

**TWENTIETH CENTURY FOX FILM CORP.,**  
Opposer,

**-versus-**

**MEGASTEPS INTERNATIONAL CORP.,**  
Respondent-Applicant.

X-----X

**IPC No. 14-2014-00323**

Opposition to:

Appl. Serial No. 4-2004-000690

Date filed: 16 January 2014

TM: "SIMPSONS"

### NOTICE OF DECISION

**QUISUMBING TORRES**

Counsel for the Opposer  
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26<sup>th</sup> Street corner 3<sup>rd</sup> Avenue  
Crescent Park West, Bonifacio Global City  
Taguig City

**MEGASTEPS INTERNATIONAL CORPORATION**

Respondent-Applicant  
1029 Reina Regente Street  
Binondo, Manila

**GREETINGS:**

Please be informed that Decision No. 2016 - 06 dated January 06, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, January 06, 2016.

For the Director:

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



TWENTIETH CENTURY FOX FILM CORP., }  
*Opposer*, }  
 -versus- }  
 MEGASTEPS INTERNATIONAL CORP., }  
*Respondent-Applicant*. }  
 x-----x

IPC No. 14-2014-00323  
 Opposition to:  
 Application No. 4-2014-000690  
 Date Filed: 16 January 2014  
 Trademark: "SIMPSONS"  
 Decision No. 2016- 06

**DECISION**

TWENTIETH CENTURY FOX FILM CORPORATION<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-000690. The application, filed by Megasteps International Corporation<sup>2</sup> ("Respondent-Applicant"), covers the mark "SIMPSONS" for use as "bags" under Class 18 and "clothing, footwear and headgear" under Class 25 of the International Classification of Goods and Services.<sup>3</sup>

The Opposer alleges:

x x x

"4. GROUNDS

"Opposer relies on the following grounds to support its opposition to the registration of the trademark SIMPSONS in the name of Respondent-Applicant:

"4.1 Respondent-Applicant's SIMPSONS trademark is confusingly similar to Opposer's world famous and internationally well known THE SIMPSONS copyrights, trademarks and other related THE SIMPSONS characters which are used on various goods manufactured licensed and/or sold by Opposer, including goods in Class 18 and 25. Respondent-Applicant's application for the trademark SIMPSONS, cannot be registered by virtue of Section 123.1 (e) of the Republic Act ('IP Code'). Opposer's THE SIMPSONS copyrights, trademarks and other related THE SIMPSONS characters are internationally and locally well-known and are entitled to protection, specifically against the potential dilution that may be caused by Respondent-Applicant's unauthorized registration and use of the SIMPSONS mark.

"4.2 Opposer has rights over THE SIMPSONS trademarks and other related THE SIMPSONS characters under Republic Act No. 166 ('the old trademarks law'), which provides that, 'the first use and adoption of a trademark, even if the trademark is not registered, is recognized and protected in the same manner and to the same extent as

<sup>1</sup>A foreign corporation duly organized and existing under the laws of the Delaware, United States of America, with principal place of business at 10201 W. Pico Boulevard, Los Angeles, California 90064, United States of America.

<sup>2</sup>A domestic corporation organized and existing under the laws of the Philippines with office address at 1029 Reina Regente Street, Binondo, Manila, Metro Manila, Philippines.

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

that of registered trademarks. As will be shown below, Opposer has existing and valid rights under the old trademark law in relation to Section 237 of the IP Code which prevent Respondent-Applicant from causing the registration of its SIMPSONS mark.

"5. DISCUSSION

"5.1 Opposer is a world famous and world renowned Fortune 500 company that develops and produces movies, television series and other forms of entertainment media. Opposer has been in the entertainment industry since 1935. Opposer has distributed various commercially successful film series, including the live action Alvin and the Chipmunks, Avatar, Titanic, the first two Star Wars trilogies, Ice Age, X-Men, Die Hard, Planet of the Apes, Night at the Museum, Fantastic Four, Alien and Predator. Television series produced by the Opposer include the SIMPSONS, M\*A\*S\*H, The X-Files, Bones Family Guy, Buffy the Vampire Slayer, Futurama, How I Met Your Mother, Glee, Modern Family, New Girl, and 24.

"5.2 One of the more successful television series that the Opposer produced, developed and distributed is the world-famous animated television series THE SIMPSONS (hereinafter 'Series'), which chronicles the misadventures of a working class family in the fictional city of Springfield. The Series, which is going into its twenty-sixth (26<sup>th</sup>) season in the United States of America, is also the longest running prime-time animated series in television history and is considered the most watched television series in the world.

"5.3 The Series has also won many awards, including a Peabody Award in 1997 for, 'providing exceptional animation and stinging social satire' and twenty-eight (28) Emmy Awards, for best animated television program/outstanding achievement in an animated television program, which are given by the Academy of Television Arts and Sciences to recognize excellence within various areas of the television industry. The Series has also won thirty-one (31) Annie Awards, which are given for accomplishments in animation. A list of the awards for which the Series has been nominated and has won throughout the world is attached and marked as Annex 'A' in the affidavit of Mr. Jeremy Kaufman.

"5.4 Opposer is the exclusive owner of copyright, trademark and other intellectual property rights in relation to the Series. The images, designs, copyrights, trademarks and characters associated with the Series (hereinafter, 'THE SIMPSONS IP rights') are the subject of an extensive merchandising campaign, including clothing, games, toys, books and other related memorabilia in numerous territories worldwide. THE SIMPSONS IP rights, as well as the Series, are widely recognized throughout the world.

"5.5 Opposer has entered into television license agreements for the Series in nearly every country in the world and currently has several television licenses to air on television channels in the Philippines, including the following television channels: FOX, ETC, Jack City, Jack TV, Second Avenue, Solar TV and The Game Channel. The first license to air the Series in the Philippines was entered on 1 February 1991. There are six (6) active licenses to broadcast the Series or the feature film based on the Series on Philippine channels. A list of the current licenses in the Philippines is attached as Annex 'B' in the affidavit of Mr. Jeremy Kaufman.

"5.6 THE SIMPSONS IP rights on the other hand has been used in connection with an extensive worldwide merchandising campaign. This merchandising campaign includes (but is not limited to) the following items: T-shirts, underwear, hats, sweatshirts, pajamas, ties, toys, paper goods such as calendars and posters, puzzles, board games computer games, mugs, dishes, limited editions of Apple iPods, and an assortment of food products, to name a few. In an article published in May 2007, it is noted that Opposer has licensed THE SIMPSONS brand to approximately six hundred (600) companies throughout the world. According to the article, the Series has generated more than US\$5 billion in worldwide retail sales from merchandise and tie-in merchandise with such partners as Target, Burger King Intel, Pepsi, Frito-Lay, Butterfinger, and Apple. The article is attached as Annex 'C' in the affidavit of Mr. Jeremy Kaufman. Photocopies of product tie-ins are attached and marked as Annnex 'D' in the affidavit of Mr. Jeremy Kaufman.

"5.7 The total number of active merchandise licensees for the Series is approximately three hundred sixty (360).

"5.8 From 1990 to present, Opposer has entered into approximately fifty (50) merchandise agreements in the Philippines. Currently, Opposer licenses the following goods in the Philippines: clothing, shoes, baseball caps, notebooks, stickers, sporting goods, skateboards, surfboards, accessories for skateboards and surfboards. The first merchandise license to distribute products bearing THE SIMPSONS IP rights in the Philippines was first executed on 11 October 1990. Samples of merchandise bearing THE SIMPSONS IP rights and photos of products bearing THE SIMPSONS IP rights are attached as Annexes 'E' to 'E-2' in the affidavit of Mr. Jeremy Kaufman.

"5.9 On 27 July 2007, the long awaited 'THE SIMPSONS MOVIE', a feature length animated film, was released in theaters. The movie opened with the biggest debut ever for a television adaptation, ranking it third among animated films overall. The film earned more than US\$30 million on its opening date in the U.S.A. It grossed a total of more than US\$74 million in the opening weekend on 5,500 screens at 3,922 theaters, reaching the top of the box office for that weekend. This made it the fifth-highest revenue of all time for an opening weekend in July and highest among non-sequels, and the highest animated TV adaptation of all time. An impressive first week of DVD sales of THE SIMPSONS MOVIE in the U.S.A. grossed approximately US\$58.5 million. Twelve weeks later, 5.7 million DVD's were sold with gross revenues of more than US\$93.8 million during its first week of DVD sales worldwide. Since its launch, the film has grossed over US\$526 million worldwide. Information relating to the THE SIMPSONS MOVIE is attached and marked as Annex 'F' in the affidavit of Mr. Jeremy Kaufman.

"5.12 'THE SIMPSONS MOVIE' was released in the Philippines 25 July 2007, and screend in 50 theaters during opening week, grossing over \$730,000 in revenues in a six week period. The movie's gross revenue chart is attached and marked as Annex 'G' in the affidavit of Mr. Jeremy Kaufman.

"5.13 In 2007, Opposer entered into a license agreement with Universal Studios Orlando, Florida and Universal Studios Hollywood, California for the theme park attraction 'Krustyland' featuring THE SIMPSONS Ride and many other products bearing THE SIMPSONS IP rights. Krustyland opened in May 2008, and due to the success of the attraction, Universal Studios Orlando is now officially building The Simpsons' hometown 'Springfield' as an attraction next to Krustyland. Printouts of

articles and website pages of Universal Studios, Florida and Universal Studios, Hollywood are attached as Annex 'H' in the affidavit of Mr. Jeremy Kaufman.

"5.14 Opposer employs a diverse range of marketing strategies in order to attract more viewers to its television programs and cater to the need of its substantial fan base. One such strategy is social media marketing. This involves using internet websites such as [www.thesimpsons.com](http://www.thesimpsons.com), Facebook, Twitter, Tumblr and Google+ to engage viewers and allow them to obtain information, photos, videos, merchandise and other content related to the Series.

"5.15 Opposer manages a Facebook page for the Series at [www.facebook.com/TheSimpsons](http://www.facebook.com/TheSimpsons) ('The Simpsons Facebook Page'). The Simpsons Facebook Page allows the Company to provide information, photos and videos directly to fans in order to promote the television broadcast of The Simpsons. Facebook allows people to endorse a particular page by 'liking it'. As of 14 September 2014 THE SIMPSONS Facebook page has 74,627,180 likes and is continuously growing every minute, this includes more than a million users in the Philippines. The demographics of users who 'like' The Simpsons Facebook Page in the Philippines are:

"5.16 THE SIMPSONS Twitter page has over 425,345 followers. The Twitter page of one of the main characters of the Series, Homer J. Simpson has over 1.84 million followers. Printouts of the main pages of these Twitter webpages are attached as Annex 'J' in the affidavit of Mr. Jeremy Kaufman.

"5.17 Just recently, in August 2014, FXX channel became the exclusive network to provide video-on-demand access for the Series. That means FXX provides access to all 25 seasons of the Series' 530 episodes. The FXX article is attached as Annex 'K' in the affidavit of Mr. Jeremy Kaufman.

"5.18 Due to the notoriety of the Series, they have appeared in many articles over the years. In September, 2013, TV Guide's '60 Greatest Animated Shows of All Time' named The Simpsons as no. 1. Forbes magazine featured Bart Simpson on the front cover 'Cool Investment, Dude', and in 2002, Rolling Stone Magazine featured 'The Simpsons Make Rock History' on the cover of their magazine. During their 20<sup>th</sup> year anniversary, United States postage stamps of the Series' characters were released for sale on 7 May 2009, noting that The Simpsons is the only television show to be featured as the sole subject of a stamp set while still in primetime television. Most recently, on 14 September 2014, the Hollywood Bowl featured a concert 'The Simpsons Take the Bowl' in Los Angeles, to honor the series' longevity and the release of its 26<sup>th</sup> season this month. A representative sample of these articles is attached as Annex 'L' in the affidavit of Mr. Jeremy Kaufman.

"5.19 Considering the overwhelming success of Series and its related merchandising activities, Opposer has filed for registration of its the SIMPSONS trademark throughout the world. Opposer is the owner of almost 600 trademark registrations for THE SIMPSONS trademark and other related marks in approximately 90 countries. These registrations include both THE SIMPSONS logo and word mark. Opposer also owns more than 500 copyright registrations for all episodes of the series. A list of Opposer's trademark and copyright registrations for THE SIMPSONS television series is attached and marked as Annex 'M' in the affidavit of Mr. Jeremy Kaufman. A representative sample of these trademark registrations are attached as Annex 'N' in the affidavit of Mr. Jeremy Kaufman.

"5.20 Accordingly, by virtue of the prior and continued use and promotion of THE SIMPSONS IP rights within and outside the Philippines, THE SIMPSONS brand has become popular and well-known and have established for Opposer valuable esteem and goodwill with the public, and which has identified Opposer as the exclusive source of goods bearing or using said marks. As such, THE SIMPSONS trademark and other THE SIMPSONS related trademarks within and outside the Philippines, warrants protections provided to well-known marks under the IP Code and related international agreements and conventions.

"5.21 Despite the foregoing, the clear ownership of Opposer over the world famous and internationally well-known status of THE SIMPSONS IP rights, Respondent-Applicant's still proceeded with the trademark application of a nearly identical and confusingly similar mark, its SIMPSONS trademark.

"5.22 In Shangri-la International Hotel Management, Ltd. et al., vs. Developers Group of Companies, Inc.

x x x

5.23 It cannot be denied that Opposer's THE SIMPSONS trademark and Respondent-Applicant's SIMPSONS trademark are nearly identical and conceptually, phonetically, and aurally similar. It also cannot be denied that the competing marks are in confusion, as Section 147 of the IP Code states that 'in case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed'.

5.24 Clearly, Respondent-Applicant is deceitful in causing the registration of a trademark that is nearly identical with and confusingly similar to a world famous and internationally well known mark such as Opposer's THE SIMPSONS trademark. The unauthorized copying of Opposer's THE SIMPSONS trademark leads to no other conclusion that the Respondent-Applicant's act of adopting a similar trademark was not only deliberate, but also made in evident bad faith.

"5.25 Indeed, it is surprising to note that notwithstanding a boundless choice of words, phrases, symbols and designs available to Respondent-Applicant, it adopted a mark that is identical to Opposer's world-famous and internationally well known THE SIMPSONS trademark for the same and closely related goods. In the absence of a plausible explanation from Respondent-Applicant as to how this happened, it can be reasonably concluded that Respondent-Applicant was aware of the existence, use and trademark registrations abroad of Opposer's THE SIMPSONS trademark, more so when the mark is connected with and being used for a world famous and internationally well-known television series, THE SIMPSONS, which is being aired in the Philippines since the 1990s, and with local THE SIMPSONS merchandise readily available.

"5.26 As held in American Wire & Cable Co. vs. Director of Patents:

"5.27 Given the obvious similarities between the two marks, one would inevitably be led to conclude that there is deliberate attempt on the part of Respondent-Applicant to ride on the goodwill Opposer has created through continuous and exclusive use of THE SIMPSONS IP rights over the years.

"5.28 Further proof of Respondent-Applicant's intent to deceive and to mislead the average or ordinary purchaser is the fact that the registration for the

SIMPSONS mark is sought to cover the same or closely related goods or products of Opposer. The products in Class 18 (bags) are closely related goods and Opposer has available merchandise in the Philippines for Class 25 (clothing, footwear and headgear), and offered through the same channels of trade as the goods and services offered by Opposer.

"5.29 Respondent-Applicant's use of the trademark SIMPSONS on similar and closely related products would falsely suggest a connection with Opposer and would inevitably cause the buying public to confuse Respondent-Applicant's products as relating to, sponsored by, or affiliated to those of Opposer's.

"5.30 In *Sta. Ana v. Maliwat*, the Supreme Court held that:

x x x

"5.31 Considering that Respondent-Applicant's SIMPSONS mark is nearly identical to and confusingly similar with Opposer's THE SIMPSONS trademark and THE SIMPSONS IP rights, Respondent-Applicant's Application No. 4-2014-000690 should not be allowed to proceed to registration pursuant to Section 123.1 (e) of the IP Code.

"5.32 As pointed out above, the Opposer's long, continuous and extensive use of THE SIMPSONS name and THE SIMPSONS IP rights and continuous development and production of the Series has caused THE SIMPSONS brand to become popular throughout the world and in the Philippines that its mere mention immediately causes the public to associate the brand with Opposer and the Series.

"5.33 As such, Opposer has indeed acquired property rights and valuable goodwill over THE SIMPSONS name and THE SIMPSONS IP rights.

"5.34 The goodwill associated with THE SIMPSONS name is a property right separately protected under Philippine law, and a violation thereof amounts to unfair competition, which is proscribed under Article 10bis of the Paris Convention, Article 28 of the Civil Code and Section 168 of the IP Code.

"5.35 Article 10bis of the Paris Convention provides:

x x x

"5.36 On the other hand, Article 28 of the Civil Code and Section 168 of the IP Code provide:

x x x

"5.37 As pointed out previously, the competing marks are exactly identical and confusingly similar with each other.

"5.38 Indeed, it is surprising to note that notwithstanding a boundless choice of words, phrases, symbols and designs available to Respondent-Applicant, it adopted a mark that is nearly identical to Opposer's THE SIMPSONS name for use on identical, similar or closely related goods. In the absence of a plausible explanation from Respondent-Applicant as to how this happened, it can be reasonably concluded that Respondent-Applicant was aware of the existence, use and goodwill of Opposer's THE SIMPSONS name.

"5.39 The unauthorized copying of Opposer's name leads to no other conclusion than that Respondent-Applicant's act of adopting the same SIMPSONS name as a trademark was not only deliberate, but also made in bad faith to take advantage of the goodwill attached to Opposer's THE SIMPSONS name and THE SIMPSONS IP rights.

"5.40 Moreover, Respondent-Applicant's current or potential use and potential registration of the SIMPSONS mark causes confusion by falsely suggesting a connection, association or affiliation between Respondent-Applicant's business and that of Opposer.

"5.41 Since the SIMPSONS mark is confusingly similar to THE SIMPSONS name of Opposer, the mark of Respondent-Applicant creates a strong conceptual connection with Opposer and its THE SIMPSONS IP rights. It follows therefore, that potential sale of Respondent-Applicant's products bearing the SIMPSONS mark will take unfair advantage of, cause substantial damage to Opposer's reputation, dilute the goodwill of THE SIMPSONS name and dilute the value of THE SIMPSONS IP rights.

"5.42 The registration of the SIMPSONS mark will not only diminish the distinctive character or reputation of THE SIMPSONS name and THE SIMPSONS IP rights but will also clearly result in irreparable damage to the business and reputation of Opposer.

"5.43 In addition, Opposer has no control over Respondent-Applicant's business. Consequently, Opposer cannot oversee the quality of the Respondent-Applicant's products under the SIMPSONS mark. Thus, potential damage to the reputation of Opposer will likely be caused in view of the differences in the quality of the goods offered to the public by Respondent-Applicant.

"5.44 If allowed to proceed to registration, the consequent use of the SIMPSONS mark by Respondent-Applicant will amount to unfair competition against Opposer's internationally well-known THE SIMPSONS name and THE SIMPSONS IP rights, which has attained valuable goodwill and reputation through decades of extensive and exclusive use worldwide.

"5.45 Under the old trademarks law, the first use and adoption of a trademark, even if the trademark is not registered, is recognized and protected in the same manner and to the same extent as that of registered trademarks. Thus,

x x x

"5.46 Since Opposer is the first to use, to adopt and to continuously use (and not abandon) THE SIMPSONS trademark as early as 1989, Opposer is entitled to protection under Section 2-A and Section 4 (d) of the old trademark law. This protection is sanctioned by Section 236 of the new Trademark law contained in Republic Act No. 8293, thus:

x x x

"5.47 The foregoing discussion indubitably shows that Respondent-Applicant has no right whatsoever to register the SIMPSONS mark in its name for being violative of Opposer's vested rights over THE SIMPSONS name and THE SIMPSONS IP rights. The opposed trademark should therefore be denied registration in accordance with the provisions of the IP Code, as well as the Paris Convention to which the Philippines is contractually and legally bound.



"5.48 Moreover, the denial of the mark subject of this opposition is further supported by the decision of the Director General of the IPO in Mars UK Limited vs. Estrella P. Hernandez, thus:

x x x

The Opposer's evidence consists of the Notice of Opposition; the Special Power of Attorney signed by Mr. Jeremy Kaufman; the Affidavit signed by Mr. Jeremy Kaufman; a list of awards for which THE SIMPSONS animated series has won; a list of current licenses in the Philippines that broadcast THE SIMPSONS animated series; a copy of the May 2007 article on the Billion dollar revenues generated by THE SIMPSONS; photographs of product tie-ins for THE SIMPSONS animated series with other brands; screenshots of the online shop for THE SIMPSONS animated series related merchandise; sample purchase/photographs in the Philippines of THE SIMPSONS animated series t-shirt; copy of the official receipt for the purchase of THE SIMPSONS animated series t-shirt in SM Department Store; copy of information relating to THE SIMPSONS movie; copy of the gross revenue chart for THE SIMPSONS movie; copies of the articles on Universal Studios, Florida and Universal Studios Hollywood; copy of THE SIMPSONS Facebook page and corresponding analysis on the Facebook page; copies of THE SIMPSONS and HOMER SIMPSON's twitter pages; copy of FXX Article on THE SIMPSONS animated series video-on-demand; copies of Articles on THE SIMPSONS animated series, including TV Guide's declaration of the series as the Greatest Animated Show of All Time; and a list of THE SIMPSONS animated series' related trademark and copyright registrations worldwide.<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant, Megasteps International Corporation, on 30 October 2014. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark SIMPSONS?

Records show that at the time the Respondent-Applicant filed its trademark application on 16 January 2014 for the mark "SIMPSONS", the Opposer already owns trademark registrations for the mark "THE SIMPSONS" in many countries including the Philippines, particularly, Reg. No. 42014504671. This Bureau noticed that the goods covered by Respondent-Applicant's trademark application for the mark SIMPSONS are similar to Opposer's.

The marks are shown below:

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<sup>4</sup>Marked as Exhibit "A" to "R", inclusive.

# THE SIMPSONS

# SIMPSONS

Opposer's trademark

Respondent-Applicant's mark

The marks are obviously identical and used on similar and/or closely related goods, particularly, bags and wearing apparel. Thus, it is likely that the consumers will have the impression that these goods 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:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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.<sup>5</sup>

Public interest therefore requires, that 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 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.<sup>6</sup>

The Respondent-Applicant's filing of their trademark application in the Philippines may be earlier than the Opposer's, but the latter raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Applicant.

<sup>5</sup> Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

<sup>6</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

In this regard, this Bureau emphasizes that 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 of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 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.

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>7</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>8</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 the R.A. 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, 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. 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

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<sup>7</sup> See Sec. 236 of the IP Code.

<sup>8</sup> G.R. No. 183404, 13 Oct. 2010.

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 originator and owner of the contested mark. In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend their trademark application and to explain how they arrived at using the mark SIMPSONS which is exactly the same as the Opposer's. It is incredible for the Respondent-Applicant to have come up with exactly the same mark for use on 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 combinations 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>9</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. 4-2014-00000690 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, 06 January 2016.

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

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<sup>9</sup> *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.