED**. Let the filewrapper of Trademark Application Serial No. 4-2011-007397 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 September 2012.


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

⁸ *American Wire and Cable Company v. Director of Patents*, G. R. No. L-26557, 18 Feb. 1970.