



OFFICE OF THE DIRECTOR GENERAL

NEW OLYMPIAN RUBBER PRODUCTS CO. INC., Appellant,

APPEAL NO. 14-2013-0057 IPC No. 14-2008-00065 Petition for Cancellation

-versus-

Registration No. 4-2003-003510 Date Issued: 21 January 2006 Trademark: BATA

BATA LIMITED, 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

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

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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,

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.,  
Petitioner-Appellant,

-versus-

BATA LIMITED,  
Respondent-Appellee.

X-----X

Appeal No. 14-2013-0057

IPC No. 14-2008-00065

Petition for Cancellation

Registration No. 4-2003-003510

Date Issued: 21 January 2006

Trademark: BATA

DECISION

NEW OLYMPIAN RUBBER PRODUCTS CO., INC. ("Appellant") appeals the decision<sup>1</sup> of the Director of Bureau of Legal Affairs ("Director") dismissing the Appellant's petition to cancel the registration of the mark "BATA" issued in favor of BATA LIMITED ("Appellee") on 21 January 2006 for use on clothing namely: sweaters, jackets, skirts and accessories namely: scarves, belt, gloves, and for retail store services.

On 18 March 2008, the Appellant filed a "PETITION FOR CANCELLATION" alleging that the registration of BATA in the name of the Appellee violates the provisions of the Intellectual Property Code of the Philippines ("IP Code"). The Appellant alleged that it has registered this mark in 1981 but failed to renew it within the reglementary period. The Appellant, however, claimed that it had acquired vested rights over this mark and has filed applications for the registration of the mark BATA in 2004 and 2007. According to the Appellant, the existence of the Appellee's mark in the same field of goods will cause confusion and deception to the regular buyers of its products which have accumulated and gained goodwill since 1970.

In answer<sup>2</sup> to the petition, the Appellee alleged that it adopted and used BATA as early as 1894 when Tomas Bata founded a company in the Czech Republic which grew to be the present Bata Shoe Organization ("BSO"). The Appellee claimed that BSO is principally involved in the production and/or sale of footwear and associated products and it operates in more than 40 countries with over 4,000 retail stores and has sold in over 100 years billions of pairs of shoes under the mark BATA. The Appellee asserted that it has acquired registrations of this mark in different jurisdictions and has spent great amounts of money in advertising and promotion and is one of the sponsors in the 1986 World Cup Soccer Competition. According to the

<sup>1</sup> Decision No. 2013-214 dated 06 November 2013.

<sup>2</sup> VERIFIED ANSWER dated 23 May 2008.

Appellee, the foregoing proved that BATA is internationally well-known and should be protected not only as a trade name under Article 8 of the Paris Convention, but also as a well-known mark under Art. 6(bis) thereof.

After the appropriate proceedings, the Director dismissed the petition for cancellation holding that the registration for BATA issued to the Appellant in 1981 expired in 2001 and was not renewed by this Office. The Director held that the pending trademark applications by the Appellant for BATA were filed after the Appellee had filed its own application for the registration of this mark. Regarding Registration No. 026064 for BATA issued in the name of the Appellant, the Director ruled that the Bureau of Legal Affairs has ordered the cancellation of this mark in another case between the parties.<sup>3</sup>

On 11 December 2013, the Appellant filed an "APPEAL MEMORANDUM" contending that the Director erred in not considering a decision of the Supreme Court of the Philippines which upheld the registration of BATA in its favor. The Appellant argues that BATA has been registered to its name since 1978 and the registration of this mark in the name of the Appellee violates the provisions of the IP Code that prevents the registration of a mark that is identical to a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date.

The Appellee filed on 11 February 2014 its "COMMENT TO APPELLANT'S APPEAL MEMORANDUM" contending that the Bureau of Legal Affairs correctly ruled that there was no impediment to the registration of the Appellee's mark. The Appellee maintains that the case involving the decision of the Supreme Court that was cited by the Appellant involved different parties and causes of action and that the Appellant obtained fraudulently the renewal of Registration No. 026064 for BATA. The Appellee argues that the Appellant does not have any prior rights over BATA and that the Appellee is the originator and real owner of BATA.

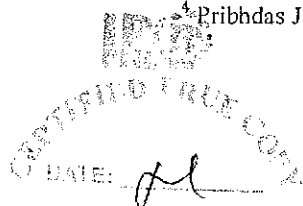
The issue in this appeal is whether the Director correctly denied the Appellant's petition to cancel the registration of BATA issued in favor of the Appellee.

It is emphasized that 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 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.<sup>4</sup>

In this instance, the Appellee has established its ownership of the mark BATA which it has used and registered in several countries worldwide. The Appellant is not contesting the pieces of evidence adduced by the Appellant but argues that it was the

<sup>3</sup> Decision No. 2013-153 dated 31 July 2013, Inter Partes Case No. 14-2008-00253.

<sup>4</sup> Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

  
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ROBERT HENRIQUEZ B. SAMSON  
ATTORNEY AT LAW  
Office of the Director General

prior user of BATA in the Philippines and that it has been issued a certificate of registration for this mark. The Appellant cites the decision of the Supreme Court claiming that this case upheld its right to the registration and protection of BATA in the Philippines.

The Appellant's arguments are not meritorious.

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.<sup>5</sup> In this regard, the issuance of the certificate of registration for BATA in favor of the Appellee puts the burden on the Appellant to prove that the Appellee is not entitled to the registration of this mark. The Appellant, however, failed to convince this Office to cancel the Appellee's registration for BATA.

The decision<sup>6</sup> of the Supreme Court of the Philippines that was cited by the Appellant is not applicable in this case. As pointed out by the Appellee:

(a) There is no identity of parties.

6.5 Appellant is not the applicant of the erstwhile application filed on December 3, 1971 that blossomed into Certificate of Registration No. 026064 issued on May 31, 1978. To put it simply, the applicant of the erstwhile application (Application No. 026064) has a different and distinct personality from that of the Appellant, which was only incorporated last June 19, 1981, three (3) years after the commencement of the litigation for which the Appellant claims "*res judicata*".

6.6. It is important to highlight the fact that the right to obtain Certificate of Registration No. 026064 belonged to NEW OLYMPIAN RUBBER PRODUCTS COMPANY, INC. (with SEC Registration No. 5034 issued on April 4, 1950). However, such right was extinguished when its corporate term effectively expired on April 4, 1975, that is, more than three (3) years prior to the issuance on May 31, 1978 of Certificate of Registration No. 026064. It is thus beyond doubt that the Appellant had no legal personality whatsoever to obtain and renew Certificate of Registration No. 026064.

x x x

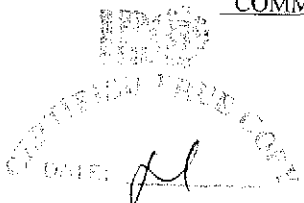
(b) There are intervening new facts and conditions.

6.8. Evidently, when Appellee filed on October 21, 2008 its Petition for Cancellation against Certificate of Renewal Registration No. 026064, there were already hitherto unknown intervening new facts and conditions, particularly with respect to the corporate demise of NEW OLYMPIAN RUBBER PRODUCTS COMPANY, INC. (with SEC Registration No. 5034 issued on April 4, 1950). x x x<sup>7</sup>

<sup>5</sup> IP Code, Sec. 138.

<sup>6</sup> Bata Industries, Ltd. v. The Honorable Court of Appeals, G.R. No. L-53672, 31 May 1982.

<sup>7</sup> COMMENT TO APPELLANT'S APPEAL MEMORANDUM dated 11 February 2014, pages 8-9.



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Accordingly, the ruling of the Supreme Court in the case cited by the Appellant has nothing to do neither with the Appellant nor with the registration of the Appellee's mark but pertains to the registration of BATA in favor, not of the Appellant, but to a corporation that eventually became non-existent due to the expiration of its corporate term. Significantly, the ruling of the Supreme Court in that case upholding the prior adoption and use of BATA pertains not to the Appellant but to another entity. In the absence of any supporting documents proving that the Appellant is the successor-in-interest or the assignee of the rights of that corporation that eventually became non-existent, the Appellant's position has no leg to stand on.

In this regard, the remaining bases for the Appellant's petition for cancellation is the certificate of registration for BATA issued in its favor in 1981 and the trademark applications for this mark which it filed in 2004 and 2007. Sec. 123.1(d) of the IP Code, states that a mark cannot be registered if it:

- (d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
  - (i) The same goods or services, or
  - (ii) Closely related goods or services, or
  - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

The Appellant was issued a certificate of registration for BATA on 22 May 1981 for use on bags, towels, socks, shirts, t-shirts, long/short pants, sandals, hat, leather shoes, balls and rockets for a term of protection of 20 years.<sup>8</sup> The goods covered by this certificate of registration are closely related if not the same as the goods covered by the Appellee's registration for BATA. The Appellant, however, failed to renew its certificate of registration and, therefore, it cannot use Sec. 123.1 (d) to cancel the registration of the Appellee's mark as this provision refers to a "registered mark". Neither would the alleged pending trademark applications of the Appellant support its cause because these applications were filed in 2004 and 2007 and, thus, were filed later or not earlier than the filing date of the Appellee's registered mark which is 15 April 2003. As discussed by the Director:

Thus, there was no more Trademark Reg. No. 29365 to speak at the time Trademark Reg. No. 4-2003-003510 was issued on 21 January 2006.

On the other hand, the Petitioner's [Appellant] trademark applications – Serial No. 4-2004-0001695 and Serial No. 04-2007-013840 – did not bar the registration of the Respondent-Registrant's [Appellee] trademark. These applications were filed after the Respondent-Registrant's [Appellee] filing of the trademark application which ripened to Trademark Reg. No. 4-2003-003510.<sup>9</sup>

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

<sup>8</sup> Registration No. 29365.


<sup>9</sup> Decision No. 2013-214 dated 06 November 2013, page 5.

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DATE:                       
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Office of the Director General

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

  
INTELLECTUAL PROPERTY OFFICE  
DATE:   
ROBERT MERLO B. SAMSON  
ATTORNEY AT LAW  
Office of the Director General