



INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES

**EBIUS TRADING AND DISTRIBUTION COMPANY,** }  
doing business as **EASTERN BIKES, INC.** and }  
**PREMIUM CYCLE BRANDS LTD.,** }  
*Opposer,* }

**-versus-**

**WILLIAM MONZON,** }  
*Respondent-Applicant.* }

X-----X

**IPC No. 14-2014-00110**

Opposition to:

Appln. Serial No. 4-2013-008826  
Date Filed: 25 July 2013

**TM: EASTERN BIKE**

**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2017 - 373 dated 09 November 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, 10 November 2017.

  
**MARILYN F. RETUTAL**  
IPRS IV

Bureau of Legal Affairs

**EBIUS TRADING AND DISTRIBUTION  
COMPANY** doing business as **EASTERN  
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**IPC NO. 14-2014-00110**

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Date Filed: 25 July 2013  
Trademark: **EASTERN BIKE**

Decision No. 2017 - 378

## DECISION

EBIUS TRADING & DISTRIBUTION COMPANY doing business as EASTERN BIKES, INC.<sup>1</sup> and PREMIUM CYCLE BRANDS LTD. ("Opposer") filed an Opposition to Trademark Application Serial No. 4-2013-008826. The application, filed by WILLIAM MONZON<sup>2</sup> ("Respondent-Applicant") covers the mark **EASTERN BIKE** for use on "*a full of structural bicycle parts, wheel, seats, handle bars, bicycle chains, wheel hubs, cranks, sprockets, bottom brackets, brakes, rake levers, shifters, derailleur, drive trains, pedal, shock absorbers, forks, axels, seat posts, frames and stems*" under Class 12 of the International Classification of goods<sup>3</sup>.

The Opposer alleges the following grounds:

"1. The registration of the EASTERN BIKE trademark is contrary to the provisions of Section 123.1 (e) of Republic Act No. 8293, as amended. xxx.

"2. Respondent-Applicant's EASTERN BIKE trademark is identical and/or confusingly similar to the Opposer's EASTERN BIKES trademark in terms of appearance, spelling, pronunciation and design as to be likely to deceive or cause confusion.

xxx

"3. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293. xxx

xxx

<sup>1</sup> A corporation organized and existing under the laws of U.S.A with address at Ebius Trading and Distributing, 1140 Kildaire Farm Road, Suite 104 Cary, North Carolina 27511, U.S.A.

<sup>2</sup>A Filipino citizen with address at Kristel Cycle Center, 286 P. Sevilla Street, 8th Avenue, Caloocan City.

<sup>3</sup>The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

"4. Opposer is the owner of and has the exclusive rights over the EASTERN BIKES trademark. Opposer has several trademark registrations and/or applications over the EASTERN BIKES trademark in various countries in the world. Opposer, however, does not have trademark application or registration for the EASTERN BIKES trademark in the Philippines.

xxx

"6. Over the years, the Opposer has carried out high profile advertising and promotion of EASTERN BIKES trademark in various media, including television commercials, outdoor advertisements, print publications, and various promotional events. Opposer also maintains a website at <http://easternbikes.com> which can be accessed worldwide.

"7. By reason of the above mentioned trademark registrations of the Opposer over the EASTERN BIKES trademark and the comprehensive use of the EASTERN BIKES trademark, the EASTERN BIKES trademark of the Opposer can be considered as an internationally well-known mark.

"8. Respondent's EASTERN BIKE trademark application is identical and confusingly similar to the Opposer's world famous and internationally well-known EASTERN BIKES trademark. The appearance, spelling, pronunciation and design of the mark subject of this opposition is identical to that of the Opposer's EASTERN BIKES trademark. Ostensibly, one might mistake the mark subject of this opposition as one and the same as Opposer's EASTERN BIKES trademark. From the foregoing, there is no doubt that Respondent copied the EASTERN BIKES trademark of the Opposer. The registration of the mark subject of this opposition will effectively dilute and diminish the unique EASTERN BIKES trademark of the Opposer. Hence, the registration of the mark subject of this opposition is contrary to Republic Act No. 8293.

"9. Opposer is the first user and owner of the well-known EASTERN BIKES trademark. Hence, Respondent's application for an identical mark clearly shows that he merely copied it and did not adopt and original mark. His application was therefore made in bad faith. xxx

xxx

If a trademark registration obtained fraudulently or in bad faith may be cancelled xxx with more reason should a pending application made in bad faith be denied registration.

"10. The registration of the mark subject of this opposition will constitute a violation of Article *6bis* and *10bis* of the Paris Convention in conjunction with Sections 3, 123.1 (e) of Republic Act No. 8293.

xxx

"12. The Opposer has not consented to the Respondent's use and registration of another mark exactly identical to the EASTERN BIKES trademark.

"13. The Respondent's use of the mark subject of this opposition on goods in class 12 will mislead the purchasing public into believing that the Respondent's goods are produced by, originate from, or under the sponsorship of the Opposer. Potential damage to the Opposer will also be caused as a result of its inability to control the quality of the products offered or put on the market by Respondent under the EASTERN BIKE trademark.

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

xxx

"15. In addition to the legal grounds above, the Respondent's application for the EASTERN BIKE mark violates the exclusive rights to the trade name of the Opposer, contrary to the provisions of Section 165.2 of Republic Act 8293. xxx

xxx

Since EASTERN BIKE constitute the trade name of the Opposer, Respondent may not appropriate or copy such trade name as a trademark.

"16. The denial of the application subject of this opposition is authorized under the other provisions of Republic Act No. 8293."

The Opposer's evidence consists of the following:

1. Legalized and authenticated Affidavit of Michael Corley;
2. Certified copies of certificates of registration for the mark EASTERN BIKES in U.S.A., Canada, Japan, Malaysia and Korea;
3. Samples of promotional activities conducted by Opposer for EASTERN BIKES;
4. Copy of the Articles of Incorporation of Eastern Bikes, Inc.; and
5. Special Power of Attorney.

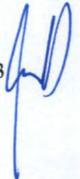
This Bureau issued on 28 May 2014 a Notice to Answer and served it thru DHL on 04 June 2014 to Respondent-Applicant. After several motions for extension of time, Respondent-Applicant filed the Verified Answer on 08 November 2011 alleging the following Special and Affirmative Defenses:

"20. As admitted by Opposer itself, it has not applied for registration nor registered the mark ' EASTERN BIKES' and LOGO in the Philippines.

"21. Considering that the mark EASTERN BIKES and Logo was not applied for or registered in favor of any person or entity, including the Opposer, it has no exclusivity of use or protection.

xxx

"23. When the Respondent-Applicant applied for the registration of the subject mark on 25 July 2013, upon the advice of the staff of the Intellectual Property Office, he conducted a search in the IPOPHL Trademark search database and found no trademark application or registration for the subject mark and most notably, when the application was examined by the trademark examiner, there was no cited mark against the registration of the subject mark. Hence, it was recommended for allowance.

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"24. The examination of Respondent-Applicant's application for trademark reveal that he is entitled to have his mark registered hence his application was recommended for allowance for publication.

xxx

"25. Opposer claims that it is the owner of and has exclusive rights over the EASTERN BIKES and that the Opposer has several trademark registrations and/or application over the EASTERN BIKES trademark in various countries in the world. However, it does not even have a trademark application or registration for the EASTERN BIKES trademark in the Philippines, hence, it has no right to be protected in the Philippines.

xxx

"26. In order to be afforded protection and seek refuge under Sections 123 and 123.1 (e), as Opposer's EASTERN BIKES and LOGO is neither applied for nor registered under Philippine laws, it must be declared or considered by competent authority in the Philippines to be well-known internationally and in the Philippines and must comply with the requirement or criteria for determining well known marks under Rule 102 of the Rules and Regulations on Trademark.

"27. Opposer's claim that its mark EASTERN BIKES is an internationally well-known mark must have to be proven by clear and convincing evidence since it affects the substantive rights of Respondent-Applicant who was the first to file and use the trademark EASTERN BIKE and LOGO in commerce in the Philippines, as an owner of a mark declared by a competent authority in the Philippines to be internationally well-known is given a much broader protection than an ordinary owner of the trademark, trade name and service mark.

"28. However, in order to be declared or considered by the competent authority of the Philippines as a well-known mark and bar registration of Respondent -Applicant's EASTERN BIKES and LOGO, Opposer must first comply not only with the provision of Section 123.1 (e) of R.A. 8293 but also to the requirements of Rule 102 of the Rules and Regulations of Trademark Laws.

xxx

" 29. Basic is the rule that Opposer has the onus probandi in establishing and proving that the mark is well known not only internationally but also in the Philippines. However, no document was submitted by Opposer in its Notice of Opposition to prove its claim that the mark EASTERN BIKES is well known not only internationally but in the Philippines.

xxx

"30. Opposer claims that it is the owner of and has the exclusive rights over the EASTERN BIKES and that the Opposer has several trademark registrations and/or applications over the EASTERN BIKES trademark in various countries in the world, which in fact are only in few countries which cannot be considered international. However, it does not even have trademark application or registration in the Philippines, hence, it cannot seek protection under the trademark laws of R.A. 8293 otherwise known as the Intellectual Property Code of the Philippines.



"31. As to Opposer's claim of unfair competition, such claim is unfounded considering that Opposer has no business nor commercial use in the Philippines. Hence, there is no basis in concluding that Opposer will be damaged or its trademark will be diluted or diminished. What is there to protect if there is no business nor commercial use of the trademark in the Philippines?"

To support its contention, Respondent-Applicant's evidence consists of the following:

1. Affidavit of William Monzon;
2. Printout of Trademark Application No. 4-2013-008826 for the mark EASTERN BIKE;
3. Special Power of Attorney; and
4. Printout of IPOPHL TM Search result for Eastern Bike.

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 29 August 2014. However, the parties refused to mediate. On 20 July 2015, Opposer filed a Manifestation and Motion asking that Premium Cycle Brands Ltd. be joined as a party having acquired Eastern Bikes trademarks. Respondent-Applicant filed its Comment/Opposition on 27 July 2015. A Reply and Rejoinder was filed. At the termination of the preliminary conference, the Motion of Opposer was submitted for resolution. On 14 August 2017, Motion of Opposer was granted and the parties were directed to submit position papers. On 04 September 2017, Opposer filed its Position Paper on 04 September. No position paper was submitted by Respondent-Applicant.

Should the Respondent-Applicant be allowed to register the mark "EASTERN BIKE"?

The essence of trademark registration is to give protection to the owners of trademarks. 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>4</sup>

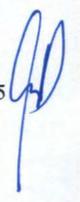
Opposer anchors its opposition of Section 123.1 (e) of the Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), as amended, which provides:

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

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark 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,*

<sup>4</sup>See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.

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That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

Pursuant to the above provision, a mark cannot be registered if it is identical or confusingly similar to a mark which has been declared well-known in the Philippines and internationally by the competent authority in the Philippines. In order to determine whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public including knowledge in the Philippines which is obtained through the promotion of the mark.

The marks of the parties are shown below:



**Opposer's Mark**



**Respondent-Applicant's Mark**

There is no doubt that Respondent-Applicant's mark resembles or is similar to the Opposer's. Respondent-Applicant's mark contains the words "EASTERN BIKE" and a logo which is similar to that of Opposer's. The only difference is that words "Eastern Bikes" and the Logo in Opposer's mark is written inside a geometrical shape whereas this is not so in Respondent-Applicant's. This difference, however, is insignificant because what strikes the eye and sticks to the mind of consumers are the words EASTERN BIKE and the LOGO. As such, the marks of the parties are confusingly similar. However, despite the similarity of the marks of the parties, Opposer failed to sufficiently show that its mark is well-known in the Philippines and internationally. Opposer did not present any evidence to show that its mark EASTERN BIKE is recognized or known in the Philippines through the promotion of the mark in the country. As such, its reliance on Section 123.1(e) has no leg to stand on.

Nonetheless, even if Opposer's mark is not a well-known mark in the Philippines and internationally, still, Respondent-Applicant's mark cannot be registered pursuant Section 165 of the IP Code which provides:

Sec. 165. Trade Names or Business Names. -

x x x

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

Respondent-Applicant's EASTERN BIKE trademark is Opposer's trade name since 1998.<sup>5</sup> Thus, the registration of the Respondent-Applicant's EASTERN BIKE mark, which is confusingly similar to Opposer's trade name, adopted and used prior its application, is contrary to the provisions of the IP Code and is damaging and prejudicial to the best interest of the Opposer.

Further, the application for registration of the EASTERN BIKE mark of Respondent-Applicant was made in bad faith. In *Shangri-la International Hotel Management, Ltd. vs. Developers Group of Companies, Inc.*<sup>6</sup>, the Court said:

To jump from a recognition of the fact that the mark and logo must have been copied to a rationalization for the possibility that both the petitioners and the respondent coincidentally chose the same name and logo is not only contradictory, but also manifestly mistaken or absurd. Furthermore, the "S" logo appears nothing like the "Old English" print that the CA makes it out to be, but is obviously a symbol with oriental or Asian overtones. At any rate, it is ludicrous to believe that the parties would come up with the exact same lettering for the word "Shangri-La" and the exact same logo to boot. As correctly observed by the petitioners, to which we are in full accord:

. . . When a trademark copycat adopts the word portion of another's trademark as his own, there may still be some doubt that the adoption is intentional. But if he copies not only the word but also the word's exact font and lettering style and in addition, he copies also the logo portion of the trademark, the slightest doubt vanishes. It is then replaced by the certainty that the adoption was deliberate, malicious and in bad faith.

It is truly difficult to understand why, of the millions of terms and combination of letters and designs available, the respondent had to choose exactly the same mark and logo as that of the petitioners, if there was no intent to take advantage of the goodwill of petitioners' mark and logo.

In the same light, out of the millions of terms and combinations of letters and designs available, why did Respondent-Applicant choose a mark that resembles or closely similar to that of Opposer's if there was no intent to take advantage of the goodwill generated by the other mark. To be able to come up with the exact logo as that of Opposer, Respondent-Applicant must have come across Opposer's trademark or must have known of the existence of Opposer and the kind of business it is engaged in, especially that his trademark subject of the application for registration will also be used on related goods to that of Opposer's. Absence of any explanation as how he was able to come up with the word EASTERN BIKE and the identical LOGO only means that he copied it in order to ride on the reputation and goodwill of the Opposer's mark.

<sup>5</sup> See Articles of Incorporation of Eastern Bike, Inc.

<sup>6</sup> G.R. No. 159938. March 31, 2006



It must be emphasized that 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.<sup>7</sup> The trademark system, therefore, should not be used to perpetrate undue advantage against the true owner or innovator.

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by the IP Code.

**WHEREFORE**, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2013-008826, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 09 NOV 2017.

  
**MARLITA V. DAGOSA**  
Adjudication Officer  
Bureau of Legal Affairs

<sup>7</sup> Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 24 October 2017>.