



**LYLE & SCOTT LIMITED,**  
Petitioner,

**-versus-**

**WILLIAM KUO,**  
Respondent-Registrant.

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**IPC No. 14-2012-00523**  
Cancellation of:  
Reg. No. 039026  
Date Issued: 13 June 2008  
TM: **"LYLE & SCOTT AND DEVICE  
OF A FLYING HAWK"**

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### NOTICE OF DECISION

**ORBOS CABUSORA & TAGUIAM**

Counsel for the Petitioner  
Unit 211 Quadstar Building  
Ortigas Avenue, Greenhills  
San Juan City

**WILLIAM KUO**

Respondent-Registrant  
707 Bagbaguin Malinta  
Valenzuela City

**GREETINGS:**

Please be informed that Decision No. 2015 - 59 dated April 21, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 21, 2015.

For the Director:

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



**LYLE & SCOTT LIMITED,**  
Petitioner,

- versus -

**WILLIAM KUO,**  
Respondent-Registrant.

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**IPC No. 14-2012-00523**

Cancellation of:  
Reg. No. 039206  
Date Issued: 13 June 2008  
Trademark: "**LYLE & SCOTT  
and DEVICE**"

Decision No. 2015 - 59

### DECISION

LYLE & SCOTT LIMITED ("Petitioner")<sup>1</sup> filed a petition for cancellation of Trademark Registration No. 039206. The registration, issued to WILLIAM KUO (Respondent-Registrant)<sup>2</sup>, covers the mark "LYLE & SCOTT and DEVICE OF A FLYING HAWK" for use of goods under classes 24, 25 and 28<sup>3</sup>, namely: *handkerchiefs; briefs, sportshirts, jeans, jackets, socks, shorts, belts; and, toys.*

The Petitioner alleges the following:

"Lyle & Scott was established in 1874. From its original home in the Scottish Borders' town of Hawick, the company has built a reputation as a high quality brand with a 130 year history in the design and manufacture of authentic Scottish knitwear handled with the hereditary skills of generations of fine craftsmen and women. It is a leading manufacturer of superior quality knitwear, sportswear and accessories initially sold in the United Kingdom and now sold widely throughout Europe and across the world.

"It is the owner of the international well-known trademark Lyle & Scott and of the Eagle design trademark logo. The Lyle & Scott name is an internationally respected clothing brand and synonymous with excellence in knitwear and sports clothing the world over. The trademark Lyle & Scott and the Eagle design trademark logo are tied with the world famous and prominent reputation of Lyle & Scott Limited and have become distinctive of the international fame and world class reputation of its products for excellence and quality. These trademark are registered in the United Kingdom as well as in more than 52 countries worldwide.

"Since at least as early as the 1960's, the company has used a distinctive eagle logo design to identify a wide variety of clothing, sportswear, apparel and related goods sold across Europe and around the world through licensees, distributors and group companies. These products found in some of the leading retail outlets throughout the world are clearly recognizable by its trademark Eagle logo.

"Its authentic foundation wear began by clothing some of the world's greatest sports personalities and the dressing of prestigious tournaments since the sixties. The history plus the

<sup>1</sup> A foreign corporation organized and existing under the laws of England and Wales with principal place of business at Unit 3, Ashted Lock, Dartmouth Middleway, Aston Science Park, Birmingham B7 4AZ England.

<sup>2</sup> With address at 707 Bagbaguin, Malinta, Valenzuela City.

<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.

design team's unique skills make Lyle & Scott a brand leader in the production of fit-for-purpose fashion led ranges.

"The Lyle & Scott brand and its trademark Eagle logo have been promoted and advertized in many countries of the world including the Philippines. Global expenditure by Lyle & Scott in marketing the Lyle & Scott and Eagle Design, not including those of its agents, licensees and distributor was US\$1,311,250.00 in 2005; US\$1,638,226.00 in 2006 and US\$226,342.00 in 2007. The company maintains an internet web site, accessible throughout the world including the Philippines, with a URL address of www.lyleandscott.com where its products are sold online. Likewise, its products are advertised and sold online in numerous internet web sites by leading retail outlets throughout the world.

"Lyle & Scott has ended 2007 and started 2008 with the continued defence of its trademark. During 2007, Lyle & Scott successfully challenged four parties for infringement of their famous Eagle, including Sainsburys and Next in the UK. The New Year has started with a further challenge to another major High Street chain in the UK and the Scottish Heritage brand continues to fight and action against major US fashion retailer, American Eagle Outfitters. The terms of settlement of the out of court settlement of the trade mark infringement actions taken against Sainsburys and Next in the United Kingdom are, however, confidential and cannot be disclosed in this petition.

"Evidently, any imitation or reproduction or any registration of the trademarks by any other persons or entities was done in bad faith and designed to ride on the popularity and reputation of the petitioner's world famous trademarks.

x x x

"Under Registration No. 039206, respondent-registrant William Kuo registered the trademark 'LYLE & SCOTT AND DEVICE OF A FLYING HAWK'. The mark and logo, while designated as 'the representation of a flying hawk'. are exactly the same mark and logo as that of Petitioner Lyle & Scott Limited. At the very least, they are identical with, or confusingly similar to, or constitute a translation of petitioner's internationally well-known mark and Eagle logo used for identical or similar goods.

"Aside from allowing respondent-registrant to unjustly benefit from the established reputation and goodwill of petitioner's marks, the registration of the trademark and logo applied for would likely deceive the public into purchasing respondent-registrant's products as those of petitioner's or would mislead the public into believing that respondent-registrant is the local licensee of the former. The respondent-registrant's use and adoption in bad faith of petitioner's trademark Lyle & Scott and Eagle logo aside from falsely tending to suggest a connection or affiliation with petitioner's products as to constitute a fraud upon the general public would further cause the dilution of the distinctiveness of petitioner's internationally well-known marks to its prejudice and irreparable damage.

"Even prior to the enactment of the IPCode, and the incorporation therein of the provision of Sec. 133(e), the Philippines was already bound to extend protection to well-known marks pursuant to the provision of Art. 6bis of The Convention of Paris for the Protection of Industrial Property to which both the United Kingdom and the Philippines are signatories.

x x x

"The IPCode undoubtedly shows the firm resolve of the Philippines to observe and follow the Paris Convention by incorporating the relevant portions of the Convention such that persons who may question a mark include persons whose internationally well-known mark, whether or not registered, is identical with or confusingly similar to or constitutes a translation of a mark that is sought to be registered or is actually registered.

"Taking into account the extent of the marks registration in various countries around the world; the comprehensive advertisements and promotions therein; the records of successful protection of the rights in the marks; the degree of the inherent or acquired distinction of the mark; the exclusivity of the registration attained by the marks in the world; the extent to which the marks have been used in the world; the exclusivity of use attained by the marks in the world; the quality-image or reputation acquired by the marks, among others, the Lyle & Scott brand and its trademark Eagle logo more than adequately satisfy the criteria set forth.

"In brief, the internationally well-known and respected trademark Lyle & Scott and its distinctive Eagle design trademark logo used to identify petitioner's wide variety of clothing, sportswear, apparel and related goods are subject to protection under Sec. 133 (e) of the IP Code, which incorporated the relevant portions of Article 6bis of the Paris Convention.

"In IPC No. 14-2008-00197, entitled Lyle & Scott Limited vs. William Kuo, this Honorable Office in its Decision dated 26 May 2011 has determined petitioner's ownership of the trademark 'LYLE & SCOTT and DEVICE OF A FLYING HAWK' and ruled that its ownership of the trademark is subject to protection under the TRIPS Agreement.

The Petitioner submitted its lone evidence of a certified copy of BLA Decision No. 2011-45 dated 26 May 2011 for the trademark LYLE & SCOTT & DEVICE OF A FLYING HAWK.<sup>4</sup> Thereafter, this Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 18 April 2013. Respondent-Registrant however, did not file an answer. Thus, he is declared in default and this case is deemed submitted for decision.<sup>5</sup>

Should Respondent-Registrant's trademark LYLE & SCOTT AND DEVICE OF A FLYING HAWK be cancelled?

Section 151.1 of the IP Code<sup>6</sup> provides:

x x x 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 generic name for three 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. x x x

It is emphasized that 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 out into the market a superior 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>7</sup>

<sup>4</sup> Exhibit "A" of Petitioner.

<sup>5</sup> Order No. 2013-1123 dated 12 August 2013.

<sup>6</sup> The Intellectual Property Code of the Philippines, R.A. No. 8293.

<sup>7</sup> Prihdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91

This case involves contending marks which are obviously identical to each other, as to their respective word marks and the devices of a flying eagle or hawk. In this instance, this Bureau takes judicial notice of Decision No. 2011-45 dated 26 May 2011<sup>8</sup>, docketed as IPC No. 14-2008-00197 declaring the Opposer Lyle & Scott Limited (herein Petitioner) as the rightful owner of the subject mark. Said Decision involves the same parties and the same trademark "LYLE & SCOTT & A DEVICE OF A FLYING HAWK", covering goods under Classes 24 and 25. On the other hand, the case at bar covers related goods falling under Classes 24, 25 and 28. Pertinent portions of the said Decision reads, as follows:

"In this instance, this Bureau finds that the Opposer has the right to oppose the Respondent-Applicant's trademark application. A comparison of the mark applied by the Respondent-Applicant for registration with that of the Opposer reveals that they are practically identical.

x x x

Moreover, the Respondent-Applicant's trademark application covers goods that are similar and/or closely-related to the Opposer's, x x x. Thus, the registration of the Respondent-Applicant's mark, if allowed, would cause damage to the Opposer. Not only would it bar the Opposer from using its own mark in the Philippines, the Respondent-Applicant's products bearing the mark LYLE & SCOTT & A DEVICE OF A FLYING HAWK, will also likely be associated or assumed to have come from the Opposer.

The Opposer submitted evidence that it owns the mark LYLE & SCOTT & A DEVICE OF A FLYING HAWK. The certified copy of the United Kingdom register of trademarks and other competent documentary evidence shows the Opposer's filing of application on 02 February 1994, in the said country. This use and filing of a trademark application and registration took place long before the Respondent-Applicant's filing of the opposed trademark application in 2008. Also, the Opposer's mark is device from its corporate name LYLE & SCOTT LIMITED. In essence, the Opposer's mark bearing English family names, among other things, is distinctive and unique.

It is highly improbable therefore that the Respondent-Applicant came up with a mark that is practically identical to the Opposer's use on goods that are similar and/or closely related to goods bearing the Opposer's mark by pure chance or coincidence. There is nothing in the records that explains how the Respondent-Applicant arrived at using the same mark, appropriating English surnames, and combining them with a device consisting of a figure of a flying hawk.

The field from which a person may select a trademark is practically unlimited. As in all other cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Appellee 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.

Because the Opposer's mark is unique and highly distinctive, just by looking at the Respondent-Applicant's mark would likely create an impression that this is owned by the Opposer and vice-versa. The consumers may assume that the Respondent-Applicant's products originate from the Opposer or believe that there is a connection between them, as in a trademark licensing agreement. The likelihood of confusion would subsist not only on the purchaser's perception of goods but on the origins thereof as held by the Supreme Court:

x x x

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<sup>8</sup> of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).  
Exhibit "A" of Petitioner.

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. Here, 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 intellectual property 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.

As the rightful owner of the mark LYLE & SCOTT AND A DEVICE OF A FLYING HAWK, the Opposer should be given protection against entities that merely wish to take advantage of the goodwill its marks have generated. Accordingly, the Respondent-Applicant should not be allowed to register a mark, which in this instance is highly distinctive and unique, that has already been appropriated, used and owned by another."

**WHEREFORE**, premises considered, the instant Petition for the Cancellation of Trademark Registration No. 039206 is hereby **GRANTED**. 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, 21 April 2015.

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