

**TENACITY AUTO PARTS CO. LTD.,**  
*Petitioner,*

**-versus-**

**WARREN S. YU,**  
*Respondent-Registrant.*

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**IPC No. 14-2016-00376**  
Cancellation of:  
Reg. No. 4-2013-014719  
Date Filed: 27 March 2014

**TM: TENACITY**

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**NOTICE OF DECISION**

**SAPALO VELEZ BUNDANG & BULILAN**

*Counsel for Petitioner*  
11<sup>th</sup> Floor, Security Bank Centre  
6776 Ayala Avenue, Makati City

**WARREN S. UY**

*Respondent- Registrant*  
No. 8165-J, Dr. A. Santos Avenue  
Parañaque City

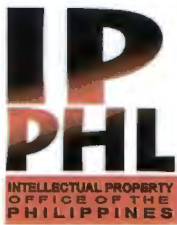
**GREETINGS:**

Please be informed that Decision No. 2017 - 222 dated 13 June 2017 (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, 14 June 2017.

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



TENACITY AUTO PARTS CO. LTD.,  
*Petitioner,* }  
 -versus- }  
 WARREN S. YU,  
*Respondent-Registrant.* }  
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IPC No. 14-2016-00376  
 Cancellation of:  
 Reg. No. 4-2013-014719  
 Date Issued: 27 March 2014  
 Trademark: "TENACITY"  
 Decision No. 2017- 222

**DECISION**

TENACITY AUTO PARTS CO. LTD.<sup>1</sup> ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2013-014719. The registration, issued in favor of Warren S. Yu<sup>2</sup> ("Respondent-Registrant"), covers the trademark "TENACITY" for use on "automotive parts namely: Engine mount, shock mounting, engine support, muffler support, suspension bushing, stabilizer bushing and strut bushing" under Class 12 of the International Classification of Goods and Services.<sup>3</sup>

The Petitioner alleges:

x x x

"1. Petitioner is the original proprietor and exclusive owner of the trademark 'TENACITY', as it is the first to adopt the use of the 'TENACITY' trademark, not only in the Philippines, but around the world.

"1.1. Petitioner TENACITY AUTO PARTS CO. LTD., the true proprietor of the 'TENACITY' trademark, first adopted the use of the 'TENACITY' trademark to describe the quality of their product and coincide with Taiwanese culture. The company, found in 1973 in Hsinchu, Taiwan, prides itself not only in being a professional rubber to metal part manufacturer, but also a premier aftermarket supplier for rubber parts and suspensions.

"1.2. As a brand, Petitioner TENACITY AUTO PARTS CO. LTD.'s main line of products, all bearing the "TENACITY" trademark are rubber parts, specifically engine mounts, strut mounts (suspensions), arm bush, air intake hoses and stabilizer bushes for different car manufacturers. TENACITY AUTO PARTS CO. LTD. also produces rubber and metal parts for ball bearings, muffler mounts, rear differential mounts, shock dust cover, and steering bushes, among other products, all of which bear the "TENACITY" trademark.

<sup>1</sup>With principal place of business at No. 119, Sec. 4 Dongda Rd., North District, Hsinchu City 30058, Taiwan.

<sup>2</sup>With address at 8165-J Dr. A. Santos Ave., Paranaque City, 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.

"1.3. As of the year 2016, TENACITY AUTO PARTS CO. LTD.'s continues to innovate, creating new products to cater to different new and existing car models.

"2. To make TENACITY AUTO PARTS CO. LTD.'s products more distinguishable in the market, the company decided to design a mark exclusively for their products. The mark took into consideration the concept coined as the 'Unique life of Tenacity'; a group of people committed to facing challenge, make product quality their responsibility. The 'TENACITY' trademark uses a very specific application, as to drawing method of the stylized letter 'T', the use of Chinese characters and English word marks, as seen in the reproduction of the mark below: x x x

"2.1. In order to protect its interest, TENACITY AUTO PARTS CO. LTD. started filing for trademark registration of the 'TENACITY' trademark, first in its home country of Taiwan, then to other countries in the world. Apart than Taiwan, TENACITY AUTO PARTS CO. LTD., has been granted trademark registration for their 'TENACITY' trademark in China, the USA, the European Union, United Arab Emirates and Saudi Arabia. Likewise, applications for trademark registration have been made in the countries of Panama, Salvador, Guyana, Trinidad and Tobago, Thailand, Malaysia, Kazakhstan and Russia.

"2.2. When TENACITY AUTO PARTS CO. LTD. sought to register their 'TENACITY' trademark in the Philippines; they were surprised that one of its clients, Respondent-Registrant WARREN S. YU, filed an application for the registration of the 'TENACITY' trademark on December 9, 2013 without the consent of Respondent-Registrant, as shown by Trademark Application No. 42013014719 filed for 'automotive parts, namely: engine mount, shock mounting, engine support, muffler support, suspension bushing, stabilizer bushing and strut bushing.' Respondent-Registrant's application for trademark registration of the 'TENACITY' mark was granted on March 27, 2014, notwithstanding the fact that Petitioner owns the 'TENACITY' mark by reason of its prior registration and use.

"3. The date of the first use of Petitioner's 'TENACITY' trademark, both in the Philippines and abroad for 'automotive parts, namely: engine mount, shock mounting, engine support, muffler support, suspension bushing, stabilizer bushing and strut bushing,' among others, was much earlier than the date of first use of Respondent-Registrant's identical and confusingly similar 'TENACITY' mark. In fact, Respondent-Registrant obtains its supplies for sale in the Philippines from Petitioner. Hence, before Respondent-Registrant can have any commercial use with regard to the products, he must first acquire supplies from Petitioner.

"3.1. On October 10, 2010, Petitioner's 'TENACITY' brand of products successfully entered into the Philippine market when Petitioner consigned a substantial amount of its products to Multimotors Auto Parts Inc., (MMC Trading Inc.)

"4. The 'TENACITY' mark of Respondent-Registrant is composed of a full reproduction of the 'TENACITY' trademark of Petitioner, without any change on the letters comprising the word, or the stylized letter 'T'. A reproduction of the two marks is provided below: x x x

"4.1. As previously explained, the 'TENACITY' mark found in Petitioner and Respondent-Registrant's marks were derived from Petitioner TENACITY AUTO PARTS CO. LTD. Thus, Petitioner has a better right to the word 'TENACITY' than Respondent-

Registrant, not only because it filed a trademark registration earlier than Respondent-Registrant, but also because the former's adoption of the 'TENACITY' trademark is legitimate and done in good faith.

"Respondent-Registrant, apart from being a client of Petitioner TENACITY AUTO PARTS CO. LTD., has no legitimate connection, neither to the company nor the 'TENACITY' mark.

"4.2 In addition, the goods covered by Respondent-Registrant's 'TENACITY' mark are similar and/or related to the goods carrying Petitioner's 'TENACITY' trademark. The goods of both Respondent-Registrant's and Petitioner's 'TENACITY' mark are all under Class 12 and are all spare parts of cars.

"The similarity of goods between Respondent-Registrant and Petitioner covered by the 'TENACITY' mark should not come as a surprise, as Respondent-Registrant was a client of Petitioner. As the latter supplies the goods of the former, it necessarily follows that Respondent-Registrant will sell the same, similar or related goods carrying identical, similar and related trademarks.

"By reason of this identity and confusing similarity of goods bearing identical/similar trademarks, confusion of business and/or the origin of goods are highly likely. The consuming public would think that ALL the goods of Respondent-Registrant bearing the 'TENACITY' trademark come from Petitioner, even in instances when they actually do not.

"5. The Philippines, as a declaration of principle, adopts to the generally accepted principles of international law as part of the law of the land, and adheres to the policy of peace, equality, justice, freedom, cooperation and unity with all nations. In the same vein, Sections 3 and 160 of the Intellectual Property Code grant a right in favor of Petitioner to seek redress, insofar as it states that: x x x

"The Philippines and Taiwan (Chinese Taipei) are both a members and/or signatories to the World Trade Organization, which adherer to the principle of reciprocity among nations who chose to be bound by the same.

"5.1 As Respondent-Registrant's 'TENACITY' mark is confusingly similar to that of Petitioner's 'TENACITY' mark, Respondent-Registrant's mark fails to qualify for trademark registration, being violative of Subsection 123.1 (d) and (e), in relation to Section 151 of the Intellectual Property Code, to wit: x x x

"5.2 The grant of registration of Respondent-Registrant's 'TENACITY' mark, notwithstanding its identity and confusing similarity to a mark with an application filed earlier and belonging to a different proprietor, leaves no doubt that said registration was obtained fraudulently or contrary to the provisions of the Intellectual Property Code of the Philippines, particularly subsections 123 (d) and (e) in relation to Section 151.1(b).

"6. Respondent-Registrant is a client of Petitioner since the year 2013, with the latter initially offering its products for sale to Respondent-Registrant. Following the exchange of correspondence between the parties, Petitioner started supplying Respondent-Registrant with its products through various consignees. Initially, the goods of Petitioner were consigned to MMC Trading Inc. Subsequently, the goods were consigned to Amonrah Enterprises, as requested by Respondent-Registrant, who was

Petitioner's client at the time. This relationship between Petitioner and Respondent-Registrant proved to be both harmonious and mutually beneficial, as what initially were quotations were coming from the latter turned into actual sales for Petitioner.

"7. However, on December 9, 2013, Respondent-Registrant applied for the trademark registration for the 'TENACITY' mark, without the prior consent of Petitioner, believing that the same would have no adverse effect to the brand established in Taiwan.

"8. Petitioner, surprised by the move of Respondent-Registrant, in an attempt to keep the working relationship between Petitioner and Respondent-Registrant, sought to have the 'TENACITY' mark assigned to their name. However, despite earnest efforts taken by Petitioner, Respondent-Registrant remained adamant in keeping the trademark registration in his name, and effectively terminated the once harmonious relationship between Petitioner and Respondent-Registrant.

"9. Clearly, the act of Respondent-Registrant in registering the 'TENACITY' mark in his name is fraudulent. Despite Respondent-Registrant being fully aware that he is not the owner of the 'TENACITY' mark, he registered the mark in his name and without the consent of Petitioner. This is coupled with Respondent-Registrant's mark being confusingly similar to Petitioner's 'TENACITY' mark, from which Respondent-Registrant is purchasing his supplies. Respondent-Registrant's scheme should not be given the appearance of legitimacy by allowing this country's Intellectual Property system to protect the illegitimate use of the 'TENACITY' mark and depriving its rightful owner - Petitioner herein from fully benefitting from its 'TENACITY' trademark, without having said mark diluted.

"10. The 'TENACITY' trademark of Petitioner is used both in the Philippines and worldwide on various products of Petitioner, is registered and protected in the name of Petitioner in the following countries: x x x

"10.1 Moreover, Petitioner has invested a great amount of resources in the promotion of its 'TENACITY' mark. Consequently, the products carrying the 'TENACITY' mark has received the reputation of being high in quality, and has been recognized in several parts of the world.

"Petitioner's 'TENACITY' mark is well-known internationally and in the Philippines, taking into account the knowledge of the relevant sector of the public, as being trademarks owned by Petitioner. Pursuant to Subsection 123 (d) and (e) on registrability of the Intellectual Property Code, Petitioner's 'TENACITY' trademark, for being internationally well-known trademarks, are protected in this country even without registration. Petitioner's right to said 'TENACITY' trademark, applied for registration by Petitioner's client and distributor Respondent-Registrant, who is likewise well aware that the trademark 'TENACITY' is wholly owned by Petitioner - the product's manufacturer, and in fact, the direct supplier of the products that Respondent-Registrant sold and is still selling.

"11. Of equal importance to point out is the fact that Petitioner's 'TENACITY' trademark is part of its trade name, TENACITY AUTO PARTS CO. LTD. As such, following the pronouncement of the Supreme Court in the case of Ecole de Cuisine Manille (Cordon Bleu of the Philippines) vs. Renard Cointreau & Cie and Le Cordon Bleu Int'l B.V., protection is afforded to a trade name, without the need to file for registration, and whether or not the trade name forms part of the trademark. In the said case, the

High Court ruled that respondents had a better right to register the mark 'LE CORDON BLEU & DEVICE' held that: x x x

The Petitioner's evidence consists of a copy of the Power of Attorney executed by the Petitioner in favor of Sapalo Velez Bundang & Bulilan Law Offices; and the Affidavit of Atty. Michael Andrew G. Malvar, associate lawyer of Sapalo, Velez, Bundang and Bulilan Law Offices attaching therewith a copy of Tenacity Auto Parts Co. Ltd.'s sales presentation, a copy of the list of the new products offered by Tenacity Auto Parts Co. Ltd for 2014 and 2015, copies of Tenacity Auto Parts Co. Ltd.'s "Rationale of design" for the "TENACITY" trademark and its English Translation, a copy of the Certificate of Registration of Tenacity Auto Parts Co. Ltd.'s "TENACITY" mark in Taiwan; copies of the commercial invoices in favor of Warren S. Yu by Tenacity Auto Parts Co. Ltd., copies of the Packing/Weight List and Commercial Invoice with MMC Trading Inc. as consignee, a copy of the Bill of Lading with MMC Trading Inc. as consignee, a copy of the Bill of Lading with Amonrah Enterprises as consignee, a copy of the Proforma Invoice in favor of Warren S. Yu; copies of the Commercial Invoice and Packing/Weight list, and copies of the registration certificates for China, USA, EU, UAE and Saudi Arabia.<sup>4</sup>

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Registrant on 15 September 2016. Said Respondent-Registrant, however, did not file an Answer.

Should Trademark Registration No. 4-2013-014719 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>5</sup>

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<sup>4</sup> Marked as Exhibits "1" and "2", inclusive.

<sup>5</sup>Sec. 154 of the IP Code provides:

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. 4-2012-010532.

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:

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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 of any person in interest of record shall terminate. Notice of cancellation shall be published in the IPO Gazette. (Sec. 19, R.A. No. 166a)

"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 TENACITY is not only similar, but is identical with Petitioner's TENACITY trademark. The two marks are perfectly identical. Also, the Respondent-Registrant uses or will use the mark on goods that are exactly the same as the goods the Petitioner deals in, particularly, spare parts of cars under Class 12. 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>6</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>7</sup>

Records show that Respondent-Registrant's filing of his Philippine trademark application for TENACITY on 09 December 2013 preceded the Petitioner's trademark application in the Philippines (28 October 2015), but Petitioner raises the issues of trademark ownership, fraud and bad faith on the part of the Respondent-Registrant.

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>8</sup> The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is

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<sup>6</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al.*, G.R. No. L-27906, 08 Jan. 1987.

<sup>7</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Eihepa 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>8</sup> See Sec. 236 of the IP Code.

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>9</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 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. As stated, "Petitioner, TENACITY AUTO PARTS CO. LTD., the true proprietor of the "TENACITY" trademark, first adopted the use of the "TENACITY" trademark to describe the quality of their product and coincide with Taiwanese culture. The company, founded in 1973 in Hsinchu, Taiwan, prides itself not only in being a professional rubber to metal part manufacturer, but also a premier aftermarket supplier for rubber parts and suspensions x x x To make TENACITY AUTO PARTS CO. LTD.'s products more distinguishable in the market, the company decided to design a mark exclusively for their products. The mark took into consideration the concept coined as the "Unique life of Tenacity"; a group of people committed to facing challenge, make product quality their responsibility. The "TENACITY" trademark uses a very specific application, as to drawing method of the stylized letter "T", the use of Chinese characters and English word marks, x x x "<sup>10</sup> In contrast, the Respondent-Registrant despite the opportunity given, did not file an Answer to defend his trademark registration and to explain how he arrived at using the mark TENACITY which is exactly the same as the Petitioner's. In fact, TENACITY is not only a trademark but

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<sup>9</sup> G.R. No. 183404, 13 Oct. 2010.

<sup>10</sup> Paragraphs 1.1 and 2 of the Petition.

also part of the Petitioner's trade name or business name. Trade names or business names are protected under Section 165 of the IP Code. It is incredible for the Respondent-Registrant 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>11</sup>

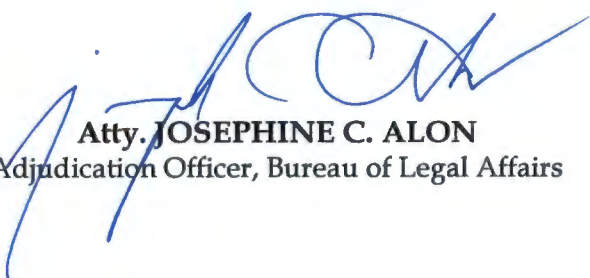
The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign 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 owner of the TENACITY mark, this Bureau resolves to grant Petitioner's petition to cancel Certificate of Registration No. 4-2013-014719 for the mark "TENACITY" for use on "*automotive parts namely: Engine mount, shock mounting, engine support, muffler support, suspension bushing, stabilizer bushing and strut bushing*" under Class 12.

**WHEREFORE**, premises considered, the instant Petition for Cancellation is hereby **GRANTED**. Accordingly, Certificate of Registration No. 4-2013-014719 issued on 27 March 2014 for the trademark "TENACITY" for use on "*automotive parts namely: Engine mount, shock mounting, engine support, muffler support, suspension bushing, stabilizer bushing and strut bushing*" under Class 12, 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, 13 JUN 2017.

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

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<sup>11</sup> *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.