



TOPEAK INC.,  
Opposer,

-versus-

WEI HAO GUO,  
Respondent-Applicant.

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IPC No. 14-2013-00066  
Opposition to:  
Application No.4-2012-011775  
Date filed: 25 September 2012  
TM: "TOPEAK"

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**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2015 - 52 dated April 07, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 07, 2015.

For the Director:

  
**Atty. EDWIN DANILO A. DATING**  
Director III  
Bureau of Legal Affairs



**TOPEAK INC.,**  
Opposer,  
  
-versus-

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Date Filed: 25 September 2012

**WEI HAO GUO,**  
Respondent-Applicant.  
X ----- X

Trademark: **"TOPEAK"**  
  
Decision No. 2015 - 52

### DECISION

Topeak Inc.<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-011775. The application, filed by Wei Hao Guo<sup>2</sup> ("Respondent-Applicant"), covers the trademark "TOPEAK" for use on *"bicycles, folding bicycles, bicycle structural parts, namely, front derailleurs, rear derailleurs, shifting levers, brake levers, hubs, sprockets, freewheels, front chainwheels, crank sets, cranks, bottom bracket assembly, chains, pedals, brakes, chaind (sic) deflectors, seat pillars, seat pillars quick release, disc brake conversion kits (bicycle) rims, frames, tubes, seat posts, handle bars & grip, bells, carriers, forks, gear levels, multiple freewheels, spokes, bicycle stands, chain guides, shift cables, hub quick releases, wheel spokes & pumps"* under Class 12 of the International Class of Goods<sup>3</sup>.

The Opposer alleges that it is the originator, user and true and well-known owner of the trademark "TOPEAK & DEVICE". It claims to be one of the largest cycling accessories company worldwide, having been in business for nineteen (19) years and receiving various accolades and awards by many important cycling organizations. It avers that its company is also known for producing cycling accessories under other marks such as "RACE ROCKET" and "JANGO", thus cementing the high reputation and goodwill of the products produced by it. It attributes its success to the fact that its founders are passionate bicycle riders themselves. According to the Opposer "TOPEAK" is an invented word derived from "To the Peak", a distillation of the essence on striving to be the best. Trying to attain the highest goal, and from "Top of Peak", "TOPEAK" symbolizes the pinnacle of performance, the highest level. The triangular logo consists of three elements: (a) the top "T" element is the letter "T" for the brand of Topeak, (b) the vertical leg of the "T" morphs into the second element that is a circle with hexagonal center that represents functionality of bicycle tools, electronics and accessories that it designs and manufactures, and (c) the lower "V" shape that conveys speed and victory.

<sup>1</sup> A corporation organized and existing under the laws of Taiwan with principal place of business at 8 Fl. -4, No. 20, Ta Lung Rd. West District, Taichung 40, Taiwan, Republic of China.

<sup>2</sup> With address at Unit 19 L, No. 530 Santo Cristo St., Binondo, Manila, Philippines.

<sup>3</sup> The Nice Classification of goods and services is for registering trademark and service marks, based on a multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

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The Opposer further alleges that its products are made available in numerous countries through its various distributors, including Hans-Gee Enterprises in the Philippines. It asserts that its mark has attained a well-known status reinforced by its marketing and advertising strategies. It states that its mark is also featured, promoted and sold over the internet and that it participated in numerous trade shows and exhibits to promote its products. It maintains that it has registered and applied for numerous registrations in various jurisdictions. In the Philippines, it filed Trademark Application No. 4-2012-015464 for the mark "TOPEAK & DEVICE".

In support of its Opposition, the Opposer submitted the following as evidence:<sup>4</sup>

1. company register card for change showing existing of the Opposer;
2. certifications and proofs of the awards and accolades it received;
3. its design team information;
4. copy of its product catalogues;
5. invoices it issued to its Philippine distributor;
6. printouts of websites wherein its mark and products are featured, promoted and sold;
7. invoices showing that it spent in marketing and advertising products for its mark;
8. magazines showing and featuring its products;
9. photographs taken during trade shows and exhibits;
10. certified copies of some of its trademark registrations;
11. affidavit of Jan Abigail L. Ponce;
12. certified true copy of Trademark Application No. 4-2012-015464; and
13. its 2013 product catalogue.

The Respondent-Applicant filed its Answer on 08 July 2013 alleging that it filed its application more than three months ahead of the Opposer. It claims that it can claim protection under the "First-to-File" rule. It denies that the Opposer's mark is well-known as the latter failed to show use in commerce in the Philippines. It insists that the law requires that the adoption and use of a trademark, trade name or service mark must be in the Philippines and not abroad in line with the doctrine of nationality or territoriality.

The Respondent-Applicant's evidence consists of photographs of "TOPEAK" products.<sup>5</sup>

The issue to be resolved is: Should the Respondent-Applicant be allowed to register the trademark "TOPEAK"?

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<sup>4</sup> Marked as Exhibits "B" to "O", inclusive.

<sup>5</sup> Marked as Exhibits "1" to "5".

To determine whether the competing marks are confusingly similar, the two are reproduced below for comparison:



*Opposer's mark*



*Respondent-Applicant's mark*

The competing marks are practically identical, both consisting of the word "TOPEAK" and a triangular device with a circular and hexagonal figure inside. That the word "TOPEAK" in the Opposer's mark is placed above the logo while that of the Respondent-Applicant is enclosed inside the triangular device is of no moment. The marks appropriate identical features that it is impossible not to cause confusion and/or deception. Moreover, the Respondent-Applicant uses its mark on goods that are similar or closely related to the Opposer's. Thus, 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:<sup>6</sup>

***"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. Hence, 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."***

The public interest, therefore, requires that the 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 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

<sup>6</sup> Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 January 1987.

imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>7</sup>

Records reveal that the Opposer filed for application of the mark "TOPEAK & DEVICE" only on 26 December 2012. On the other hand, the Respondent-Applicant earlier filed an application for the same mark on 25 September 2012. The Opposer, however, raises the issue on ownership.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 15 of the TRIPS Agreement reads:

**Section 2: Trademarks**  
**Article 15**  
**Protectable subject Matter**

- 1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.**
- 2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).**
- 3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.**
- 4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.**
- 5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.**

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<sup>7</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

Article 16 (1) of the TRIPS Agreement states:

- 1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.***

Significantly, Section 121.1 of R.A. No. 8293, also known as the Intellectual Property Code ("IP Code") adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

***121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)***

Section 122 of the IP Code further states:

***Sec. 122. How Marks are Acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)***

Obviously, there is nothing in Section 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Section 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 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.<sup>8</sup> 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.

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<sup>8</sup> See Section 236 of the IP Code.

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**<sup>9</sup>, 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."*

In this instance, the Opposer proved that it is the owner of the contested mark. It has submitted evidence relating to the origin of its "TOPEAK & DEVICE" trademark long before the filing of the Respondent-Applicant's trademark application. Among the pieces of evidence are certified copies of the certificates of registrations and applications from various jurisdictions, including China, United States (US), CTM Germany, Taiwan, Korea, Japan, Canada, Indonesia, Russia, New Zealand, Malaysia, Australia and Brazil.<sup>10</sup> US Registration No. 2,334,883 was issued as early as 25 April 2000.<sup>11</sup> In the Philippines, although the Opposer's trademark application was filed three months after that of the Respondent-Applicant's, the sales invoices issued to Hans-Gee Enterprises, its local distributor, show that it has been in business since 14 March 2008.<sup>12</sup>

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<sup>9</sup> G.R. No. 183404, 13 October 2010.

<sup>10</sup> Exhibits "K-1" to "K-77".

<sup>11</sup> Exhibit "K-10".

<sup>12</sup> Exhibits "F-1" to "F-4".

In contrast, the Respondent-Applicant did not contest the Opposer's prior use of the contested mark. It merely defends its application on the basis of its prior filing of the trademark application. As discussed, prior filing cannot prevail over ownership of a mark. The mark "TOPEAK" is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Applicant to have come up with the same mark practically for similar goods by pure coincidence. Succinctly, 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 combination 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.<sup>13</sup>

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 instant Opposition to Trademark Application No. 4-2012-011775 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 07 April 2015.

  
**Atty. NATHANIEL S. AREVALO**  
Director IV, Bureau of Legal Affairs

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<sup>13</sup> American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.