

**ROCKWELL CORPORATION,**  
*Petitioner,*

**-versus-**

**MICHAEL LLOYD L. DINO,**  
*Respondent-Registrant.*

x-----x

**IPC No. 14-2012-00192**  
Petition for Cancellation of:

Reg. No. 4-2010-006090  
Date Issued: 24 March 2011

**TM: EDADES**

**NOTICE OF DECISION**

**QUIASON MAKALINTAL BAROT TORRES  
IBARRA & SISON**

*Counsel for Petitioner*  
21<sup>st</sup> Floor, Robinsons-Equitable Tower  
4 ADB Avenue corner Poveda Street,  
1605 Ortigas Center, Pasig City

**ALVAREZ NUEZ GALANG ESPINA & LOPEZ**

*Counsel for Respondent- Registrant*  
Suite 904, 9<sup>th</sup> Floor, Cebu Holdings Center  
Cebu Business Park-Ayala,  
6000 Cebu City

**GREETINGS:**

Please be informed that Decision No. 2016 - 526 dated 23 December 2016 (copy enclosed) was promulgated in the above entitled case.

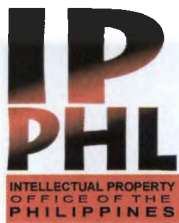
Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 06 January 2017.

**MARILYN F. RETUAL**  
IPRS IV  
Bureau of Legal Affairs

**Republic of the Philippines  
INTELLECTUAL PROPERTY OFFICE**

Intellectual Property Center # 28 Upper McKinley Road, McKinley Hill Town Center, Fort Bonifacio,  
Taguig City 1634 Philippines • [www.ipophil.gov.ph](http://www.ipophil.gov.ph)  
T: +632-2386300 • F: +632-5539480 • [mail@ipophil.gov.ph](mailto:mail@ipophil.gov.ph)



ROCKWELL CORPORATION,	}	IPC No. 14-2012-00192
	<i>Petitioner,</i>	
	}	Cancellation of:
	}	Registration No. 4-2010-006090
-versus-	}	Issued On: 24 March 2011
	}	Trademark: "EDADES"
MICHAEL LLOYD L. DINO,	}	
	<i>Respondent-Registrant.</i>	
x-----x	}	Decision No. 2016- <u>526</u>

**DECISION**

ROCKWELL CORPORATION<sup>1</sup> ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2010-006090. The registration, issued in favor of Michael Lloyd L. Dino<sup>2</sup> ("Respondent-Registrant"), covers the mark "EDADES" for use as or to "engaged in the business of realty, namely, townhouses, townhomes, subdivisions, condominiums" under Class 36 of the International Classification of Goods and Services.<sup>3</sup>

The Petitioner alleges:

x x x

"3. The petition seeks to cancel respondent's Registration No. 4-2010-006090 for EDADES, pursuant to Section 151 of Republic Act 8293, otherwise known as the Intellectual Property Code of the Philippines (the 'IP Code'), which accords to the aggrieved party, like the petitioner, the right to cancel a trademark registration that impairs ones IP rights over the disputed trademark, or was obtained 'fraudulently' or 'contrary to the provisions of Act'.

"4. To further substantiate petitioner's claim against respondent, petitioner encloses herewith the: Affidavit of Julius A. Marzona, Vice President for Project Development, as Exhibit 'A'; Affidavit of Patricia T. Rufino, Design Manager, as Exhibit 'B'; Affidavit of Vienn C. Tionglico, Marketing Manager, as Exhibit 'C'; and Affidavit of Nemesio O. Rodriguez, the IP investigator engaged by petitioner in connection with respondent's illegal appropriation of petitioner's EDADES trademark, as Exhibit 'D'.

"5. Petitioner also encloses herewith the Secretary's Certificate to attest to the authority of the signatories hereof.

<sup>1</sup>A corporation organized and existing under the laws of the Republic of the Philippines, with principal place of business at the Rockwell Information Center, Rockwell Drive, Makati City, Philippines.

<sup>2</sup>With address at No. 41 Paseo Annabelle, Maria Luisa Estate Park, Banilad Cebu City 6000.

<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.

"Petitioner will prove and rely upon the following facts in support of the Petition: That -

"6. Being the rightful owner and prior user of the EDADES trademark in the real estate development of condominiums, real estate management, leasing and related business in the Philippines; having adopted and used the EDADES trademark in its posh residential condominium project, called 'EDADES TOWER AND GARDEN VILLAS' (hereinafter referred to as the 'EDADES Tower') since December 2007, and continuously up to the present, petitioner filed an Application No. 4-2010-011100 to register its 'EDADES TOWER AND GARDEN VILLAS & Device' (hereinafter referred to as the 'EDADES trademark') in real estates services (viz., rental of residential and business spaces, real estate management, real estate leasing in class 36, and real estate development of condominium in class 37), with the Intellectual Property Philippines-Bureau of Trademarks on October 8, 2010. x x x

"7. Petitioner learned of respondent's illegal appropriation of the EDADES trademark when respondent's Registration No. 4-2010-006090 was cited against petitioner's Application No. 4-2010-011100, in which the examiner, Ms. Jennifer Lou Dinopol, issued office actions Paper Number 4 and 6, rejecting the registration of the EDADES trademark. x x x

"8. Petitioner did not that respondent jumped on it the registration of the EDADES trademark until it received the said office actions. Respondent filed Application No. 4-2010-006090 to register the EDADES trademark, also in real estate services (viz., 'engaged in the business of realty, namely, townhouses, townhomes, subdivisions, condominiums in class 36') in June 2010, even if petitioner has been using long before the date the EDADES trademark in its EDADES Tower.

"9. The EDADES in Registration No. 4-2010-006090 is an exact copy of the EDADES in petitioner's Application No. 4-2010-011100 and EDADES Tower. Please observe the disputed trademarks; viz.,

x x x

"10. Petitioner is a premier real estate development company in the Philippines that pioneered in 1995 the construction of luxury residential condominiums, using groundbreaking construction innovations: viz., the lofts, the Z-lofts, the garden Z-lofts, and the garden villas, in a master-planned self contained, high-end living environment - the residential condominiums are called the Amorsolo Square, the Luna Gardens, the Rizal Tower, the Hidalgo Place, The Manansala, the Joya Lofts and Towers, the One Rockwell, and The Grove by Rockwell (hereinafter referred to as the 'signature condominiums').

"11. These signature condominiums were created with a vision that they were masterpieces (works of art in every detail), and made synonymous with luxury and exclusivity in residential condominium way of living, in which petitioner became known in the real estate development industry as the more preferred provider of dwelling places for the high-end and upper-mid markets.

"12. Following the successes of its signature condominiums, petitioner created the EDADES Tower, another upmarket 50-storey residential condominium that incorporated some of petitioner's innovative construction designs (the lofts, the garden

Z-lofts, and the garden villas) and petitioner's signature of luxury and exclusivity in residential condominiums, in December 2007.

"13. Petitioner, not the respondent, is the prior user and rightful owner of the EDADES trademark in the real estate development of condominiums, real estate management, real estate leasing and related services or business in classes 36 and 37, in the Philippines.

"14. Petitioner started actual use of the EDADES trademark particularly in the architectural and/or construction design preparation, obtaining licenses and clearances, pre-construction and construction of the EDADES Tower, in December 2007, and continuously up to the present.

"15. Petitioner invested heavily in construction cost of the EDADES Tower. The EDADES Tower is a PHP 5 Billion business venture, and petitioner is committed to spend this remarkable amount to keep the EDADES Tower on a par not only with its signature condominiums, but also with the most sought after residential condominiums in the world, and to establish and maintain the goodwill and reputation of the EDADES trademark.

"16. Petitioner also invested substantial amount of money in the promotion and marketing of the EDADES trademark in the real estate development of condominiums, real estate management and real estate leasing in the Philippines.

"17. In fact, as against respondent, petitioner was the first to promote and market the EDADES trademark in the real estate development of condominiums and related real estate services, in many forms of print and broadcast media and other forms of marketing campaigns.

"18. Petitioner has earmarked more than two percent (2%) of the total project cost, or close to PHP 150 Million, for the promotion and advertisement of the EDADES trademark and the EDADES Tower in the Philippines and other parts of the globe, in all forms of print and broadcast media and other forms of marketing campaigns, in order to make known to the public its ownership of the EDADES trademark in the real estate development of condominiums and related real estate services or business, and the amenities and quality of lifestyle to expect from the EDADES Tower.

"19. Petitioner posted and conspicuously displayed the EDADES trademark and the EDADES Tower in the World Wide Web, located at <http://www.e-rockwell.com/edades/>, and this website is accessible to all people in the world, including the respondent or the person or entity claiming rights or authority under him or acting with his consent or acquiescence.

"20. As a result of the said aggressive promotional and marketing campaigns of the EDADES trademark and the EDADES Tower, around 453 units of the only 473 sellable units in the EDADES Tower, amounting to more than PHP 7 Billion, have already been sold as of the fourth quarter of 2011.

"22. Considering the resources it invested to acquire and maintain the goodwill and reputation of the EDADES trademark, petitioner will not hesitate to use all available resources within the bounds of the law to exclude any third party, respondent included, from exploiting the EDADES trademark in the real estate development of

condominiums, real estate management, real estate leasing and related services or business in classes 36 and 37, in any part of the globe.

"23. Respondent's illegal appropriation of the EDADES trademark is apparent from respondent's jumping on petitioner the registration of the EDADES trademark in the Intellectual Property Philippines-Bureau of Trademarks.

"24. Petitioner also learned of respondent's illegal appropriation of the EDADES trademark through his likely associates, or those persons or entity that may be claiming rights or authority under him or acting with his consent or acquiescence.

"25. Respondent or his associates constructed and offered for sale to the public a low-cost residential condominium in Cebu City, using petitioner's EDADES trademark in naming the said condominium to Residencia Edades Condominium.

"26. However, respondent's or his associates' actual use, if any, of the said trademark in the said Residencia Edades Condominium was much later than petitioner's actual use of the EDADES trademark. The Residencia Edades Condominium was constructed sometime in the last quarter of 2010, and the pre-selling started in the first quarter of 2011.

"27. Petitioner did not give consent or permission to respondent or his associates to use, commercially or otherwise, or to register the EDADES trademark in the real estate development of condominiums, real estate management, real estate leasing and related services, business or undertaking in classes 36 and 37, in the Philippines or any part in the world.

"28. Petitioner believes that respondent or his associates copied the EDADES trademark from petitioner's website (<http://www.e-rockwell.com/edades/>) or from the paid advertising and promotional materials made available to the public in the extensive marketing campaigns of the EDADES trademark and the EDADES Tower.

"29. It is unlikely that respondent or his associates are unaware of petitioner's extensive marketing campaigns of the EDADES trademark and EDADES Tower, or the former's appropriation of a trademark that is an exact copy of the EDADES in petitioner's Application No. 4-2010-011100 and EDADES Tower is merely a coincidence.

"30. The Residencia Edades Condominium has no affiliation, connection or association whatsoever to any of petitioner's signature condominiums, much less to petitioner or its EDADES trademark and EDADES Tower, and the quality or luxury of the Residencia Edades Condominium, if any, is a far cry from the EDADES Tower.

"31. Respondent's Registration No. 4-2010-006090 will preclude petitioner from obtaining registration of and continue using the EDADES trademark in the Philippines.

"32. The Residencia Edades Condominium is intended to deceive the public or likely to cause confusion or mistake as to its affiliation, connection, or association with petitioner or its EDADES trademark and EDADES Tower, or even petitioner's signature condominiums, or as to the approval by petitioner of respondent's or his associates' business or commercial activities.

"33. Respondent did not cease and desist from exploiting the EDADES trademark in blatant disregard of and in unfair competition with petitioner's clear and prior right to the EDADES trademark.

"Petitioner will rely on the following grounds in the Petition:

"34. Respondent's appropriation of the EDADES trademark contravenes the protection granted to petitioner under the IP Code and trademark jurisprudence.

"35. Petitioner will be damaged by the registration of the EDADES trademark in favor of respondent.

"36. Respondent is not entitled to Registration No. 4-2010-006090, and he or any person or entity claiming rights or authority under him or acting with his consent or acquiescence has no right to appropriate the EDADES trademark, much less to register the said trademark for any product, business, services or undertaking under classes 36 and 37 of the Nice Classification, as the said EDADES trademark has already been appropriated by petitioner, and pursuant to settled jurisprudence rendered by the intellectual property Philippines' Bureau of Legal Affairs, and Office of the Director General, and the Supreme Court, that the right to register a trademark is based on ownership - and rightly so, only the owner of a trademark can register the trademark. Respondent must be the rightful owner of the trademark he is applying for registration, and cannot apply for registration a trademark already appropriated by another. By itself, registration is not a mode of acquiring ownership.

"37. Registration No. 4-2010-006090 did not confer upon respondent an absolute right to the EDADES trademark. Under the IP Code, a trademark registration is only prima facie of the registrant's ownership of the trademark; which simply means, the registrant must be the rightful owner of the trademark, which respondent is not. Evidence of prior use may be presented to overcome the presumption.

"38. Respondent acquired Registration No. 4-2010-006090 in bad faith or fraudulently, since he is not the prior user or the rightful owner of the EDADES trademark in real estate development of condominiums, real estate management, real estate leasing and related services or business in classes 36 and 37, and he has no authority from petitioner to use or register the EDADES trademark. Respondent cannot appropriate and register the EDADES trademark, since petitioner has already appropriated the said trademark.

"39. The EDADES in Registration No. 4-2010-006090 is a knockoff of the EDADES in petitioner's Application No. 4-2010-011100 and EDADES Tower, and respondent copied the said trademark to capitalize on or to take advantage of the goodwill and reputation that petitioner has established in the EDADES trademark, or even the public acceptance of petitioner's other signature condominiums.

"40. Respondent's illegal appropriation of the EDADES trademark, despite having a boundless choice of words or letters or combinations of words or letters in the world to distinguish his business, undertaking or goods, is a clear evidence of bad faith and deception to thwart petitioner's effort to register and continue commercial use of the EDADES trademark in the Philippines, and to take advantage of the goodwill and reputation that petitioner has established in the EDADES trademark, as settled in our jurisprudence; e.g., the American Wire case, Nestle case, and Lacoste case, to name a few.

"41. The reputation and goodwill acquired by or associated with the EDADES trademark are petitioner's invaluable assets that must be protected from all forms of infringement and unfair competition practices.

"42. The issuance of Registration No. 4-2010-006090 to respondent, who is not the rightful owner of the EDADES trademark, will negate the very essence of trademark; e.g., to indicate the origin or ownership of the goods to which they are attached.

"43. Respondent's or his associates' appropriation of the EDADES trademark in naming a low-cost condominium to Residencia Edades Condominium was designed to deceive or mislead the public into believing that the Residencia Edades Condominium or respondent's business originates from or is permitted or sponsored by the petitioner.

The Petitioner's evidence consists of the Affidavit of Julius A. Marzona, Vice President for Project Development; Affidavit of Patricia T. Rufino, Design Manager; Affidavit of Vienn C. Tionglico, Marketing Manager; Affidavit of Nemesio O. Rodriguez, the IP investigator; copy of Application No. 4-2010-011100; and copies of office actions, Paper No. 4 and 6, issued by IPOPHL-Bureau of Trademarks.<sup>4</sup>

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Registrant on 27 April 2012. The Respondent-Registrant filed his Answer on 06 June 2012 and avers the following:

x x x

"STATUTORY GROUNDS AND REFUTATION/  
DEFENSES OF THE CANCELLATION OF  
THE EDADES TRADEMARK

"All the allegations in the preceding paragraphs are pleaded herein by reference as though herein set forth at length.

"10. Victorio Edades (1895-1985) was honored the National Artist Award in Painting acclaimed as 'Classes Fundamentalist' and an icon in Philippines modern art.

"11. Joan Edades is the daughter and only child of Victorio Edades. As the only legatee to her renowned national artist, she has quietly endeavored hubble works that will bring to life reminiscences of her father's drudgery.

"12. As she has been devoting in mission and care home in one remote village, Joan Edades looked for someone who can do her vision.

"13. Respondent Dino and Joan Edades had been doing collaborative efforts to promote the use and utilization of the name EDADES in various commercial and charitable projects long before the start of Residencia Edades and even before the alleged commencement of the pre-construction activities of petitioners Edades Tower in 2007.

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<sup>4</sup>Marked as Exhibits "A" to "F", inclusive.

"14. So that, sometime in 2008 respondent Dino as Executive Vice President of Fifth Avenue Property Development Corporation entered into a Memorandum of Agreement with Joan Edades allowing the use of the name 'Victorio C. Edades or simply 'EDADES' for its proposed condominium project and other building and housing properties.

"15. Sometime thereafter, Joan Edades learned that petitioner had taken steps to use the name of her father Victorio Edades to give its business the distinction and honor that belong to her father. Acting through her lawyers, she wrote letter dated July 25, 2010, which was followed by another letter dated September 20, 2010, asking petitioner to immediately stop carrying on continuing to use the name Edades.

"16. Petitioner replied with arrogance that it is a wrong motion to get the consent from Joan Edades the daughter of the national artist Victorio Edades and brazenly ignored the legitimate act to protect the name EDADES.

"17. Petitioner with bad faith continued flagrant use and exploitation of the EDADES family name with selfish greed to misappropriate and fraudulently appropriate the reputation and honor of the national artist Victorio Edades. It persisted on exploiting the honor and reputation of the National Artist Award in Painting of Victorio Edades to give its condominium project a boast with identity of the 'classis fundamentalist' intellectual property art and works of Victorio Edades by using the EDADES name to equate an affluent signature of its residential condominium, ignoring the notifications and warnings made by Joan Edades the only child of Victorio Edades.

"18. At the time when petitioner filed the disputed Application No. 4-2010-011100 of the EDADES trademark, it knew and it was so situated to know of the lawful ownership of respondent over the name EDADES as in fact petitioner had been notified and warned by Joan Edades to stop using the appropriating the family name EDADES. Notably, petitioner's clear evidence of bad faith is that, despite having been warned, it fraudulently and quietly proceeded to file the disputed Application No. 4-2010-011100 which is an exact copy of the EDADES trademark.

"19. At all times, respondent Dino acquired rights of the EDADES trademark through proper registration with the Intellectual Property Office. The registration of the EDADES trademark constitutes prima facie evidence of its validity and vests him the exclusive right to use the same.

"20. Petitioner has no clear and prior right to the EDADES trademark. It fraudulently, illegally and in bad faith appropriated the EDADES trademark by taking advantage of the good, recognized and distinguished reputation of renowned national artist Victorio Edades. It has no better right to the EDADES trademark as it is not the rightful owner of the same. Respondent Dino acquired and appropriated the EDADES trademark anchored on rightful ownership of the family name EDADES who executed an agreement with respondent to promote and use the family name EDADES of the national artist Victorio Edades for lawful commercial and charitable purposes.



"21. Petitioner acted with bad faith in appropriating the EDADES trademark by taking advantage of the good, recognized and distinguished reputation of the family name EDADES and the renowned national artist Victorio Edades. Petitioner fraudulently appropriated the EDADES trademark with greed and selfish motive and its appropriation was designed to deceive and misled the public that it is the rightful owner of the EDADES trademark.

"22. That petitioner is a premier real estate development company, pioneering industry and leader in luxury signature residential condominiums with billions project construction cost and multi-million investment costs for promotion and advertisements is not a license to permit illegal appropriation, exploitation and abuse of the EDADES trademark. Moreover, simply because the project which the EDADES trademark of respondent was put to actual use is low-cost condominium, it is not a legal justification that would warrant cancellation EDADES trademark registration.

"23. It is no justification either for petitioner to insist that it can take away and appropriate the family name EDADES just because the project which the EDADES trademark of respondent was put to actual use is low-cost condominium. No amount of huge construction and investment costs in aggressive promotion and advertising will validate much less justify the illegal appropriation by petitioner of the EDADES trademark within the legal and protectable sense.

"24. Respondent Dino and Joan Edades had been doing collaborative efforts to promote the use and utilization of the name EDADES in various commercial and charitable projects long before the start of Rresidencia Edades and even before the alleged commencement of the pre-construction activities of petitioners Edades Tower in 2007.

"25. Sometime in 2008, prior to the EDADES trademark application, respondent Dino as Executive Vice President of Fifth Avenue Property Development Corporation entered into a Memorandum of Agreement with Joan Edades allowing the use of the name 'Victorio C. Edades or simply 'EDADES' for its proposed condominium project and other building and housing projects.

"26. Relevantly, Residencia Edades is a project of Fifth Avenue Property Development Corporation (hereinafter Fifth Avenue) which is corporation duly organized and existing under Philippine laws. Subject to proper action it will pursue as a corporate entity, Fifth Avenue will establish that the conceptualization, design, architectural works, planning and pre-construction works of Residencia Edades started before 2007 including its marketing and promotion activities.

"27. In fact, the EDADES trademark of respondent has been put to actual use. Residencia Edades is among the products and services in which the EDADES trademark registration has been put to actual use.

The Respondent-Applicant's evidence consists of a copy of the Memorandum of Agreement executed between Fifth Avenue Property Development Corporation and Joan Edades dated 08 August 2008; a copy of the demand letter dated July 25, 2010 sent to the President & CEO of Edades Town and Garden Villas of Rockwell Land Holdings; a copy of the letter dated September 20, 2010 sent to Mr. Nestor Padilla, President of

Rockwell Land Corporation; copy of the letter dated 30 September 2010 sent to Atty. Deolito L. Alvarez of Alvarez Nuez Galang Espina & Lopez Law Offices; MAV Victorio Edades Philippine Daily Inquirer, January 10, 2010 issue and the Special Power of Attorney appointing Michael Lloyd L. Dino as Joan Edades' attorney-in-fact.<sup>5</sup>

Should Trademark Registration No. 4-2010-006090 be cancelled?

Sec. 151, IP Code, states in part that:

Sec. 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 the registration of the mark under this Act. x x x

This provision allows any person to file a petition to cancel a trademark registration if that person believes that he would be damaged by the registration. Once filed, the cancellation proceeding becomes, basically, a review of the trademark registration in question to determine 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 Petitioner.<sup>6</sup>

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 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.

The trademark registration issued in favor of respondent-registrant constitutes *prima facie* evidence, hence, it is not conclusive and may be overturned by controverting evidence. Because of the presumption of validity, the burden of proof rests on Petitioner to prove that the registration of subject mark was invalid and that the original registrant is not the owner of the subject mark. Petitioner is required to submit substantial evidence to rebut the *prima facie* presumption of validity of Certificate of Registration No. 4-2010-006090.

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<sup>5</sup>Marked as Exhibits "1" to "6", inclusive.

<sup>6</sup>Sec. 154 of the IP Code provides:

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

Section 5 Rule 133 of the Rules of Court provides:

Sec. 5. *Substantial evidence.* - In cases filed before administrative or quasi-judicial bodies, a fact may be deemed established if it is supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion. (n)"

Substantial evidences has been defined as follow:

"Due process in administrative process requires that evidences must be substantial, and substantial evidence means evidence that a reasonable mind might accept as adequate to support a conclusion." (China City Restaurant Corporation vs. NLRC, 217 SCRA 443 (1993) citing Associated Labor Union vs. NLRC, 189 SCRA 743 (1990))

"Substantial evidence which is the quantum of evidence required to establish a fact before administrative and quasi-judicial bodies is that amount of relevant evidence as a reasonable mind might accept as adequate to support a conclusion. It means such evidence which affords a substantial basis from which the fact in issue can be reasonably inferred" (Rubberworld (Phils.), Inc. vs. National Labor Relations Commissions, 175 SCRA 450); or "as adequate to justify a conclusion" (Remo Foods, Inc. vs. National Labor Relations Commission, 249 SCRA 379; Fulgeura vs. Linsangan, 251 SCRA 264).

In the case of Emerald Garment Manufacturing Corporation vs. Court of Appeals, 251 SCRA 600 (1995), the Supreme Court ruled:

"The findings of facts of the Director of Patents are conclusive upon the Supreme Court provided they are supported by substantial evidence citing "Unno Commercial Enterprises, Inc. vs. General Milling Corp., 120 SCRA 804 91983; Kabushiki Isetan vs. Intermediate Appellate Court, 203 SCRA 583 (1991)."

It is also a basic rule of evidence that each party must prove his affirmative allegations. If he claims a right granted by law, he must prove his claim by competent evidence, relying on the strength of his own evidence and not upon the weaknesses of that of his opponent. The test for determining on whom the burden of proof lies is found in the result of an inquiry as to which party would be successful if no evidence of such matters will be given." (Lolita Lopez vs. Bodega City, et. al., G.R. No. 155731, 03 September 2007, citing Martinez vs. National Labor Relation Commission, 339 Phil. 176, 183 (1997); Rufina Patis Factory vs. Alusitain, G.R. No. 146202, 14 July 2004, 434 SCRA

418, 428; Imperial Victory Shipping Agency vs. National Labor Relation Commission, G.R. No. 84672, 05 August 1991, 200 SCRA 178, 185)

In evaluating the facts of the record and weighing the evidence presented, this Bureau must first determine or make a finding on the similarity or dissimilarity of the two marks. The marks are shown below:

*Petitioner's mark*

*Respondent-Registrant's trademark*

As can be readily observed with a side-by-side comparison of the competing marks, Respondent-Registrant's mark ED ADES is not only similar, but is identical with Petitioner's ED ADES TOWER AND GARDEN VILLAS & DEVICE mark. The fact that the Respondent-Registrant's mark ED ADES is a word mark without any device is of no moment, without the fanciful representation of beginning letter E in Edades in colored font in Opposer's ED ADES, the two marks are perfectly identical. Also, the Respondent-Registrant uses or will use the mark on services that are exactly the same as the services the Petitioner deal in, particularly, real estate development of condominiums or related real estate services or business in Classed 36 and 37. Thus, it is likely that the consumers will have the impression that these services 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>7</sup>

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related services, but utilized by

<sup>7</sup> Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

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>8</sup>

Records show that Respondent-Registrant's filing of its trademark application for EDADES on 07 June 2010 preceded the Petitioner's trademark application (08 October 2010). 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>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:

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<sup>8</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).

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

<sup>10</sup>G.R. No. 183404, 13 Oct. 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 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 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 and underscoring supplied)

In this instance, the Opposer proved that it is the originator and prior user of the contested mark. As stated, "Petitioner started actual use of the EDADES trademark, particularly in the architectural and/or construction design preparation, obtaining licenses (License to Sell No. 22772 issued by HLURB in 2009<sup>11</sup>) and clearances (Clearance issued by Barangay Poblacion in 2009<sup>12</sup>), pre-construction and construction of the EDADES Tower, in December 2007, and continuously up to the present"<sup>13</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.

Based on the foregoing and considering that Petitioner is the originator and prior user of the EDADES TOWER AND GARDEN VILLAS & DEVICE mark, this Bureau resolves to grant Petitioner's petition to cancel Certificate of Registration No. 4-2010-006090 for the mark "EDADES" for use as or to "engaged in the business of realty, namely, townhouses, townhomes, subdivisions, condominiums" under Class 36.

**WHEREFORE**, premises considered, the instant Petition for Cancellation is hereby **GRANTED**. Accordingly, Certificate of Registration No. 4-2010-006090 issued on 24 March 2011 for the trademark "EDADES" for use as or to "engaged in the business of realty, namely, townhouses, townhomes, subdivisions, condominiums"

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<sup>11</sup> Exhibit "T" for the Petitioner.

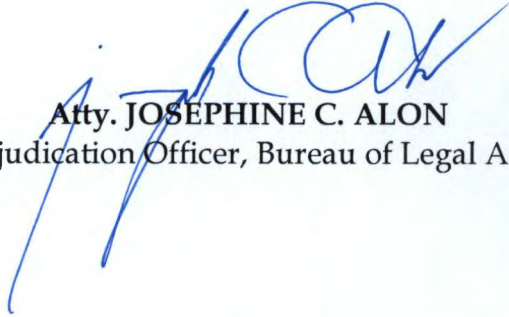
<sup>12</sup> Exhibit "R" for the Petitioner.

<sup>13</sup> Paragraph 14 of the Petition for Cancellation.

under Class 36, is hereby **CANCELLED**. Let the filewrapper of the subject trademark registration be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 23 DEC 2016.

  
**Atty. JOSEPHINE C. ALON**  
Adjudication Officer, Bureau of Legal Affairs