



OFFICE OF THE DIRECTOR GENERAL

EAGLE CEMENT CORPORATION,
Appellant,

- versus -

LAFARGE REPUBLIC, INC. (FORMERLY
REPUBLIC CEMENT CORPORATION),
Appellee.

X-----X

EAGLE CEMENT CORPORATION,
Appellant,

- versus -

LAFARGE REPUBLIC, INC. (FORMERLY
REPUBLIC CEMENT CORPORATION),
Appellee.

X-----X

EAGLE CEMENT CORPORATION,
Appellant,

- versus -

LAFARGE REPUBLIC, INC. (FORMERLY
REPUBLIC CEMENT CORPORATION),
Appellee.

X-----X

EAGLE CEMENT CORPORATION,
Appellant,

- versus -

LAFARGE REPUBLIC, INC. (FORMERLY
REPUBLIC CEMENT CORPORATION),
Appellee.

X-----X

Appeal No. 14-2014-0005

IPC No. 14-2010-00161
Opposition To:

Application No. 4-2009-012375
Date Issued: 03 December 2009
Trademark: EAGLE CEMENT
EAGLE PLUS LABEL MARK

Appeal No. 14-2014-0007

IPC No. 14-2010-00156
Petition for Cancellation:

Registration No. 4-2008-006759
Date Issued: 13 October 2008
Trademark: EAGLE CEMENT
& DEVICE

Appeal No. 14-2014-0008

IPC No. 14-2010-00162
Opposition To:

Application No. 4-2009-012376
Date Issued: 03 December 2009
Trademark: EAGLE CEMENT
ADVANCE LABEL MARK

Appeal No. 14-2014-0009

IPC No. 14-2010-00163
Opposition To:

Application No. 4-2009-012380
Date Issued: 03 December 2009
Trademark: EAGLE CEMENT
PREMIUM PLUS LABEL MARK

EAGLE CEMENT CORPORATION,
Appellant,

- versus -

LAFARGE REPUBLIC, INC. (FORMERLY
REPUBLIC CEMENT CORPORATION),
Appellee.

X-----X

EAGLE CEMENT CORPORATION,
Appellant,

- versus -

LAFARGE REPUBLIC, INC. (FORMERLY
REPUBLIC CEMENT CORPORATION),
Appellee.

X-----X

Appeal No. 14-2014-0010

IPC No. 14-2010-00164
Opposition To:

Application No. 4-2009-012381
Date Issued: 03 December 2009
Trademark: EAGLE CEMENT
STRONG CEM LABEL MARK

Appeal No. 14-2014-0011

IPC No. 14-2010-00235
Petition for Cancellation:

Registration No. 4-2009-012374
Date Issued: 13 May 2010
Trademark: EAGLE CEMENT
EXCEED LABEL MARK

DECISION

EAGLE CEMENT CORPORATION ("Appellant") appeals the Decisions of the Director of the Bureau of Legal Affairs ("Director") granting the petitions for cancellation filed by LAFARGE REPUBLIC, INC., formerly Republic Cement Corporation, and subsequently known as Lloyds Richfield Industrial Corporation (LRIC) ("Appellee"), against the Appellant's trademark registrations for the mark "Eagle Cement & Device" and "Eagle Cement Exceed Label Mark", and likewise granting the Appellee's oppositions to the Appellant's trademark applications for the following derivative marks: "Eagle Cement Eagle Plus Label Mark", "Eagle Cement Advance Label Mark", "Eagle Cement Premium Plus Label Mark", and "Eagle Cement Strong Cem Label Mark", all for goods under Class 19, namely cement.

In support of its Oppositions and Petitions for Cancellation of the Appellant's marks, the Appellee essentially alleged, among other things, that it was the first adopter and prior user of the "Eagle Cement" mark since 1992. It provided as evidence, random sales invoices it issued and those by its distributors. Also submitted were sample cement sacks actually used in the Appellee's products.

The Appellee further claimed that in June 1997, it filed an application for registration of the "Eagle Cement Brand" mark but which was considered abandoned due to failure to comply with the formal requirements for registration. Nevertheless, according to the Appellee, it never stopped using the mark in connection with its cement products.

In response, the Appellant maintained the validity of its registration and cited the failure of the Appellee to revive its earlier application or even to exert efforts to attempt to register its alleged mark for over 13 years. According to the Appellant, the Appellee's inaction for a considerable amount of time highlights the latter's lack of

interest over claiming exclusivity over its mark, which renders the filing of the Oppositions and Petitions for Cancellation as a mere afterthought. The Appellant further assailed the Appellee's evidence, stating that the mere issuance of invoices and the use of the mark on its cement bags do not constitute evidence of the relevant public's view that the Appellee's mark has reached the status of being well-known in the local industry, through usage attributable to the Appellee. Meanwhile, the Appellant claims that in good faith, it followed the procedure in Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines ("IP Code"), and was duly granted a registration by this Office. Being the registered owner of the mark, it has the exclusive right to prevent others from using marks which are identical or similar to the registered mark.

After the appropriate proceedings, the Director rendered the subject Decisions, granting the Appellee's petitions for cancellation, as well as the oppositions filed against the Appellant's marks. According to the Director, comparing the parties' respective marks, there is likelihood that the consumers will have the impression that the parties' cement products originate from a single source, or that the sources thereof are connected or associated with one another. Therefore, the likelihood of confusion would subsist not only on the purchaser's perception of goods, but also on the origins thereof.

Resolving the issue of ownership, the Director held that it is not the application or registration that confers ownership of a mark; on the contrary, it is ownership of the mark that confers the right to registration. According to the Director, the invoices issued by the predecessor entities of the Appellee, and its exclusive distributors and/or dealers, showed that goods bearing the mark "Eagle Cement" have been sold in many places in the Philippines since 1992. Despite the question raised by the Appellant as to the affiliation between the Appellee and Iligan Cement Corporation, to which the Appellee claims it outsourced the production of Eagle Cement products, the Director resolved that the issue in the subject case was whether the Appellant was the owner of the mark and therefore entitled to its registration. The Director found that the records and evidence clearly showed that somebody else has coined, appropriated, and has been using the contested marks on cement products prior to the Appellant's adoption and filing of the applications for registration.

Dissatisfied, the Appellant filed the subject appeals, seeking the reversal of the Director's Decisions. According to the Appellant, the Appellee's lack of interest in re-filing or reviving its earlier abandoned trademark application for the past sixteen (16) years results in the onset of *laches* against it. The Appellant asserts that the Appellee has abandoned its application, that *laches* has set in, and that it is now estopped from claiming rights over the "Eagle" mark.

The Appellant further contended that it was incorporated on 21 June 1995 and has been using the "Eagle Cement" corporate name for almost twenty (20) years. It claims that it has used the trade name since 1995, prior to the filing of the Appellee's now abandoned trademark application in 1997. The Appellant claims that its adoption of the trade name prior to the Appellee's application grants it a superior right under Section 165.2 of the IP Code.

In its comment, the Appellee reiterated that an applicant for registration must first own a mark in order to be entitled to its registration. It emphasized that it is the true owner and prior user of the "Eagle Cement" marks, having been used by its predecessors-in-interest since 1992. The Appellee also contended that it had the right to file for cancellation of the Appellant's registered marks, since the Appellant would be riding on the goodwill of the Appellee in the cement market, to the latter's

damage. As to the failure to re-file the trademark application, the Appellee claims that it cannot be equated to "disuse" of the mark itself, nor to abandonment of the trademark. Appellee cites prudence as its reason for delaying the filing of its trademark application only once the cancellation of the Appellant's marks has become final and executory. Finally, Appellee claims that the Appellant registered the "Eagle Cement" marks fraudulently and in bad faith, inasmuch as it used an identical trademark for identical goods despite the Appellee's existence and use of its own mark since 1992.

In resolving the subject six (6) appealed cases, this Office deems it proper to consolidate the same in order to settle expeditiously the issues involved therein. It is worthy to note that, time and again, the Supreme Court has held that consolidation of cases avoids multiplicity of suits, guards against oppression and abuse, prevents delay, clears congested court dockets, simplifies the work of the courts and seeks to attain justice with the least expense and vexation to litigants.¹ Furthermore, it is a time-honored principle that when two or more cases involve the same parties and affect closely related subject matters, they must be consolidated and jointly tried, in order to serve the best interests of the parties and to settle expeditiously the issues involved.²

Going now to the main issue, the subject of this appeal is whether the Director was correct in canceling the Appellant's certificates of registration, and in granting the oppositions filed by the Appellee against the Appellant's trademark applications.

Section 134 of the IP Code provides for the remedy of filing an opposition against the application for registration of a mark, as follows:

Section 134. Opposition. - Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application. XXX

Meanwhile, Sec. 151.1 of the IP Code establishes the grounds for the cancellation of a registered mark:

Section 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:

(a) Within five (5) years from the date of the registration of the mark under this Act.

(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 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

¹ *Bank of Commerce vs. Hon. Estela Perlas-Bernabe*, G.R. No. 172393, 20 October 2010, citing *Palanca vs. Querubin*, 141 Phil. 432, 439 (1969).

² *Steel Corporation of the Philippines vs. Equitable PCI Bank, Inc.*, G.R. Nos. 190462 and 190538, 17 November 2010, citing *Zulueta v. Asia Brewery, Inc.*, G.R. No. 138137, March 8, 2001, 354 SCRA 100, 111.

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 on or in connection with which it has been used.

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.

In essence, the Appellee assails the trademark registrations and applications of the Appellant on the basis of the Appellee's alleged prior use and ownership of the mark. To support its arguments, it submitted sales invoices and claimed that it had been continuously using the mark through its exclusive distributors and manufacturers. The Appellee thus seeks to overcome the presumptive right of ownership granted upon the Appellant by virtue of its trademark registrations, by citing its prior and continuous use despite its lack of registration.

The Appellee's evidence consisting of random samples of sales invoices indeed shows that goods denominated as "Eagle Portland" were being sold to various consumers since 1992. However, nowhere in the invoices does it bear the name of the Appellee as the supplier or source of the goods being sold by the dealers that issued the said invoices. The earliest invoices issued by the Appellee submitted as evidence only bear the year 1996. This was clearly subsequent to the incorporation and registration of the Appellant with the Securities and Exchange Commission (SEC) on 21 June 1995, using the corporate / trade name "Eagle Cement Corporation".

The Appellee also submitted a copy of its Dealership Agreement with Anistar Trading & Brokerage Corporation, but the same was only executed in 2005. The affidavits submitted by the Appellee, executed by current employees of Lafarge Cement Services (Philippines), Inc. (LCSPI) refer to the alleged exclusive distributorship agreement between the Appellee and a certain Bronx Trading Corporation. However, a further scrutiny of the documents submitted by the Appellee shows that LCSPI is an affiliate company of the Appellee.³ This Office therefore takes caution in appreciating the value of such affidavits, and in the absence of supporting evidence, cannot be given probative value.

To support its contention that notwithstanding the abandonment of its trademark application filed on 03 June 1997, the Appellee continued to use the "Eagle Cement Brand", it claims that it outsourced the production of "Eagle Cement" products to Iligan Cement Corporation (ICC). It emphasized that the Bureau of Product Standards (BPS) of the Department of Trade and Industry (DTI) granted ICC the license to use the Philippine Standard Quality Certification Mark.

However, this Office notes that such grant has no bearing in the present case. The grant by the BPS-DTI relates to the use of the Philippine Standard Quality Certification Mark, which refers to the capability of a licensee to consistently manufacture products in accordance with specific Philippine National Standards (PNS) or an internationally accepted foreign standard. It has nothing to do with the ownership of a trademark or the brand used in the actual products bearing the certification mark.

³ Appellee's Exhibit "I".

Moreover, the Appellee merely submitted financial statements of ICC allegedly showing that ICC is an affiliate company of LRIC since 2001. There was no evidence provided that LRIC was indeed using the "Eagle Cement Brand" as an owner, and licensed the use of the same to ICC for use on cement products. The Appellee failed to submit evidence on its "outsourcing" arrangement with ICC, whether in the form of a license or manufacturing agreement. In fact, there was no evidence provided at all that ICC used the subject mark for cement products, whether as a licensee or as an owner in its own right. It therefore baffles this Office how the license to use the Philippine Standard Quality Certification Mark granted to ICC supports the Appellee's contention that it has continued using the "Eagle Cement Brand" mark despite its lack of registration therefor.

Without any proof of ownership or continuous prior use of the subject mark, Appellee's opposition and petition for cancellation of the Appellant's mark has no leg to stand on. It would fail to satisfy the requirement of the petitioner being liable to suffer damage by the registration of the marks, as established in Sections 134 and 151.1 of the IP Code. On this ground alone, the Appellee's petition must fail.

On the other hand, this Office notes that the issuance of a trademark registration is a proceeding that is akin to a lawsuit where the Examiner-in-Charge ("Examiner") represents the interest of the public, while the applicant represents his/her own interests. The Examiner is, thus, vested with the obligation to protect public interest and to ensure that no registration is issued contrary to laws and regulations. Accordingly, the law gives the presumption of validity of a registered trademark.

In this instance, the Appellant had satisfied the requirements for the registration of mark. The Appellant's trademark application went through the formal and substantive examination in the Bureau of Trademarks of this Office and was found to have complied with the laws and regulations on the registration of a mark. On the other hand, the Appellee has not proven that the Appellant secured the registration of the mark fraudulently or contrary to the provisions of the IP Code. Between the Appellee and the Appellant, this Office is constrained to rule in favor of the latter.

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 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.⁴

In ensuring that the trademark registration system affords the originator or owner of the mark the just fruits of his industry and skill, this Office agrees with the Director, in that:

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.

⁴ *Pribhdas J. Mirpuri vs. Court of Appeals*, G.R. No. 114508, 19 November 1999.

In this case, it appears that it is the Appellant who was instrumental in building the goodwill of the mark in the view of the relevant public. Accordingly, the Appellant has proven that when it filed the application to register "Eagle Cement", no other person had a legal right to the exclusive use of such mark. The Appellant was, therefore, entitled to the registration of "Eagle Cement", and hence has the superior right to the derivative marks subject of the subsequent trademark applications.

WHEREFORE, premises considered, the appeal is hereby GRANTED. The Appellant's Trademark Registrations for the mark "Eagle Cement & Device" and "Eagle Cement Exceed Label Mark" are hereby maintained as valid. The Appellee's oppositions to the Appellant's trademark applications for the marks "Eagle Cement Eagle Plus Label Mark", "Eagle Cement Advance Label Mark", "Eagle Cement Premium Plus Label Mark", and "Eagle Cement Strong Cem Label Mark", all for goods under Class 19, namely cement, are hereby denied. Let a copy of this Decision as well as the trademark applications and records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

NOV 24 2014 Taguig City.


RICARDO R. BLANCAFLOR
Director General