

BREAD N BUTTER LIMITED,
Petitioner,

-versus-

ELISA T. CIGRES,
Respondent-Registrant.

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IPC No. 14-2013-00304
Petition for Cancellation

Reg. No. 4-2007-012707
Date Issued: 17 June 2010

TM: B N B BREAD AND BUTTER

NOTICE OF DECISION

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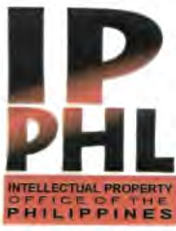
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GREETINGS:

Please be informed that Decision No. 2016 - 312 dated 21 September 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 21 September 2016.


Atty. ADORACION U. ZARE
Adjudication Officer
Bureau of Legal Affairs



BREAD N BUTTER LIMITED,

Petitioner,

-versus-

ELISA CIGRES,

Respondent-Registrant.

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} **IPC NO. 14-2013-00304**

} Petition for Cancellation:

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} Cert of Reg. No. 4-2007-012707

} Date Registered: 17 June 2010

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} Trademark: **B N B BREAD AND**

} **BUTTER**

} Decision No. 2016- *312*

DECISION

BREAD N BUTTER LIMITED (Petitioner)¹ filed a Petition for Cancellation of Registration No. 4-2007-012707. The registration, in the name of **ELISA CIGRES** (Respondent-Registrant)², covers the mark “**B N B BREAD AND BUTTER**”, for use on “blouse, pants, shorts, ladies accessories” under class 25 of the International Classification of Goods³.

The Petitioner invokes Section 151 of Rep. Act. No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”) which provides that a petition to cancel a registration of a mark 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 the mark as follows: (a) within five (5) years from the date of the registration of the mark, or (b) at any time, if the registration of the mark was obtained fraudulently or contrary to the provisions of the IP Code. In addition, Petitioner claims that the continued registration of the mark **B N B BREAD AND BUTTER** in the name of the Respondent-Registrant will violate and contravene the provision of Section 123.1 (d) and (g), and Section 138 of the IP Code. because the dominant element of the mark is confusingly similar to Petitioner’s ‘bread n butter’ mark, owned, used and not abandoned by the Petitioner as to be likely when applied to or used in connection with the goods of the Respondent-Registrant to cause confusion or mistake or to deceive the purchasers thereof as to the origin of the goods. Petitioner alleges that the continued registration of **B N B BREAD N BUTTER** will cause grave and irreparable injury and damage to the Petitioner.

¹ A company organized under the laws of Hong Kong with principal address at 32/F, Laws Commercial Plaza, 788 Cheung Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong

² Filipino with address at 1046 Alvarado St., Binondo Manila

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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.

The Petitioner alleges, among other things, the following:

“11. Petitioner is the owner of the trademark ‘bread n butter’, which was acquired by its affiliated company Ztamps Limited, together with the business, from a third party in 2003. In 2009, Ztamps Limited assigned the business together with the trademark to the Petitioner. Prior to this date, the use of the ‘bread n butter’ trademark has been extensive as shown by the following activities:

- 1.1.1 ‘bread n butter’ business franchised in Taiwan in 2004;
- 1.1.2 ‘bread n butter’ specialty store opened in Hong Kong in 2004;
- 1.1.3 ‘bread n butter’ products sold in Paris, Italy, USA and Singapore since 2004;
- 1.1.4 ‘bread n butter’ wholesale business started in Japan in 2006.

As assignee of the bread n’ butter mark and business, the Company owns the goodwill and fame derived from said extensive use and publicity of the ‘bread n’ butter’ mark and stands in the shoes of its affiliated company Ztamps Limited. xxx

“12. Petitioner’s ‘bread n butter’ mark has several registrations outside the Philippines (Exhibits ‘B-12’ to ‘B-41’), and some of these registrations have earlier filing date than Respondent’s trademark registration no. 4-2007-12707 filing date of November 15, 2007, xxx

“13. Petitioner is the owner of the trademark ‘bread n butter’ under Certificate of Registration No. 4-2010-501801, which was registered with the Intellectual Property of the Philippines (‘IPOPPL’ henceforth) on September 22, 2011. xxx

“14. As testified to by its Director Law Ho Yan Edith (Exhibit ‘B’ with submarkings), Petitioner’s mark ‘bread n butter’ as used in clothing, footwear, headgear and other fashion accessories, has been in the market since 2003. Petitioner ‘bread n butter’ products have been sold in Paris, Italy, USA and Singapore since 2004. ‘bread n butter’ retail stores selling said ‘bread n butter’ fashion products have been established in Hong kong and Taiwan since 2004, and in Tokyo, Japan in 2006 by way of franchising or other modes of licensing or doing business. Respondent being Chinese, undoubtedly, has access to the foregoing markets, if not the internet where Petitioner’s mark and products bearing its ‘bread n butter’ mark are widely publicized, and accessible in the Philippines.

“15. Petitioner’s ‘bread n butter’ mark and events promoting the bread n butter’ products thru tradeshows and other events are publicized widely in the internet search (Exhibit ‘E’ with submarkings) attesting to the ‘bread n butter’ mark’s fame, attributable to Petitioner.

“16. Respondent’s trademark consists of the phrase ‘BnB Bread n Butter’, which is confusingly similar to the trademark ‘bread n butter’, for which the Petitioner has already obtained as earlier registration, not only in the Philippines but in other countries as well.xxx”

To support its opposition, the Opposer submitted as evidence the following:

1. Authenticated and notarized Special Power of Attorney dated 26 April 2013;
2. Authenticated and notarized Affidavit of Law Ho Yan Edith dated 26 April 2013;
3. Copy of print-out of Elisa T. Cigres' "B N B BREAD N BUTTER" registration status;
4. Copy of print-out of Bread n Butter Limited "BREAD N BUTTER" registration status;
5. Certified true copy of Certificate of Registration No. 4-2010-501801 for 'BREAD N BUTTER' for class 35 and certified true copy of trademark application form for 'BREAD N BUTTER' for class 25;
6. Affidavits of Janesa P. Calugay dated 19 July 2013; and
7. Affidavit of Gladies G. Nepomuceno dated 18 July 2013⁴

The Respondent-Registrant filed her Answer on 12 September 2013 alleging, among things, the following defenses:

“2. Contrary to the Petitioner's allegations in its verified petition for cancellation that it is the owner of, prior adopter and user of the trademark BnB Bread n Butter, it is quite amusing to dignify the said statement because when herein respondent-registrant filed its application on November 15, 2007, this Honorable Office did not state this fact in its initial notice of examination. It can be legally assumed that at the time of the filing of the subject trademark, there is no entity claiming registration or using the same in the Philippines.

“3. Evidently, respondent-registrant was the first one to register, adopt and use the subject trademark here in the Philippines.

“4. Petitioner further claims that there is likelihood of confusion between the petitioner's trademark BnB Bread n Butter for its goods under class 25. As manifested, herein respondent-registrant was the first one to register the subject trademark here in the Philippines, hence, the issue of likelihood of confusion is very remote.

“5. As also alleged that the 3rd year Declaration of Actual use is defective, respondent-registrant's answer is in the negative. The fact that it was accepted by the Bureau of Trademarks it means that it conforms with the Rules and Regulations governing submission of Declaration of Actual Use, otherwise, the office had issued official action requiring the herein

⁴ Annexes "A" to "G"

respondent-registrant to comply with the rules since Declarations of Actual Use, like trademark applications also undergo substantive examination to determine whether it conforms with the Rules.

“6. To further prove that the subject mark is in use in the Philippines as of current date, respondent-registrant has the following outlets under Bnb Clothing Products:

- 6.1 G/F SM SUPER CENTER Muntinlupa City
- 6.2 2/F SM SUPER CENTER Karuhatan, Valenzuela City
- 6.3 Robinsons Starmills, San Fernando City, Pampanga
- 6.4 LS C14 Robinsons Metro East, Brgy Dela Paz, Pasig City
- 6.5 Greenfield District pavilion mall L 7 G/F Shaw Blvd., Mandaluyong City
- 6.6 Space No. G5 34Q Plaza San Isidro, Cainta
- 6.7 3rd Floor, 2nd Door cash & Carry mall, Brgy. Palanan, Makati City
- 6.8 2/F PH3 Sta. Lucia East GrandMall Cainta
- 6.9 Brgy. Kaypian San Jose Del Monte Bulacan
- 6.10 G/F Starmall Edsa Cor Shaw Blvd brgy Wack Wack Greenhills east, Mandaluyong City
- 6.11 Unit 231 Sm City San Bartolome Novaliches, Quezon City

“7. Petitioner further claims that ‘Bread n Butter’ mark is an internationally well-known mark. Herein Respondent-registrant disagree with this declaration. As stipulated in the provisions of the IP Code, only competent authorities can declare the mark as an internationally well-known mark, and we are not one of those enumerated as competent authorities to do so, hence, this issue is again very remote.”

The Respondent-Registrant submitted as evidence, the following:

1. Copy of Declaration of Actual Use dated 14 November 2007;
2. Copy of Certificate of Registration No. 4-2007-012707;
3. Copy of Notice to Answer;
4. Print-out of IPO database showing status of trademark “bread n butter”
5. Copy of Department of Trade and Industry Certificate of Business Name Registration No. 00123559 for “BREAD N BUTTER FASHION” issued on 3 May 2006;
6. Copy of Department of Trade and Industry Certificate of Business Name Registration No. 01501975 for “BREAD N BUTTER FASHION” issued on 9 September 2011;
7. Copy of trademark application for the mark “BNB BREAD N BUTTER” filed by Respondent-Registrant;
8. Copy of Certificate of Incorporation issued by the Securities and Exchange Commission dated 15 July 2008;
9. Copy of Certificate of Registration No. 4-2007-12707 dated 17 June 2010;
10. Pictures of clothing with labels/tags;
11. Copy of sales invoices;

12. Pictures of "BNB BREAD N BUTTER" stores; and
13. Copies of application for the mark "BNB BREAD N BUTTER" filed by Petitioner.⁵

The Preliminary Conference was held on 24 February 2016. After the termination of the preliminary conference, the parties were required to submit their position papers/draft decisions. The Petitioner filed its position paper on 15 March 2016 while Respondent-Registrant filed her position paper and supplemental position paper on 14 March 2016 and 14 June 2016, respectively.

Should the Respondent-Registrant's trademark registration for "B N B BREAD N BUTTER" be cancelled?

Records show that the Respondent-Registrant applied for registration of the mark "BNB BREAD N BUTTER" on 15 November 2007 and obtained Certificate of Registration No. 4-2007-012707 on 17 June 2010. The Respondent-Registrant uses her mark "BNB BREAD N BUTTER" for goods under class 25, namely: "blouse, pants, shorts".

The competing marks are reproduced below are identical:

Petitioner's mark

Respondent-Registrant's mark

bread n butter



BnB
bread n butter

Section 151 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides:

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:

- (a) Within five (5) years from the date of registration of the mark under this Act.
- (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 obtained fraudulently, or contrary to the provisions of this Act, or if the registered mark is used by, or with the permission of the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used.

The Petitioner alleges that it is the prior owner and adopter of the trademark 'bread n butter' in the Philippines and worldwide and that Respondent-Registrant's mark "BNB BREAD N BUTTER" is confusingly similar to its mark. However, the records

⁵ Exhibits "1-3; A-J"

believe the Petitioner's suggestion that it is the first to register and use the mark "bread n butter" in the Philippines. The IPO trademark database shows that the Petitioner filed trademark applications for the mark "bread n butter" on 5 January 2015 for the same goods in class 25; 6 May 2014 for class 35 and 5 November 2013 for goods under classes 35 and 3, 9, 14 and 18. All these trademark applications were lodged by the Petitioner after the filing date and registration date of the Respondent-Registrant's mark BNB BREAD N BUTTER.

The Petitioner asserts that it is the owner of the mark "bread n butter" under Certificate of Registration No. 4-2010-501801 for class 35, which was registered on 22 September 2011. However, the IPO trademark database shows that this mark was "removed from the register for non-filing of DAU". Further, the database shows that the Petitioner filed another application for the mark under application number 42011500912, which application was refused for non-filing of Declaration of Actual Use (DAU). Since the mark "B N B BREAD N BUTTER" is already registered, the Petitioner is not entitled to register the same. Section 123 of the IP Code states:

Sec. 123.1. Registrability. A mark cannot be registered if it:

- (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.

Yet, it is observed that the Petitioner was able to appropriate a considerable and dominant portion of the Respondent-Registrant's mark and register the same on identical goods. The records prove that the Respondent-Registrant is the prior user and owner of the mark BNB BREAD N BUTTER. As early as 3 May 2006, the Respondent-Registrant obtained a business name registration, for "BREAD N BUTTER FASHION" with the Department of Trade and Industry. She submitted receipts, pictures of stores and goods bearing the mark BNB BREAD N BUTTER. In this regard, being the prior adopter and user of the mark in the Philippines, the Respondent-Registrant's mark is entitled to protection. The Supreme Court in *Dermaline, Inc. v. Myra Pharmaceuticals, Inc.*⁶ explained:

Verily, when one applies for the registration of a trademark or label which is almost the same or that very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark. This is intended not only to avoid confusion on the part of the public, but also to protect an already used and registered trademark and an established goodwill.

⁶ G.R. No. L- 190065, 16 August 2010

Petitioner also claims that 'bread n' butter' is an internationally well-known mark. In Law Ho Yan Edith's Affidavit-Direct Testimony⁷, he testified that the mark has been registered in China, Hong kong and other countries. He submitted pictures of products and stores located outside the Philippines. In the Affidavit of Janesa P. Calugay⁸, she accessed Petitioner's website and trademark registrations and applications appearing in the internet. Section 123 of the IP Code, provides in part, that a mark cannot be registered if it:

(d) Is identical with, or confusingly similar to, or constitutes a translation of a mark with which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

Rule 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, which implement R.A. No. 8293, provides:

*Rule 102. Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or **any combination thereof** may be taken into account:*

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;*
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;*
- (c) the degree of the inherent or acquired distinction of the mark;*
- (d) the quality-image or reputation acquired by the mark;*
- (e) the extent to which the mark has been registered in the world;*
- (f) the exclusivity of registration attained by the mark in the world;*
- (g) the extent to which the mark has been used in the world;*
- (h) the exclusivity of use attained by the mark in the world;*
- (i) the commercial value attributed to the mark in the world;*
- (j) the record of successful protection of the rights in the mark;*
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and*
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark. (Emphasis supplied)*

The evidence is insufficient to establish that Petitioner's "bread n butter" is a mark has attained well-known status. It was not adequately established that it has an inherent or acquired distinction, image or reputation in the Philippines or abroad. On the contrary it appears that promotion of the mark BNB BREAD N BUTTER in the Philippines is attributable to the efforts of the Respondent-Registrant.

⁷ Exhibit "B-1"

⁸ Exhibit "F"

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Finally, the Petitioner argues that the Declaration of Actual Use is defective. The Bureau finds this assertion untenable. In fact, the Declaration of Actual Use dated 14 November 2007⁹ was duly received by the Bureau of Trademarks. In the case of *Berris Agricultural, Inc. v. Norvy Abyadang*,¹⁰ the Supreme Court held:

Indeed, the DAU, being a notarized document, especially when received in due course by the IPO, is evidence of the facts it stated and has the presumption of regularity, entitled to full faith and credit upon its face. Thus, the burden of proof to overcome the presumption of authenticity and due execution lies on the party contesting it, and the rebutting evidence should be clear, strong, and convincing as to preclude all controversy as to the falsity of the certificate.


It also held, to wit:

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. x x x In other words, the prima facie presumption brought about by the registration of a mark may be challenged and overcome in an appropriate action, x x x 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.¹¹

WHEREFORE, premises considered, the instant Petition to Cancel Trademark Registration No. 4-2007-012707 is hereby **DISMISSED**. 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 SEP 2016.


ADORACION U. ZARE
Adjudication Officer
Bureau of Legal Affairs

⁹ Exhibit "G-1"

¹⁰ G.R. No. 183404, 13 October 2010

¹¹ Ibid