



OFFICE OF THE DIRECTOR GENERAL

NEW OLYMPIAN RUBBER PRODUCTS CO., INC., Appellant,

APPEAL NO. 14-2013-0044 IPC No. 14-2008-00253 Petition for Cancellation:

-versus-

Registration No. 026064 Date Issued: 22 July 1998 Trademark: BATA

BATA BRANDS S.A.R.L., Appellee.

X-----X

NOTICE

ATTY. TERESITA GANDIONCO OLEDAN Counsel for Appellant No. 9 Reowned Lane, Sanville Subd.

LENY B. RAZ Director, Bureau of Trademarks Intellectual Property Office Taguig City

A.Q. ANCHETA & PARTNERS Counsel for Appellee Suites 1008-1010 Paragon Plaza Bldg., EDSA corner Reliance Street Mandaluyong City

IPOP HL LIBRARY Documentation, Information and Technology Transfer Bureau Intellectual Property Office Taguig City



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NATHANIEL S. AREVALO Director, Bureau of Legal Affairs Intellectual Property Office of the Philippines Taguig City

GREETINGS:

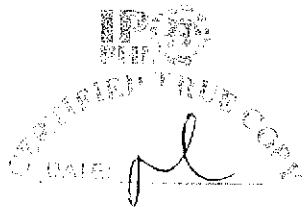
Please be informed that on 16 September 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 17 September 2014.

Very truly yours,

[Signature of Robert Nereo B. Samson]

ROBERT NEREO B. SAMSON Attorney V



ROBERT NEREO B. SAMSON ATTORNEY V Office of the Director General



OFFICE OF THE DIRECTOR GENERAL

NEW OLYMPIAN RUBBER
PRODUCTS CO., INC.,
Respondent-Appellant,

-versus-

BATA BRANDS S.A.R.L.,
Petitioner-Appellee.

X-----X

Appeal No. 14-2013-0044

IPC No. 14-2008-00253

Petition for Cancellation

Registration No. 026064

Date Issued: 22 July 1998

Trademark: BATA

DECISION

NEW OLYMPIAN RUBBER PRODUCTS CO., INC. ("Appellant") appeals the decision¹ of the Director of Bureau of Legal Affairs ("Director") granting the petition of BATA BRANDS S.A.R.L. ("Appellee") to cancel the Appellant's certificate of registration² for the mark "BATA".

On 21 October 2008, the Appellee filed a "PETITION FOR CANCELLATION" alleging that it would be damaged by the registration of BATA in the name of the Appellant. The Appellee claimed that the Appellant obtained the certificate of renewal of the registration for BATA contrary to the provisions of the Intellectual Property Code of the Philippines ("IP Code") and in violation of the country's obligation under the Paris Convention³ providing protection to well-known marks like BATA. According to the Appellee, it had extensively registered BATA throughout the world and it continues to maintain trademark registrations for this mark in 200 countries worldwide. The Appellee claimed that it successfully expanded its production and operation by establishing 5,000 retail outlets in over 50 countries.

The Appellant filed a "VERIFIED ANSWER" dated 06 February 2009 alleging that it started using BATA in rubber shoes in 1970 and that it secured a registration for this mark in 1978 which this Office granted renewal of registration effective until 31 May 2018. The Appellant claimed that it has continuously used BATA and that the Supreme Court of the Philippines has already ruled in its favor the issue of prior use and adoption of this mark.⁴ According to the Appellant, BATA is

¹ Decision No. 2013-153 dated 31 July 2013.

² Registration No. 026064 for use on rubber shoes and casual rubber shoes.

³ The Paris Convention for the Protection of Industrial Property is a multilateral treaty that seeks to protect industrial property consisting of patents, utility models, industrial designs, trademarks, service marks, trade names and indications of source or appellations of origin, and at the same time aims to repress unfair competition. It entered into force in the Philippines on 27 September 1965.

⁴ Citing the Supreme Court decision in the case of Bata Industries, Ltd. v. The Honorable Court of Appeals, G. R. No. L-53672, 31 May 1982.

DATE: *pl*
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olympian v. bata (1)
page 1 of 5

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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well-known in the Philippines as shown by the renewal of the certificates of registration issued in its favor. In addition, the Appellant claimed that the certificates of registrations issued to the Appellee in other countries do not make the Appellee's mark well-known in the Philippines. The Appellant averred that it has acquired a vested property right over BATA while the Appellee's claim to internet use and advertisements internationally of this mark cannot be the basis of prior use and adoption of BATA.

After the appropriate proceedings, the Director ruled in favor of the Appellee. The Director held that the Appellant has no right to the renewal of the subject certificate of registration issued in 1978 in the absence of any sufficient proof of assignment to it of the trademark registration for BATA. The Director opined that the registration for BATA was issued more than three (3) years before the existence or incorporation of the Appellant in 1981. The Director held that the Appellee is the originator and real owner of BATA.

On 02 September 2013, the Appellant appealed⁵ to this Office the decision of the Director maintaining that it has a prior right over BATA and that it did not commit any fraud in the registration of this mark. The Appellant argues that the Director disregarded the doctrine of *res judicata*. According to the Appellant, the Supreme Court of the Philippines sustained its right for the registration of BATA in a decision promulgated on 31 May 1982.

The Appellee filed its comment⁶ on the appeal contending that the principle of *res judicata* is not applicable in this case and that the Appellant fraudulently secured the registration of BATA. The Appellee claims that the Appellant has no prior rights over BATA and that it was the originator and real owner of BATA.

The main issue in this case is whether the Director was correct in granting the Appellee's petition to cancel the registration of BATA in the name of the Appellant.

Sec. 151 of the IP Code provides in part that:

SEC. 151. Cancellation.- 151.1. 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 follows:

x x x

(b) At any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, 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 so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic

⁵ NOTICE OF APPEAL AND APPEAL TO THE DIRECTOR-GENERAL dated 31 August 2013.

⁶ COMMENT TO RESPONDENT-APPELLANT'S APPEAL MEMORANDUM dated 08 November 2013.

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BUREAU OF LEGAL AFFAIRS
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Office of the Director General

name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services or in connection with which it has been used.

x x x

In this regard and based on the arguments by the parties, the relevant question to answer is whether the Appellant obtained the registration of BATA fraudulently or contrary to the provisions of the IP Code. In other words, this case involves the determination of whether the Appellant obtained the certificate of registration of BATA in its name in accordance with the laws and regulations on the registration of trademarks.

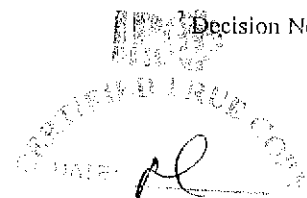
Records show that a certificate of registration for BATA was issued in the name of "NEW OLYMPIAN RUBBER PRODUCTS CO., INC." on 31 May 1978 in connection with a trademark application filed by this company on 03 December 1971. The mark was registered for a term of 20 years from 31 May 1978. However, the term of existence of this company expired on 04 April 1975 and there is no record that an amended articles of incorporation extending the company's corporate term was filed.⁷ Accordingly, Registration No. 026064 for the mark BATA was issued in the name of a non-existing corporation.

On 22 July 1998, the Appellant filed a petition for renewal of the registration of BATA covered by Registration No. 026064 and was granted a certificate of renewal of registration with a term of ten (10) years from 31 May 1998. The Appellant subsequently secured renewal of Registration No. 026064 which to date has a term of protection until 31 May 2018.

In this regard, the Appellant obtained the registration or the renewal of the registration of BATA in its favor contrary to law. Certificate of Registration No. 026064 for the mark BATA was issued to a non-existing corporation and not to the Appellant. Accordingly, the Appellant has no basis for claiming in its petition for renewal of the registration that it owns the mark and is entitled to the renewal of the registration for BATA. The certificate of registration for BATA issued on 31 May 1978 was not for the Appellant but for another corporation which actually did not exist at the time of the issuance of Registration No. 026064.

The Appellant did not adduce any evidence indicating that the Appellant and the NEW OLYMPIAN RUBBER PRODUCTS CO., INC. to whom the certificate of registration was issued is one and the same entity or juridical person. Neither did the Appellant adduced evidence of entitlement to the renewal of the registration of BATA

Decision No. 2013-153, dated 31 July 2013, page 6.


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as an assignee or successor-in-interest of the registered owner NEW OLYMPIAN RUBBER PRODUCTS CO., INC..

As correctly pointed out by the Appellee:

6.7. Certificate of Renewal Registration No. 02604 was obtained fraudulently since Respondent-Appellant is not the applicant and registrant of Certificate of Registration No. 026064 and had therefore no legal right to renew and claim the same in its name.

No amount of pretention and protestation from the Respondent-Appellant could clothe it with the legal personality to claim that it is the same entity as the one that filed the application for registration of the mark "BATA." The records of the Securities Exchange Commission (SEC) unmistakably showed that it was not yet in existence at the time when said application was filed considering that it was only organized in 1981.⁸

On pain of redundancy, Registration No. 026064 for BATA was issued to NEW OLYMPIAN RUBBER PRODUCTS CO., INC. a corporation different from the Appellant, which, however, ceased to exist on 04 April 1975. On the other hand, the Appellant is not disputing that it was incorporated only in 1981 and there is nothing in the records that show that the NEW OLYMPIAN RUBBER PRODUCTS CO., INC. which ceased to exist on 04 April 1975 assigned or transfer to the Appellant the rights and interests over BATA. The assignments and transfers of registrations of marks shall be recorded at the Office on payment of the prescribed fee and that assignment and transfers of applications for registration shall, on payment of the same fee, be provisionally recorded, and the mark, when registered, shall be in the name of the assignee or transferee.⁹


Accordingly, the Appellant obtained the renewal of Registration No. 026064 contrary to law and the regulations governing the registration of a trademark. It knew that it was not the registered owner of BATA and is, therefore, not entitled to the renewal of the certificate of registration. What the Appellant should have done is to file a new application seeking the registration of BATA and not an application seeking the renewal of Cert. of Reg. No. 026064.

The Appellant's argument on *res judicata* deserves scant consideration. The Appellant is not the same party in that case decided by the Supreme Court and, hence, there is no identity of the parties which is a requisite for the application of the principle of *res judicata*. Moreover, the principle of *res judicata* does not apply in the present case which involves a different cause of action. As discussed by the Director:

Guided by this jurisprudential rule, this Bureau reiterates that *res judicata* does not apply in this case. Firstly, G. R. No. L-53672 was decided when the prevailing law was Rep. Act No. 166 (the old "Law on Trademarks"). Secondly, the

⁸ COMMENT TO RESPONDENT-APPELLANT'S APPEAL MEMORANDUM dated 08 November 2013, page 11.

⁹ IP Code, Sec. 149.4.

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DATE: 

ROBERT MERCA E. SAMSON
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OFFICE OF THE DIRECTOR GENERAL

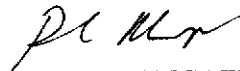
Petitioner invites this Bureau to look at the trademark registrations it acquired in other jurisdictions and the extent of their use. More importantly, the Petitioner cites fraud, a ground to cancel a registration of a trademark under the IP Code. There is now the issue as to whether the Respondent-Registrant can claim to be the owner or rightful registrant of the mark "BATA" in spite of the fact that it no longer existed at the time the registration was issued. Moreover, the Petitioner has shown to be the originator and real owner thereof.¹⁰

Wherefore, premises considered, the appeal is hereby dismissed.

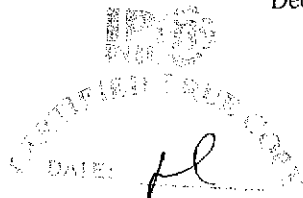
Let a copy of this Decision be furnished to the Director of Bureau of Legal Affairs and the Director of Bureau of Trademarks for their appropriate action and information. Further, let a copy of this Decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for records purposes.

SO ORDERED.

16 SEP 2014 , Taguig City.


RICARDO R. BLANCAFLOR
Director General

¹⁰ Decision No. 2013-153 dated 31 July 2013.



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