



T-BAR INTERNATIONAL PTY LTD.,
Petitioner,

-versus-

ANTONIO DEUS,
Respondent-Registrant.

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}
} IPC No. 14-2012-00343
} Petition for Cancellation:
} Registration No. 4-2011-009853
} Date Issued: 05 January 2012
} TM: "T BAR & DEVICE"
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 210 dated September 29, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, September 29, 2015.

For the Director :


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



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IPC No. 14-2012-00343

Petition for Cancellation
Registration No. 4-2011-009853
Date Issued: 05 January 2012

Trademark: **"T BAR & DEVICE"**
Decision No. 2015- 210

DECISION

T-Bar International Pty Ltd.¹ ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2011-009853. The registration, issued on 05 January 2012 to Antonio Deus ("Respondent-Registrant")², covers the mark "T BAR & DEVICE" for use on *"jeans, pants, slacks, shorts, t-shirts, polo, polo shirts, blouses, dresses, skirts, sweaters, sweatshirts, jackets, jogging pants, sandos, blazers, wind breakers, overalls, briefs, panties, supporters, socks, stockings, leggings, hats, caps, visor, gloves, ties, belts of clothing, suspenders, wrist bands, head bands, swim suits, swimming trunks, shoes, sandals, slippers, boots"* under Class 25 of the International Classification of Goods.³

The Petitioner alleges that it is a member of Cotton On Group, one of Australia's fastest growing clothing retailers. It avers that it owns the "T BAR" trademark and the website www.t-bar.com.au where its goods bearing the said mark are shown. It maintains that it is the registered owner of the "T BAR Logo" for goods under Classes 25 and 35 in Australia, New Zealand, Singapore, Hong Kong and United States of America (USA) and that it likewise applied for registration in the Philippines, Malaysia, Indonesia, Japan, South Africa and Thailand. It also claims copyright ownership that subsists in the original design sketches that were prepared in the creation of the "T BAR Logo". According to the Petitioner, the design was created by Univers Graphic Design Pty Ltd. in 2007 after the latter was contracted by Undeveloped Ego Pty Ltd. specifically to create the logo design. Thereafter, the rights to the design were then assigned by Univers Graphic Design Pty Ltd. to the Petitioner.

The Petitioner further posits that the Respondent-Registrant not only copied its mark but also its signage, store layout and even the most minute details found in its own T-Bar including its tag line "HOLD IT UP, CHECK IT OUT, TRY IT OWN... WE

¹ A foreign corporation, having been organized and existing under the laws of Australia, with principal office address at 14 Shepherd Court North Geelong Victoria 3215, Australia.

² With address at 1025 MRR PNR Barangka Itaas, Mandaluyong City.

³ 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.

DON'T MIND FOLDING YOUR TEES". It cites in particular, that the Respondent-Registrant's overview text on the latter's blog, which reads, "FROM THE STREET TO THE WEB, INSPIRATION CAN FLOURISH ANYWHERE YOUR MIND CAN FIRE OFF AN IMPULSE. HERE'S A SELECTION OF CREATIVE IDEAS AND RANDOM AWESOMENESS", is a blatant imitation of its own, to wit: "FROM THE STREET TO THE WEB, INSPIRATION CAN FLOURISH ANYWHERE YOUR MIND CAN FIRE OFF AN IMPULSE. HERE'S A SELECTION OF CREATIVE IDEAS CURATED BY THE T-BAR TEAM THAT HAVE ROCKED US TO THE CORE OF OUR BRAIN STEMS. WE HOPE YOU ARE NOURISHED BY WHAT YOU SEE."

In support of its petition, the Petitioner submitted the following as evidence:

1. copies of its trademark registrations issued in Australia, Hong Kong, New Zealand, Singapore, USA and United Arab Emirates (UAE);
2. copies of its trademark applications filed in Malaysia, Indonesia, Japan, South Africa and Thailand;
3. copy of the Deed of Assignment between Petitioner and Univers Graphic Design Pty Ltd.;
4. list of its stores and their locations;
5. photos of T-bar stores;
6. side-by-side photos of an in-store signage, store layout, graphics used in T-bar tees, pricing structure, images of the blog site and overview text used by the Petitioner and that by the Respondent-Registrant;
7. affidavit and Special Power of Attorney (SPA) executed by Ashley James Hardwick;
8. list containing the relevant details of the trademark registrations and application of "T-BAR" and "T-BAR & DEVICE";
9. affidavit of Diana Rabanal-Barsaga;
10. print-out of Petitioner's official website and Facebook page;
11. list of stores where its T-BAR shirts and products are available and sold;
12. print-outs of websites featuring, discussing and reviewing its products bearing the "T-BAR" mark; and
13. certified copies of Trademark Application Nos. 4-2012-002086 and 4-2012-001374.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Registrant. On 01 March 2013, T-Bar Fashions, Inc.⁵ ("Assignee") filed a Manifestation claiming to be the assignee of Registration No. 4-2011-009853 since 30 January 2012 when the Respondent-Registrant transferred and assigned to it all rights, title and interest over the "T BAR & Device" mark. Upon learning of the

⁴ Marked as Exhibits "A" to "BBB-1", inclusive.

⁵ A corporation duly organized and existing under the laws of the Republic of the Philippines with office address at Unit 402 LV Locsin Building, 6752 Ayala Ave. cor. Makati Ave., Makati City.

instant cancellation case, it allegedly filed for the recordal of the assignment to have legal personality to be substituted as respondent.

In its Answer filed on 01 March 2013, the Assignee argues that the Respondent-Registrant originally owns the "T BAR" mark in the country as the prior user and registrant thereof. It argues that the Petitioner cannot invoke the Paris Convention as the latter is not doing business in the Philippines. Also, it believes that Petitioner has no trade name or goodwill to protect as it is not doing any business in the country. Moreover, it reasons that actual use of the mark is qualified by the territoriality principle such that the use of the subject mark must be made in the country where it is to be registered and/or owned. Thus, despite the Petitioner's foreign registrations, the Assignee maintains that it has better right over the contested mark. Furthermore, it contends that as an innocent purchaser for value, this Office cannot order outright cancellation of the subject registration.

The Assignee's evidence consists of the following:

1. copy of the Deed of Assignment between Deus and Respondent-Registrant-Assignee;
2. certified true copy of its Certificate of Incorporation;
3. copy of Certificate of Registration No. 4-2011-009853;
4. promotional materials of its "T BAR" shirts;
5. events participated by "T BAR";
6. hang tags of "T BAR";
7. sales invoices; and
8. affidavit of Reena Rae Sarmiento.⁶

The Preliminary Conference was conducted and terminated on 15 July 2013 wherein the parties were directed to file their respective Position Papers within ten days therefrom.

Should Trademark Registration No. 4-2011-009853 be cancelled?

Prefatorily, 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 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.⁷

⁶ Marked as Exhibits "1" to "9", inclusive.

⁷ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.

Records reveal that the Respondent-Registrant was granted registration for the trademark "T BAR & Device" on 05 January 2012. Petitioner, on the other hand submitted copies of its certificates of registration for its trade name and trademark "T BAR" issued abroad. In the Philippines, its earliest application for registration for the mark "T BAR" was on 03 February 2012.

Aptly, the Petitioner raises the issue of ownership. It imputes fraud and bad faith on Respondent-Registrant and/or Assignee in procuring registration over the mark "T BAR & Device", claiming that it is the lawful and rightful owner thereof. Succinctly, Section 151.1 of R.A. No. 8393, also known as the Intellectual Property Code of the Philippines ("IP Code") provides in part that:

"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:

xxx

(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."

This provision allows any person to file a petition to cancel a trademark registration if that person believes that he will be damaged by the registration. Once filed, the cancellation proceeding becomes, basically, a review of the trademark registration in question if the legal requirements for registration have been satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the principal register would damage the Petitioner.⁸

⁸ Section 154 of the IP Code provides:

"Section 154. *Cancellation of Registration.* -If the Bureau of Legal Affairs finds that a case of cancellation has been made out, it shall order the cancellation of registration. When the order or judgment becomes final, any right conferred upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPO Gazette. (Section 19, R.A. No. 166a)

Corollarily, it is provided in Section 138 of the IP Code that:

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 in connection with the goods or services and those that are related thereto specified in the certificate.

Clearly, it is not the registration that confers ownership of the mark but it is ownership that gives rise to a right to register the same. Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.⁹ The registration system shall not be used in committing or perpetrating an unjust and unfair claim. As all presumptions, the presumptive ownership conferred by registration may be questioned, attacked and proven otherwise by evidence to the contrary.

Verily, the pronouncement by the Supreme Court in **Berris Agricultural Company, Inc. vs. Norvy Abyadang**¹⁰ is enlightening on this point, thus:

"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." (Emphasis supplied.)

⁹ Shangri-la International Hotel Management Ltd. Vs. Developers Group of Companies, Inc. G.R. No. 159938, 31 March 2006.

¹⁰ G.R. No. 183404, 13 October 2010.

Perusal of the Respondent-Registrant and/or Assignee's trademark shows that it is undoubtedly confusingly similar, if not identical, with that of Petitioner's trade name and/or mark. Owing to the fact that both have the same spelling, they echo the same pronunciation. Hence, Petitioner's trade name cannot co-exist with Respondent-Registrant's and/or Assignee's tradename and trademark. The foremost reason is that it is likely that consumers will have the impression that their products originate from the same source or that the sources thereof are connected or associated with one another. Most especially in this case in which "T BAR" is applied by both of parties on goods under Class 25. In the case of **Societe des Produits Nestle S.A. vs. Martin T. Dy, Jr.**¹¹, the Supreme Court reiterated this well entrenched jurisprudential rule, 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: '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 the belief that there is some connection between the plaintiff and defendant which, in fact, does not exist.'"

In this regard, this Bureau finds it proper to give due course to the instant petition. Petitioner has proven that it has been awarded registration as early as 26 May 2006 in Australia. It holds various other registrations from different jurisdictions. Noteworthy, the uncanny similarities in the Petitioner's and Respondent-Registrant and/or Assignee's signage, overview text in their respective blogsites, among others, leads to the inescapable conclusion that the latter had the intention to appropriate the former's mark and ride on it its goodwill. It is highly unlikely that Respondent-Registrant or its successor-in-interest can come up of an identical mark, signage and overview text for use of the same goods as that of Petitioner's merely by coincidence. The Assignee can neither use as defense that it is a mere innocent purchaser as its assignor, has no right to register the "T BAR & Device" mark in the first place. As an assignee, it only steps into the shoes of the assignor and cannot have a greater right than the latter.

Moreover, it is noteworthy that the Petitioner's trade name likewise contains the words "T BAR". Under Section 165.2 of IP Code, it is provided that:

"165.2.(a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

¹¹ G.R. No. 172276, 08 August 2010.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful. (Emphasis supplied.)

Clearly, the prima facie validity of Registration No. 4-2011-009853 has been successfully attacked by Petitioner warranting the cancellation thereof. While it is true that Respondent-Registrant is the first to file an application for registration of the trademark "T BAR & Device" in the Philippines, the Petitioner is able to present substantial evidence that it has coined, has owned and has been using the said mark both as its trade name and trademark long before the former has appropriated and registered the same in its favour.

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2011-009853 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 29 September 2015.


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