

**OSPREY PACKS, INC.,**  
*Opposer,*

**-versus-**

**YUAN FEI HOU,**  
*Respondent-Applicant.*

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**IPC No. 14-2014-00384**  
Opposition to:  
  
Appln. Serial No. 4-2012-010216  
Date Filed: 22 August 2012  
  
**TM: OSPREY**

**NOTICE OF DECISION**

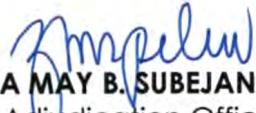
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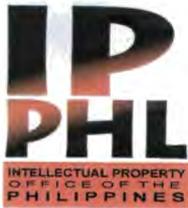
**YUAN FEI HOU**  
*Respondent- Applicant*  
2G-15 999 Shopping Mall  
Tondo, Manila

**GREETINGS:**

Please be informed that Decision No. 2016 - 297 dated August 26, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 26 August 2016.

  
**Atty. Z'SA MAY B. SUBEJANO-PE LIM**  
Adjudication Officer  
Bureau of Legal Affairs



**OSPREY PACKS, INC.,**

Opposer,

-versus-

**YUAN FEI HOU,**

Respondent-Applicant.

X -----X

IPC No. 14-2014-00384

Opposition to Trademark

Application No. 4-2012-010216

Date Filed: 22 August 2012

Trademark: **"OSPREY"**

Decision No. 2016- 297

**DECISION**

Osprey Packs, Inc.<sup>1</sup> ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-010216. The contested application, filed by Yuan Fei Hou<sup>2</sup> ("Respondent-Applicant"), covers the mark "OSPREY" for use on *"backpacks, book bags, bum bags, wallet, hand bags, luggage, travel bags, cosmetic bags, tote bags, garment bags for travel, leather bags for travel, leather bags, suitcase, knapsacks and purses"* under Class 18 of the International Classification of Goods<sup>3</sup>.

According to the Opposer, it traces its roots four decades ago. It is a brainchild of Mike Pfothenauer who, dismayed by a backpack with an awful fit, wanted to make his own. With the help and guidance of his mother, Mike learned how to sew and started constructing backpacks at the age of sixteen (16). Not long thereafter, he opened a small retail shop which backpackers and travellers frequented for custom-fitted and made-to-order packs. In 1974, he and Laurie White officially established Osprey Packs in Santa Cruz, California. The "OSPREY" mark is derived from the Pandion Haliaetus, otherwise called a fish hawk, which is a magnificent fish-eating bird of prey and an endangered species back in the day due to chemical pollutants that hampered reproduction. The company began the wholesale distribution of "OSPREY" products in 1986 and new partnerships were later forged that contributed to its success.

The Opposer alleges, among others, that it has used the "OSPREY" trademark and trade name for forty (40) years and that it has various registrations and pending applications for the same. It caused registration of "OSPREY" as early as 19 December 1997 in Japan under the name of its founder for goods in Class 18. Ownership of the said registration was later assigned to and recorded in the name of the company. It also has a copyright registration of the "OSPREY BIRD DESIGN" in

<sup>1</sup>A corporation established under the laws of United States of America with address at 115 Progress Circle Cortez, Colorado 81321.

<sup>2</sup>With known address at 2G-15 999 Shopping Mall, Tondo, Manila.

<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.

**Republic of the Philippines  
INTELLECTUAL PROPERTY OFFICE**

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the United States. In the Philippines, it filed an application for registration on 07 May 2013 for goods under Classes 18 and 21. It has also been vigilant in protecting its mark from similar marks. The Opposer thus contends that the Respondent-Applicant's applied mark is identical to its own mark. In support of its Opposition, the Opposer submitted the affidavits of Thomas T. Barney, with annexes.<sup>4</sup>

A Notice to Answer was issued and served upon the Respondent-Applicant on 13 November 2014. The latter, however, did not file its Answer. Thus, on 09 March 2015, the Hearing Officer issued Order No. 2015-398 declaring Respondent-Applicant in default and the case submitted for resolution.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "OSPREY".

The competing marks, as shown below,



*Opposer's mark*



*Respondent-Applicant's mark*

are clearly identical. Both mark appropriate the word "OSPREY" similarly positioned above a bird-like figure with wings spread. Noteworthy, both marks are used or are intended to be used on backpacks and bags under Class 18.

In this regard, Section 123.1 (d) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that:

**"Section 123. Registrability. - 123.1. A mark cannot be registered if it:**

**x x x**

**(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:**

**(i) The same goods or services, or**

**(ii) Closely related goods or services, or**

**(iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion; x x x"**

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

Records reveal that the Respondent-Applicant filed an application for registration of the mark "OSPREY" on 22 August 2012. The Opposer, on the other hand, filed its application for the same mark only on 07 May 2013. Regardless of this fact, the Opposer is still a proper party of the opposition proceedings in view of the provisions of Section 165.2 of the IP Code, which provides:

***"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.***

***(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.)

The mark "OSPREY" is unquestionably the prevalent feature of the tradename of the Opposer. Thus, it has interests that may be damaged by the filing of the contested person as the public may likely be confused or misled that the Respondent-Applicant's goods is in any way connected to them. Prior registration of the trade name is not a prerequisite for its protection. This is further explained by the Supreme Court, in the case of **Coffee Partners, Inc. vs. San Francisco Coffee and Roastery, Inc.**<sup>5</sup>, as follows:

***"In Philips Export B.V. v. Court of Appeals, this Court held that a corporation has an exclusive right to the use of its name. The right proceeds from the theory that it is a fraud on the corporation which has acquired a right to that name and perhaps carried on its business thereunder, that another should attempt to use the same name, or the same name with a slight variation in such a way as to induce persons to deal with it in the belief that they are dealing with the corporation which has given a reputation to the name."***

The Opposer, in this case, basically raises the issue of ownership. It imputes fraud and bad faith on the Respondent-Applicant in procuring registration over the mark "OSPREY" claiming that he is the lawful and rightful owner thereof.

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**

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<sup>5</sup> G.R. No. 169504, 03 March 2010.

- 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.**

Further, 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 the 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 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>6</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 **Shangri-la International Hotel Management, Ltd. vs. Developers Group of Companies**<sup>7</sup>, the Supreme Court held:

**"By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark applied for, he has no right to apply the registration off the same."**

<sup>6</sup> See Section 236 of the IP Code.

<sup>7</sup> G.R. No. 159938, 31 March 2006.

Corollarily, a registration obtained by a party who is not the owner of the mark may be cancelled. In **Berris v. Norvy Abyadang**<sup>8</sup>, the Supreme Court made the following pronouncement:

*"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 if 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 case, the Opposer substantially proved that it has used and appropriated the mark "OSPREY" even before the Respondent-Applicant filed the contested application. Its registrations of the said mark in different countries including United States, Japan, Canada, Australia and European Community<sup>9</sup>, issued as early as 19 December 1997, corroborate its claim of prior use. In addition, the Opposer was issued Copyright Certificate No. VA 1-737-416 issued on 29 September 2010. Noteworthy, these registrations date before the Respondent-Applicant's filing of the contested mark. As owner, it has the exclusive right to register or authorize to register the said mark.

Finally, 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-Applicant to register the subject mark, despite his bad faith, will trademark registration simply a contest as to who files an application first with the Office.

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

<sup>9</sup> Annex "O" to "Dd" of Barney's affidavit.

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application No. 4-2012-010216 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, **26 AUG 2016**

  
**Atty. Z'SA MAY B. SUBEJANO-PE LIM**  
Adjudication Officer  
Bureau of Legal Affairs