



**PVM MANUFACTURING CORPORATION,**  
Petitioner,

**-versus-**

**MANUEL TAN,**  
Respondent-Registrant.

} **IPC No. 14-2014-00153**  
} Petition for Cancellation of:  
} Registration No. 4-2010-002090  
} Date Issued: 01 September 2011  
} **TM: "TEXAS AND LOGO"**

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**NOTICE OF DECISION**

**PALARAN & PARTNERS LAW OFFICE**  
Counsel for the Petitioner  
Suite 601-A State Centre Building  
333 Juan Luna Street  
Binondo, Manila

**CORDOVA AND ASSOCIATES**  
Counsel for Respondent-Registrant  
2801, 28<sup>th</sup> Floor, Ayala Life-FGU Center Building  
6811 Ayala Avenue, Makati City

**GREETINGS:**

Please be informed that Decision No. 2015 - \_\_\_\_ dated July 16, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 16, 2015.

For the Director:

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



**PVM MANUFACTURING CORPORATION,**  
Petitioner,

IPC No. 14-2014-00153

-versus-

Petition for Cancellation of:  
Registration No. 4-2010-002092  
Date Issued: 01 September 2011  
Trademark: **"TEXAS AND LOGO"**

**MANUEL TAN,**  
Respondent-Registrant.

x ----- x

Decision No. 2015-\_\_\_\_\_

**DECISION**

PVM Manufacturing Corporation<sup>1</sup> ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2010-002092. The registration issued on 01 September 2011 to MANUEL TAN<sup>2</sup> ("Respondent-Registrant") covers the mark "TEXAS AND LOGO" for use on "*sando plastic bags*" under Class 16 of the International Classification of Goods<sup>3</sup>.

According to the Petitioner, its company uses the trademark "TEXAS" with a representation of a Texas rooster in its products since it started operation in 1991. Even before its incorporation, its president, Mr. Po, Tiong Kue, has been using the said trademark way back 10 July 1979. On 15 October 1980, he filed a trademark application with Serial No. SR-7282, which eventually ripened to Registration No. 5332 issued by the then Philippine Patent Office (PPO) on 26 February 1981. However, the said registration was cancelled on 18 August 1990. When the corporation was formed, it was able to secure registration for the same mark under Certificate of Registration No. 4-1997-125881 issued on 01 July 2005. For failure to file a Declaration of Actual Use, however, the registration was considered abandoned. Upon learning thereof sometime 2013, it again filed another application under Trademark Application No. 4-2013-007569. It was only then that it found out that the Respondent-Registrant was able to register the subject "TEXAS AND LOGO" mark.

The Petitioner maintains that the Respondent-Registrant has no right to register "TEXAS AND LOGO" for plastic bags as the latter is not the owner and prior user thereof. It claims that for more than two decades, it continues to be known as a manufacturer of quality ice bags and premium plastic bags. It asserts that its company already earned immense and invaluable goodwill and reputation such that

<sup>1</sup> A domestic corporation with address at 185 A. Del Mundo Street, Grace Park, Caloocan City.

<sup>2</sup> With address at Block 4, Phase 4, First Malinta Industrial Compound, Don Pablo Subdivision, Rincon, Valenzuela City.

<sup>3</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademark and services 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 the Registration of Marks concluded in 1957.

the Respondent-Registrant's use of the subject mark will create confusion, mistake and deception upon the consuming public.

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

1. certified copy of its Articles of Incorporation, By-Laws and the latest General Information Sheet (GIS);
2. copy of the Supplemental Register issued to Mr. Po, Tiong Kue;
3. copy of Certificate of Registration No. 4-1997-125881;
4. copy of its copyright registration;
5. affidavit of Ms. Jennifer Ty;
6. affidavit of Ms. Josephine A. Española;
7. affidavit of Mr. Steve C. Uy;
8. affidavit of Mr. Po Tiong King; and
9. copy of the 1999 calendar Christmas giveaway.

On 04 September 2014, a Notice to Answer was issued and served upon the Respondent-Registrant. The latter, however, did not file an Answer. Thus, the Hearing Officer issued Order No. 2015-263 on 18 February 2015 declaring the Respondent-Registrant in default and the case submitted for decision.

The issue to be resolved is whether the Respondent-Registrant's registration for the mark "TEXAS AND LOGO" should be cancelled.

For comparison, the competing marks are reproduced below:



*Petitioner's mark*



*Respondent-Registrant's mark*

When one looks at the Opposer's mark, what is retained in the eyes and mind is the word "TEXAS" and the picture a rooster. The Respondent-Registrant's mark only differs as to the claims of colors blue and red and that its logo depicts two roosters in fighting position. Just the same, it is likely that consumers will be confused or have the wrong impression that the contending marks and/or the parties are connected or associated with one another. In fact, it appears that the Respondent-Registrant's mark is simply a variation of the Petitioner's; and vice-

<sup>4</sup> Marked as Exhibits "B" to "J".

versa. After all, confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or ingenious imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchased as to cause him to purchase the one supposing it to be the other.<sup>5</sup>

Moreover, the Respondent-Registrant uses its mark on goods that are similar or closely related to the Opposer's, particularly plastic bags, which flow on the same channels of trade and both falling under Class 16. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. In fact, the affidavit of Steve Co Uy<sup>6</sup> proves the existence of such confusion and/or deception when the affiant mistook the sando bags bearing "TEXAS AND LOGO" as originating from the Petitioner. Noteworthy, 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 in **Converse Rubber Corporation v. Universal Rubber Products Inc.**<sup>7</sup>, to wit:

*"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 imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>8</sup>

The Petitioner's trademark application, which was filed only on 28 June 2013, obviously came after the Respondent-Registrant's. The latter filed an application of the mark "TEXAS AND LOGO" on 25 February 2010, which was eventually allowed

<sup>5</sup> Societe des Produits Nestle, S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

<sup>6</sup> Marked as Exhibit "H".

<sup>7</sup> G.R. No. L-27906, 08 January 1987.

<sup>8</sup> Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

and matured into registration on 01 September 2011. The Petitioner, however, raises the issue of ownership.

In this regard, it is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 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.**

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, nor 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 of the Philippines ("IP Code") adopted the definition of the mark under the old Law on Trademarks (R. A. 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 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)**

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>9</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. 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>10</sup>, the Supreme Court held:

<sup>9</sup> See Section 236 of the IP Code.

<sup>10</sup> G.R. No. 183404, 13 October 2010.

*"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."*

Evidence submitted shows that a party other than the Respondent-Registrant has been using the mark "TEXAS AND LOGO" on plastic bags even prior to its filing of an application on 25 February 2010. The Petitioner also submitted evidence relating to the origin of its "TEXAS & REP. OF A TEXAS ROOSTER" trademark dating back 1991 as shown in the sales invoice clearly indicating that the same covers "TEXAS" products<sup>11</sup>. These sales invoices backed by the affidavits of resellers of plastic bags stating that they have been patronizing the Petitioner's products as early as 1986 and 1996<sup>12</sup>. Likewise bolstering Petitioner's claim of ownership and prior use are Certificate of Registration No. 4-1997-125881 and Certificate of Copyright Registration No. M-98-326.<sup>13</sup>

Because the parties are in the same line of business as plastic bags are concerned, it is inconceivable that the Respondent-Registrant is not aware of the existence of the Petitioner's products with the brand/mark "TEXAS & REP. OF A TEXAS ROOSTER". In **Shangri-la International Hotel Management Ltd. vs. Developers Group of Companies, Inc.**<sup>14</sup>, the Supreme Court made the following pronouncement:

*"When a trademark copycat adopts the word portion of another's trademark as his own, there may still be some doubt that the adoption is intentional. But if he copies not only the word but also the word's exact font and lettering style and in addition, he copies also the logo portion of the*

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<sup>11</sup> Marked as "I-1" to "I-6".

<sup>12</sup> Marked as Exhibits "G" and "H".

<sup>13</sup> Marked as Exhibits "D" and "E".

<sup>14</sup> G.R. No. 159938, 31 March 2006.

*trademark, the slightest doubt vanishes. It is then replaced by the certainty that the adoption was deliberate, malicious and in bad faith.*

*It is truly difficult to understand why, of the millions of terms and combination of letters and designs available, the respondent had to choose exactly the same mark and logo as that of the petitioners, if there was no intent to take advantage of the goodwill of petitioners' mark and logo."*

Succinctly, 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. To allow Respondent-Registrant to register the subject mark will make trademark registration simply a contest as to who files an application first with the Office.

**WHEREFORE**, premises considered, the instant petition is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2010-002092 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 16 July 2015.

**ATTY. NATHANIEL S. AREVALO**  
Director IV  
Bureau of Legal Affairs