

**OFFICE OF THE DIRECTOR GENERAL**

**HOMER TLC, INC.,**  
Appellant,

**APPEAL NO. 14-2013-0039**  
**IPC No. 14-2011-00429**  
**Petition for Cancellation:**

**-versus-**

**Registration No. 4-2005-009617**  
**Trademark: THE HOME DEPOT**  
**(W/ DEVICE)**

**CW MARKETING & DEVT.**  
**CORP.,**

Appellee.

X-----X

**NOTICE**

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Taguig City

**NATHANIEL S. AREVALO**  
Director, Bureau of Legal Affairs  
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**GREETINGS:**

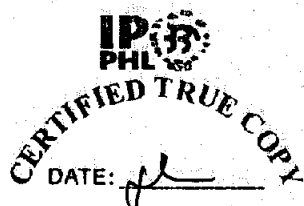
Please be informed that on 15 December 2014, the Office of the Director General issued a Decision in this case (copy attached).

Taguig City, 15 December 2014.

Very truly yours,

*[Signature]*

**ROBERT NEREO B. SAMSON**  
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## OFFICE OF THE DIRECTOR GENERAL

HOMER TLC, INC.

*Appellant,*

- versus -

CW MARKETING & DEV'T CORP.,

*Appellee.*

X-----X

Appeal No. 14-2013-0039

IPC No. 14-2011-00429

Petition for Cancellation:

Registration No. 4-2005-009617

Date Issued: 14 April 2008

Trademark: **THE HOME DEPOT  
(W/ DEVICE)**

## DECISION

HOMER TLC, INC. ("Appellant") appeals Decision No. 2013-145, dated 24 July 2013, of the Director of the Bureau of Legal Affairs ("Director") dismissing its Petition for Cancellation against Trademark Registration No. 4-2005-009617 involving the mark "THE HOME DEPOT (W/ DEVICE)" for services under Class 35<sup>1</sup>, namely "retail/wholesale store for: building materials, hardware and construction materials", in the name of CW MARKETING & DEV'T CORP. ("Appellee").

In its Petition for Cancellation, the Appellant cited its prior registration for the mark "THE HOME DEPOT WITH AN INCLINER TO THE RIGHT POSITION INSIDE A SQUARE" under Registration No. 61496 for services under Class 42, namely "retail home improvement centers", issued on 22 August 1995, as basis. It also claimed that such registered mark is an internationally well-known mark. According to the Appellant, the Appellee's Trademark Registration No. 4-2005-009617 was registered in violation of Republic Act No. 8293, or the Intellectual Property Code of the Philippines ("IP Code"), and should therefore be cancelled.

In its Verified Answer, the Appellee countered that it has actually used, in good faith, its trademark in connection with its retail/wholesale business for the sale of building materials, hardware, and construction materials in the Philippines. It further argued that the words "HOME DEPOT" have already reached a status of customary use in everyday language to convey a one-stop shop or place, similar to a mall, for the sale and distribution of goods and services in relation to building materials, hardware and construction materials. Thus, it has become generic, and merely descriptive of the kind, quality, and intended purpose of the services and business, and should not be lifted from the public domain where it should be readily available for everyone to use.

<sup>1</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service 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 Registration of Marks, and was concluded in 1957.



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After the appropriate proceedings, the Director rendered the subject Decision, denying the Appellant's Petition for Cancellation. The Director noted that at the time the Appellee filed its trademark application on 02 November 2010, the Appellant already had prior existing registrations, as follows: (1) Trademark Registration No. 61496 for "The Home Depot with an Inclinor to the Right Position Inside a Square" for services under class 42, namely "retail home improvement centers", issued on 22 August 1995; and (2) Trademark Registration No. 4-2000-007770 for "The Home Depot" wordmark for services under Class 35, namely "retail home improvement store services, mail order services, catalog sales services and sales through electronic means in the Philippines", issued on 31 December 2005.

In denying the Appellant's opposition, the Director cited the above registrations of the Appellant, which contained disclaimers on the exclusive right to use the word "HOME". Similar disclaimers for the words "HOME" and "DEPOT" were also found in the Appellee's trademark registration. The Director thus ruled that the Appellant could not now cause the cancellation of the Appellee's registration on the ground that the latter contains the term or words "HOME DEPOT".

According to the Director, "Home Depot" commonly refers to a large warehouse providing building materials for the construction industry, or a chain of home improvement warehouse, or a retailer of home improvement products, or a storehouse or warehouse, as a building where freight is deposited. Since such term is already considered a generic or at least a descriptive term, granting the petition would have the effect of giving the Appellant the exclusive right to use generic or descriptive terms.

Nevertheless, the Director held that even if the Appellee's trademark registration contains the same generic or descriptive terms "HOME DEPOT", its validity should still be maintained because the subject mark is a composite mark. The Director noted that the Appellee's mark contains other features and configurations accompanying the generic or descriptive terms, by which it has achieved distinctiveness in its entirety. In particular, the Director cited the "roof design", font and colors of the letter or words, and the configuration of such elements in the Appellee's mark which caused it to be distinctive, subject to the condition that the Appellee has no exclusive right over the word or term "the home depot".

The Director also took judicial notice of the fact that various trademark registrations exist in the Trademark Registry, which contain the words "HOME DEPOT", although subject to the same disclaimers. The Decision cited five (5) existing trademark registrations in the name of different proprietors, all containing the words "HOME DEPOT" for the same services under Class 35.

Dissatisfied, the Appellant filed the subject appeal, seeking the reversal of the Director's Decision, and praying that its Petition for Cancellation of the Appellee's trademark registration be granted.



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In its Appeal Memorandum, the Appellant argues that the term "HOME DEPOT" is not generic or descriptive, but *merely suggestive*. It claims that, to the consuming public, the term connotes "box format stores of home improvement and construction products". According to the Appellant, the words "HOME" and "DEPOT", taken together or separately, are not usually associated with construction and home improvement stores. On the other hand, it contends that it is only through the efforts of the founders of "THE HOME DEPOT" that the term "HOME DEPOT" has come to connote the service of retailing home improvement and construction products, as offered by the Appellant. It also assailed the references cited in the subject Decision, claiming that one reference material even specifically referred to the Appellant's business enterprise in defining the subject terms.


The Appellant moreover contended that the mark "THE HOME DEPOT" has been registered twice before in the Philippines by the Appellant. It cited its existing prior registrations for the HOME DEPOT mark, dating back to 22 August 1995 and 31 December 2005, much earlier than the Appellee's registration for "THE HOME DEPOT W/ DEVICE" issued only on 14 April 2008. It argued that as owner of the duly registered trademarks, it is entitled to the exclusive rights conferred by law.

The Appellant also claimed that its mark is an internationally well-known mark, which enjoys protection from unauthorized use whether or not it is registered in the Philippines. It cited it's not less than eighty-five (85) certificates of registration for the mark "THE HOME DEPOT" worldwide, as well as decisions issued by tribunals adjudging its mark as a well-known mark. Thus, it argued that the Appellee's Certificate of Registration No. 4-2005-009617 for the mark "THE HOME DEPOT (W/ DEVICE)" must be cancelled for infringing on the Appellant's well-known mark.

Finally, the Appellant cited Section 123.1 of the IP Code, prohibiting the registration of a mark which is identical or confusingly similar with a prior registered mark belonging to a different proprietor. It claimed that the Appellee's mark is confusingly similar to the Appellant's previously registered and validly subsisting marks, which warrants the cancellation of the former.

This Office issued on 20 September 2013 an Order giving the Appellee thirty (30) days from receipt thereof to submit its comment on the appeal. Records show that the Appellee received a copy of such Order on 01 October 2013, but failed to file its comment. As such, the Appellee was considered to have waived its right to file comment on the Appeal, and pursuant to Section 8 of the Uniform Rules on Appeal, as amended, the instant case was deemed submitted for decision.

The main issue to be resolved in this appeal is whether the Director was correct in dismissing the Appellant's Petition for Cancellation against the Appellee's trademark registration.

  
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In this regard, Sec. 151.1 of the IP Code establishes the following 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 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 the present case, the Appellant, as the petitioner, must show that it would be damaged by the continued registration of the Appellee's "THE HOME DEPOT (W/ DEVICE)" mark. It also has the burden of proving that any of the grounds for cancellation, as cited above, exists, which would warrant the cancellation of the Appellee's registration.

The Appellant's and Appellee's marks are reproduced below for comparison:

*Appellant Homer TLC, Inc.'s  
Trademark Registration No. 61496  
Issued on 22 August 1995:*



"THE HOME DEPOT WITH AN INCLINOR  
TO THE RIGHT POSITION INSIDE A  
SQUARE"

*Appellant Homer TLC, Inc.'s  
Trademark Registration No. 4-2000-007770  
Issued on 31 December 2005:*

**THE HOME DEPOT**

"THE HOME DEPOT"

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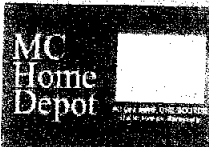


**"THE HOME DEPOT (W/ DEVICE)"**  
 (Subject of present Cancellation)

An examination of the above marks shows that both the Appellant's marks and the Appellee's mark adopt the "THE HOME DEPOT" mark. Although the Director was correct in ruling that the subject mark is a composite mark composed of both words and designs, and should therefore be considered in its entirety, for the purpose of determining likelihood of confusion, certain jurisdictions have also noted the importance of considering the word element, because it is the word or readable characters that purchasers would use to refer to or request the goods or services.<sup>2</sup>

This Office is of the opinion that such principle applies in this case. It is clear that the only difference between the subject marks is the adoption of a rectangular "roof design" in the Appellee's mark. Such design is not sufficient to render the Appellee's mark distinctive, and was therefore registered contrary to Section 123.1 (d) of the IP Code, which proscribes the registration of a mark that is confusingly similar with a prior registered mark belonging to a different proprietor.

Although as found by the Director, other registered trademarks containing the words "HOME DEPOT" exist in the Trademark Registry, albeit with a disclaimer of the words "HOME" and "DEPOT", it would appear that each cited registration contains a specific distinguishing element adopted together with the afore-cited words, as follows:




Registration	Registered Mark
1. "MC HOME DEPOT AND DEVICE" Application No. 42002003682 Applicant MC Home Depot, Inc. Class 35	
2. "EASY HOME DEPOT" Registration No. 42008001697 Registrant Puregold Price Club, Inc. Classes 35 & 36	<p><b>EASY HOME                      DEPOT</b></p>



1207.01 (c)(ii), United States Patent and Trademark Office (USPTO) Trademark Manual of Examining Procedure, October 2014.

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<p>3. "HOME DEPOT AND CLC DEVICE"  Registration No. 24008008999  Registrant Central Lumber Corp.  Class 35</p>	
<p>4. "HK SUN PLAZA HOME DEPOT and Lifestyle Center"  Registration No. 42005005954  Registrant HK Investment Group, Inc.  Class 35</p>	
<p>5. "BUDGET HOME DEPOT &amp; DEVICE"  Registration No. 42008012818  Registrant Vicente C. Tan  Class 35</p>	

Moreover, the fact that there are existing trademark registrations for marks adopting the words "HOME" and "DEPOT" as an element thereof, would not readily mean that such words have become generic or descriptive. It is undisputed that the Appellant has an existing valid registration dating back to 1995 for the Home Depot device and wordmark. In fact, among the trademarks currently existing in the Trademark Registry containing the Home Depot element, it is the Appellant that has the earliest filing date on 24 September 1993, which matured into registration in 22 August 1995. An examination of the corresponding Certificates of Registration shows that in its 1995 registration for the "Home Depot with an Incliner to the Right Position Inside a Square", it disclaimed the word "Home", but that is it. It was not required to disclaim the word "Depot". In its 2005 registration for the word mark "THE HOME DEPOT", it was not required by the Bureau of Trademarks to disclaim any of the words. These facts show that at the time of the registration of the Appellant's foregoing marks, the words "HOME" and "DEPOT", even when taken together, were not considered as being generic nor descriptive, and was therefore capable of being appropriated by the registrant.

As also pointed out by the Appellant, the online references cited in the subject Decision would not readily mean that the term has come to mean a common noun which is the common descriptive name of an article or substance, or the genus of which a particular product is a species. Neither is it descriptive, in a sense that it readily conveys the characteristics, functions, qualities or ingredients of a product to one who has never seen it and does not know what it is. This Office also takes note of the direct attribution of some of such cited online references to the enterprise of the Appellant.

Having been issued the concomitant Certificate of Registration, the presumptive value of ownership and exclusive use now applies in favor of the Appellee. Under the IP Code:

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

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in connection with the goods or services and those that are related thereto specified in the certificate. (Sec. 20, R.A. No. 165)


In light of the registration of the device and wordmark "The Home Depot" by the Appellant, the Appellee's trademark registration was barred by the prohibition in Section 123.1 (d) against the registration of a mark which nearly resembles such registered mark as to be likely to deceive or cause confusion.



From the foregoing, this Office need not resolve the Appellant's contention that its mark is a well-known mark. The Appellant has sufficiently proven that the Appellee's Trademark Registration No. 4-2005-009617 for "THE HOME DEPOT (W/ DEVICE)" was issued contrary to Section 123.1 (d), which bars the Appellee from registering a mark that is confusingly similar to the Appellant's prior registered mark. This Office reminds the parties 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 innovation 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. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.

**WHEREFORE**, premises considered, the appeal is hereby GRANTED. Let a copy of this Decision and the records of this case be furnished and returned to the Director of 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.

DEC 15 2014. Taguig City.

  
RICARDO R. BLANCAFLOR  
Director General

  
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