



INTELLECTUAL PROPERTY  
OFFICE OF THE PHILIPPINES

**FORMULA ONE LICENSING B.V. and FORMULA  
ADMINISTRATION LIMITED,**  
*Complainant,*

**-versus-**

**FIRST GLOBAL BYO CORPORATION and  
PHILIP CEA,**  
*Respondents.*

X-----X

**IPV No. 10-2009-00014**

For: Trademark Infringement,  
Unfair Competition, Dilution,  
Cancellation of Registration of  
Trademark and Damages

**NOTICE OF DECISION**

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**GREETINGS:**

Please be informed that Decision No. 2017 - 03 dated 15 December 2017  
(copy enclosed) was promulgated in the above entitled case.

Taguig City, 22 December 2017.

**MARILYN F. RETUAL**  
IPRS IV

Bureau of Legal Affairs

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## DECISION

Formula One Licensing B.V.<sup>1</sup> and Formula One Administration Limited<sup>2</sup> (Complainants) filed on 03 December 2009 an administrative complaint against First Global BYO Corporation<sup>3</sup> and Philip Cea<sup>4</sup> ("Respondents")<sup>5</sup>.

The factual antecedents are as follows:

The Complainants allege that Formula One Licensing ("FOL") is authorized to obtain and maintain trademark registrations by the Federation Internationale de l'Automobile ("FIA"), the governing body of world motor sports, of the following marks: "F1A FORMULA ONE WORLD CHAMPIONSHIP", "F1 FORMULA 1 Logo", "FORMULA 1" and "F1". On the other hand, Formula One Administration Limited ("FOA") is authorized by FIA to commercially exploit certain rights in the F1 Championship. FOA is also granted an exclusive license by the FOL to use the F1 marks. The Opposers, along with Formula One Management Limited, are part of the same group of companies.

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- <sup>1</sup> A corporation duly organized and existing under the laws of The Netherlands, with principal place of business at Rokin 55, 1012 KK Amsterdam, The Netherlands. (Formerly known as GISS Licensing BV and FIA BV).
  - <sup>2</sup> A corporation duly organized and existing under the laws of the United Kingdom, with principal place of business at Number Six Princess Gate, Knightsbridge, London, United Kingdom, SW7 1QJ.
  - <sup>3</sup> A corporation duly organized and existing under Philippine laws, with offices at the McHome Depot, 32nd Street corner Bonifacio Boulevard, Bonifacio Global City.
  - <sup>4</sup> The President and Chairman of the Board of Directors of FGBC, with address at MC Home Depot, 32nd Street corner Bonifacio Boulevard, Bonifacio Global City, Taguig City.
  - <sup>5</sup> A domestic corporation duly organized and existing under the laws of the Philippines with principal place of business at Carlson Corporate Center, 97 Tomas Arguelles Street, Brgy. Santol Quezon City.



According to the Complainants, the "F1" marks are intrinsically linked and recognizable as F1 Championship marks. They are often used interchangeably and are instantly recognizable as representing the organization responsible for promoting the F1 Championship. The use of these marks carry a significant goodwill and reputation, making them highly distinctive and unique to the Complainants as family of marks, representing its goods and services.

The Complainants recount F1 Championship as a world famous annual motor racing competition, which comprises a series of motor races since 1950. The designation "F1" is applied only in relation to one class of motor sport whose conduct is under the strict control of the F1A. In the Philippines, it is represented by the Philippine Motor Association. In fact, as early as 1950, the trade marks "F1" and "FORMULA ONE" have been used by the F1A as the identifiers of particular series of races and have in constant use for commercial activities connected with the races. In 1981, the F1A granted to the Formula One Contractors Association, all commercial exploitation and television rights in the F1 Championship. In 1982, FOA entrusted to the F1 Group, the rights to organize the F1 Championship and to commercially exploit it. Thus, the "F1 Formula Logo" was created and designed by Carter Wong and Partners Ltd. under the instruction of FOL. All copyrights in the logo have been transferred by Assignments of Deed to FOL on 14 February 1994, who then sought the trademark registration of the "F1 FORMULA 1 Logo" and related marks with the Registry Offices of various countries including the Philippines for goods and services including International Classes 12 and 04. The "F1" marks have been acknowledged on numerous occasions by the relevant trademark authorities from the Asian registries.

It was further alleged that the F1 racing draws a larger television audience than any other sporting event in almost 20 countries. The popularity of the F1 races in Asia are sponsored by Asian-based companies such as Petronas, Korean Air, Sinopec, Fuji, and Singtel in substantial sums of money to promote the race and to advertise its involvement, as participated by famous drivers. The F1 races have been televised each year since 1981 in almost 200 countries. In Asia, including Philippines, the F1 races are broadcast by ESPN Star Sports and regular news features in national newspapers and magazines. Several travel agencies in the Philippines also specialize in Formula one travel packages since October 1999 to include airfare, accommodation and tickets to the race.

In addition, the F1 Group established means and ways in the continuous use of its mark. It has official website publication of the races under the F1 Marks at [www.formula1.com](http://www.formula1.com)., articles in magazines, book reviews, photographic compilation, history book and race program. It has likewise produced computer games under license in 1992, and an annual recording for reviewing the races of a particular year. It also made its presence in various items such as photographs, clothing, caps, bags, mugs, mouse mats, watches, umbrellas and pens, watches, toiletries, mobile phones and champagne, beer, delivery service. game series created by Sony, local events, and the F1 Fans Club. In the Philippines, goods bearing the "F1" marks and other Formula One products are promoted or available for sale at the local Toyota showrooms. FOL was also issued Registration Nos. 4-1997-126887 to 4-1997-126897 for F1 FORMULA 1 Logo under International Classes 04, 09, 12, 16, 18, 25, 35, 38, 41 and 42.



Sometime in March 2008, the Complainants came to know First Global BYO Corporation ("FGBC"), one of the Respondents, construction of residential condominium project in Bonifacio Global City, Taguig under the name "F1 City Center". It is marketing and promoting its project on its website [www.f1citycenter.com](http://www.f1citycenter.com). FGBC's logo contains the stylized mark "F1" with the words below "City Center", which is confusingly similar with the "F1" logo. Complainants sent demand letters and exerted efforts for Respondents to cease and desist from using the mark "F1". The latter did not reply and continued using said mark, to date. Later, Complainants learned that Respondent Cea obtained registration of the mark "F1 City Center (Stylized)" for sales and rental of condominium unit and real estate building under Class 34.

Thus, this instant case alleges that Respondents copied and colorably imitated the dominant feature of Complainants' registered mark, in connection with acts constituting infringement, causing confusion or mistake in the minds of the public. Respondents are therefore assessed the amount of P500,000.00 by way of nominal damages and enjoined from further committing said act. The complaint likewise asserts Respondents' commission of Unfair Competition. In particular, the use of an identical mark damaged the goodwill and well-renowned reputation built by FOA and its predecessors to mislead the public into believing that their goods are the same. For that, Respondents are assessed the amount of P500,000.00 by way of nominal damages. Accordingly, the complaint seeks the cancellation of Respondents' registration in view of Section 123.1 (e) and (f) of R.A. No. 8293 or the IP Code. Finally, Complainants are further assessed the following amounts: P 2,000,000.00 in exemplary damages, P 1,000,000.00 in attorney's fees, and P100,000.00 in litigation expenses.

On 16 February 2010, Respondents filed an Amended Answer. By way of Special and Affirmative Defenses, Respondents allege that Complainants have no valid cause of action against them.

Respondents refute the causes of action set forth in the Complaint. As to Complainants first cause of action of Trademark Infringement, Respondents contend that the number "1" in Complainants word mark "F1" is distinctively the result of the blank space between the shaded letter "F" and another undistinguishable dark space. Respondents' mark on the other hand, is simply the word "F1", depicted by a black letter "F" and a red number "1". Below said mark are the words F1 City Center. Thus, any ordinary buyer would see the glaring difference between the two marks which cannot even be associated with each other as the Respondents' mark clearly indicate that it pertains to a structure, given the wordings "F1 City Center". In fact, a scrutiny of both marks would reveal that no letter or symbol in said marks are the same. The Complainants' mark appear in a lot of variation and color, without registered color. On the contrary, Respondents' registered mark is in the colors red and brown with no variations in color or style.

As to Complainants' second cause of action of Unfair Competition, Respondents denied damaging the claim of goodwill and the well-renowned reputation by the Complainants. Respondents argue that Complainants were never engaged in the sale of real property. Hence, they do not have any goodwill or reputation in the real estate business. Real estate and motor racing events are entirely different goods. To pass upon a condominium as an extension or part of a motor racing event will be very difficult if not impossible to achieve. Deception is too



strong an accusation to be left to mere conjectures or by simply alleging that the Respondents could have named their business enterprise as "Fort 1", instead of using "F1". In fact, Complainants admitted that Respondents must have been inspired by their building's physical location, hence the word mark "F1 City Center".

As to Complainant's third cause of action of Cancellation of Trademark Registration, the Respondents assert that the respective goods and services belong to entirely different classes. The Complainants' marks in the Philippines cover Classes 4, 9, 12, 16, 18, 25, 28, 35, 38, 41 and 42; whereas, the Respondents' mark covers Class 34. Assuming that Complainants' mark attained a generic name for the goods and services it offers for sale, said generic status is only with respect to the covered goods. This being so, paragraph (e) of Section 123 of the Intellectual Property Code cannot be invoked, as said provision applies only to goods or services which are "identical or similar". Similarly, Complainants cannot also invoke paragraph (f) thereof since there is no connection whatsoever between motor racing and sale of condominiums.

Finally, as to the fourth and fifth causes of action, Respondents contest the claim for damages of the Complainants. Accordingly, Complainants failed to allege any entitlement to moral, temperate or compensatory damages, and reimbursement for attorney's fees. It likewise allege that Complainants have no capacity to sue. Respondents, on its part, hold Complainants liable for moral damages, attorney's fees and litigation expenses, as well as costs of suit.

This instant case was referred to IPO Mediation Proceedings. The parties failed to come into settlement, thus, the case proceeded to pre-trial conference<sup>6</sup>, and the trial on the merits ensued. During the trial, the Complainants presented witnesses and offered the following documentary and object evidence, consisting of Exhibits "A" to "NNNN" inclusive of sub markings, which were duly admitted<sup>7</sup> by this Bureau:

1. Certificate of Incorporation of Formula One Licensing B.V.;
2. Certificate of Incorporation of Formula One Administration Limited;
3. General Information Sheet dated 23 May 2008 of First Global Byo Corporation;
4. Assignment of Copyright dated 18 February 1994;
5. Certificates of registration of the F1 marks in Bahrain, Saudi Arabia, Hong Kong, United Arab Emirates, India, Korea, Singapore, Malaysia, Japan, China and Thailand;
6. Certificates of registrations of the F1 marks and applications of the F1 marks with the World Intellectual Property Office;
7. Translations of the Korean IPO's Decision dated 30 March 2000 and Decision dated 10 September 2001;
8. Translations of the Taiwan IPO's Decision dated 04 May 20004 and Decision dated 08 March 2004;
9. Translations of the China Trade Mark Office's Decision dated 10 December 2008 and Decision dated 21 April 2004;
10. Screenshots of broadcasts of F1 races;
11. Photographs of F1 podium ceremonies for the years 1994 to 2004;
12. Article dated 06 August 2008 regarding the Hungarian Grand Prix;

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<sup>6</sup> Order No. 2009-77 dated 03 November 2009.

<sup>7</sup> Order No. 2014-5 dated 17 January 2014.



13. Articles regarding the 2008 Singapore Grand Prix and Grand Prix events for 2009;
14. Article dated 19 March 2008 entitled Fulfilling Pinoy's Formula One Dreams;
15. Official website homepage of the F1 races under the F1 marks at [www.formula1.com](http://www.formula1.com);
16. Pages from [www.formula1.com](http://www.formula1.com) taken in 2003 and 2004 showing the Live Timing Feature and a page from [www.f1tvimages.com](http://www.f1tvimages.com) taken in 2001, all bearing the F1 FORMULA 1 Logo;
17. Pages from [www.alexa.com](http://www.alexa.com) for the 2004 and 2006 F1 Seasons;
18. Pages from the F1 Store showing some of the branded merchandise offered for sale;
19. Magazine covers showing use of the F1 Marks since 2001;
20. Annual covers showing use of the F1 FORMULA 1 Logo for 2001 to 2003 and the F1 marks from 2004 to 2006;
21. Race Programme covers of F1 races held from 1996 to 2005 showing use of the F1 FORMULA 1 Logo;
22. Computer game covers showing use of the F1 marks;
23. Table of sales figures for the computer games as of September 2004 for a single manufacturer;
24. Season Review video/DVD covers dating back to 1998;
25. Page from [www.formula1.com](http://www.formula1.com) showing the still photograph for the 2002 Season;
26. Photographs of Michelin merchandise available from 2001 to end of 2005 showing use of the F1 marks;
27. Photographs of Logo House merchandise, Jacques Lemans GbH, AFB Licensing Ltd, Siemens mobile phone showing use of the F1 marks;
28. Advertisement for Mumm Champagne, POSTER'S beer using the F1 marks/Logo;
29. Advertisement in the Financial Times dated 13 May 2004 announcing DHL as Global Partner of F1;
30. Photographs of video game, "Formula One Championship Edition" at Datablitz, Trinoma;
31. Articles entitled Of George and AF 3 Philippine Grand Prix at BRC this weekend;
32. Homepage and list of registered members of the F1 Club of the Philippines fan site;
33. Forum discussions of Formula one in the Philippines;
34. Formula One forum at [www.pinoyexchange.com](http://www.pinoyexchange.com);
35. F1 Certificate of Registration Nos. 4-1997-126887 to 126897;
36. FGBC's website;
37. FGBC's GIS dated 07 August 2007, F1 demand letters dated 25 March 2008, 10 June 2008 and 24 July 2008;
38. Photographs taken of the construction site of the F1 City Center Project;
39. FGBC's mark with Registration Serial Number 4-2008-003503;
40. F1's demand letters dated 03 November 2008 with facsimile transmission report and receipt, 05 July 2011 and 05 August 2011;
41. Emails from F1 customers pertaining to F1 City Center;
42. Affidavit and Supplemental Affidavit of Atty. Teresa Paz B. Grecia Pascual;
43. Certificate of Incorporation of ModelUltra Limited and Certificate of Incorporation on Change of Name from ModelUltra to Formula One World Championship Limited;
44. Front covers of F1 Racing magazine and C! Magazine;
45. C! Magazine website and Cover Gallery of C! Magazine website;



46. Promotional flyer for the 2010 FORMULA 1 SINGTEL SINGAPORE GRAND PRIX;
47. Blog entry entitled Singapore F1 Racing Madness and Missy Elliot Singapore Concert;
48. Two discs showing live footage of Philippine broadcast of FORMULA 1;
49. Various websites including VillMan, Shell, Jacques Lemans, Formula1.com, Shell and Tsikot.com;
50. Shell OR dated 09 November 2010;
51. Photographs of Shell F1 Ferrari toy car and 2010 Formula One racing game;
52. Forum topic and First page of Filipino foreign language forum in Grand Prix Racing Online;
53. CLTPS and F1d Driving School letters and Deed of Undertaking;
54. Various articles in Philippine Daily Inquirer, in the Balibbayan website, philSTAR.com, and Yahoo! Philippines;
55. Various promotional items, advertisements, Youtube clips of FGBC;
56. Various photographs of F1 Auto Sales;
57. Letter dated 10 August 2011 from Ms. Doris C. Lee;
58. Judicial Affidavit and Supplemental Affidavit of Mrs. Ma. Flores Escano;
59. CLTPSJ Statements of Account, Official Receipts;
60. Affidavit of Ms. Patricia Anne Heavey and its Annexes; and,
61. Pages of the original broadcasting statistic book.

Subsequently, Respondents presented its witnesses and offered the following documentary and object evidence consisting of Exhibits "1" to "4" inclusive of sub markings, which were duly admitted<sup>8</sup> by this Bureau:

1. Certification issued by the Intellectual Property Office (IPO) that Certificate of Registration was issued for the trademark F1 City Center on 30 June 2008;
2. Certificate of Registration issued by the IPO for F1 City Center on 30 June 2008 under Registration No. 4-2008-003503 under Class 36;
3. Judicial Affidavit of Mr. Eduardo Oliva and his signature on page 8 thereof;
4. Page 3 of the Judicial Affidavit of Mr. Eduardo Oliva showing a side by side comparison of the complainant and respondents' respective logos;
5. Amended Judicial Affidavit of Mr. Philip Cea and his signature on page 10 thereof;
6. Page 3 of the Amended Judicial Affidavit of Philip Cea showing a side by side comparison of the complainant and respondents' respective logos; and,
7. Complaint and the reliefs prayed for.

This Bureau directed the parties to file their respective memoranda. The Complainants submitted their Memorandum on 14 July 2017, while the Respondents filed its Memorandum on 03 July 2017.

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<sup>8</sup> Order No. 2017-76 dated 26 May 2017.



The instant case raises the following issues:

1. Whether or not there is infringement of Complainant's trademarks "F1" and the "F1 Logo";
2. Whether or not there is unfair competition with the use of a mark similar to Complainant's trademarks "F1" and the "F1 Logo";
3. Whether or not the parties are liable for damages.

*On the Issue of Trademark Infringement*

Section 155, R.A. 9203, also known as the Intellectual Property Code of Philippines ("IP Code") defines trademark infringement, to wit:

"SEC. 155. Remedies; Infringement. - Any person who shall, without the consent of the owner of the registered mark:

155.1. Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;

155.2. Reproduce, counterfeit, copy or colorably imitate a registered mark or a dominant feature thereof and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action for infringement by the registrant for the remedies hereinafter set forth: Provided, That the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed regardless of whether there is actual sale of goods or services using the infringing material."

To constitute trademark infringement, several elements must be shown: (1) a registered trademark issued to the injured party; (2) the reproduction, counterfeit, copy or colorable imitation of the registered trademark or a dominant feature thereof by the offending party without the knowledge or authority from the trademark owner; (3) the use of said mark for the purpose of trade or industry by the offending party, and; (4) the use of the mark involved would be likely to cause confusion or mistake in the mind of the public or to deceive purchasers as to the origin or source of the commodity.<sup>9</sup>

The core of the issues presented before this Bureau is Respondents' unauthorized use of Complainants' marks collectively known as "F1" which the latter alleged as the dominant feature/element of the following registered trademarks "F1A FORMULA ONE WORLD

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<sup>9</sup> Philippine Nut Industry, Inc. vs. Standard Brands Incorporated, et al, 65 SCRA 575.



CHAMPIONSHIP"<sup>10</sup>, "F1 FORMULA 1 Logo", and "FORMULA 1"<sup>11</sup>. Thus, the Complainants condemn the copying and/or colorable imitation of Respondents registered trademark "F1 City Center" used as signage or service mark for the sales and rental of its condominium unit and real estate buildings, particularly its F1 Hotel located at Fort Bonifacio Global City, Taguig.

Two tests were developed to determine infringement: Dominancy Test and Holistic Test. Dominancy test focuses on the similarity of the prevalent, essential or dominant features of the competing marks which might cause confusion.<sup>12</sup> The holistic test requires that the entirety of the competing marks must be considered in determining confusing similarity.<sup>13</sup> In both tests, it is essential to consider other factors in determining whether or not the likelihood of confusion or mistake will likely result. In resolving the question of likelihood of confusion - whether it be confusion of goods or services or confusion of source or origin - such factors as similarity of the marks involved, relatedness of the goods or services concerned, the kind of such goods or articles, and the class or purchasers, are taken into consideration.<sup>14</sup>

The competing marks are hereby reproduced:



FORMULA 1

Complainants' trademarks



Respondents' trademark

An examination of the competing marks show that the lone similarity is the letter "F" which although printed in italics, is not identical in font. The "number one" (1) as illustrated in Complainants' "F1", does not clearly appear as such because of the lengthened indented line on the left portion of the mentioned number one (1). The manner of its graphic design demonstrates speed or velocity, which makes it different from the appearance of an actual number "1" in Respondents' mark. Moreover, the presence of the words "Formula 1" vis-a-vis "City Center and F1 City Center" in the competing marks confer an independent character and impression to the marks. Significantly, the antecedent facts presented no likelihood of confusion, whether it be confusion of goods or services or confusion of source or origin. Firstly, Complainants goods and/or service are practically related to racing games, motor races and goods connected thereto; whereas, Respondents are into sales and rental of its condominium unit and real estate buildings. These are non-competing and entirely unrelated goods. The nature of goods and/or service, its use and purpose provide no reason to assume that they come from the same manufacturer or owner, or there is some connection between the parties. Secondly, regard should also be given to

<sup>10</sup> IPO Philippine Trademark Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 11 December 2017).

<sup>11</sup> Exhibits "NN" to "NN-10" of Complainants.

<sup>12</sup> Emerald Garment Mfg. Corp. vs. Court of Appeals, 251 SCRA 600 (1995).

<sup>13</sup> Id.

<sup>14</sup> p. 163, The Law on Trademark, Infringement and Unfair Competition, 2000 edition, by Ruben E. Agpalo.

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the class of persons who buy the particular product or avail the service, the kind and value of goods, and the circumstances ordinarily attendant to its acquisition. The competing marks involve products which are not common household items or basic needs of small value. Complainants' racing games, automobiles, including advertising and broadcasting services, and other related service or articles; and Respondents real estate in various line, are both of relative great value. Considering the cost involved and the specialized class of purchasers, the clientele of both parties are therefore either possessed of special skill or knowledgeable of the product to purchase or avail, before actually patronizing the respective goods and/or service.

The Complainants further invoked that the "F1" marks are internationally popular because of the acknowledgment as such in numerous occasions by relevant trademark authorities around the world. Section 123.1 (f) of the IP Code provides for the protection of a Philippine-registered well-known mark against another mark which is identical or confusingly similar or constitutes a translation of a mark with respect to goods or services which are not similar to those with respect to which registration is applied for. The law requires that the use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark; and that the interests of the owner of the registered mark are likely to be damaged by such user. In this instant case, the Complainants failed to meet the requirements of the law. Apparently, the "F1" marks have not yet been declared well-known by any of the competent authorities in Philippine jurisdiction. Moreover, it also failed to indicate a connection between the goods and the origin or source of goods, and the owner of the registered mark.

In point of fact, Section 138 of the IP Code provides that 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*. In the instant case, the registrations of Complainants' "F1" marks do not include or are not related to the goods covered by Respondents' "F1 City Center" trademark registration, which refers to Class 36, and which is not among the goods and/or services covered by Complainants' "F1" marks, among which refer to Classes 4, 9, 12, 16, 18, 25, 28, 35, 38, 41 and 42<sup>15</sup>.

Based on the discussions, this Bureau finds no likelihood of mistake or of confusion of goods or origin to the buying public. Respondents registered trademark "F1 City Center" is therefore not infringing on Complainants' "F1" trademarks.

#### *On the Issue of Unfair Competition*

Section 168 of the IP Code provides for acts constituting unfair competition. From jurisprudence, unfair competition has been defined as the passing off (or palming off) or attempting to pass off upon the public of the goods or business of one person as the goods or business of another with the end and probable effect of deceiving the public. The essential

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<sup>15</sup> Exhibits "NN" to "NN-10" of Complainants.



elements of unfair competition are the following: (1) confusing similarity in the general appearance of the goods; and (2) intent to deceive the public and defraud a competitor.<sup>16</sup>

Moreover, the following true test of unfair competition was formulated - whether the acts of the defendant have the intent of deceiving or are calculated to deceive the ordinary buyer making his purchases under the ordinary conditions of the particular trade to which the controversy relates. One of the essential requisites in an action to restrain unfair competition is proof of fraud; the intent to deceive, actual or probable must be shown before the right to recover can exist.<sup>17</sup>

In the present case, Complainants failed to show evidence that Respondents ever attempted to pass off the goods it sold or offered to the public. The Complainants likewise fell short to establish bad faith or fraud imputable to Respondents in the use of the disputed trademark. In particular, Complainants did not sufficiently show that Respondents by the acts enumerated in the IP Code intended to deceive the public as to the identity of the goods sold or of the manufacturer of the goods sold. In fact, it was mentioned in the Affidavit of Mr. Eduardo Oliva,<sup>18</sup> and forming part of the records<sup>19</sup>, to wit:

Atty. Martinez: So, on (sic) question No. 16, the question is Why do you say that the complainants are not known here in the Philippines. And then you answered, you cited three (3) examples of common words for F1 is used. One is for storm signal, second is hybrid pepper and third is, is that a button located in the computer keyboard. x x x

It appears therefore that the word "F1" is a common word, ordinary term or an acronym attached to various goods and services. Bolstering this inference is the fact that several F1 or words containing F1 are recorded in the Trademark Registry of the Intellectual Property Office in various status<sup>20</sup> Among those registered are the following: **FIRST MED** (Reg. No. 42017000306 for Class 05), **AVATAR TY F1** (Reg. No. 14-2017-005124 for Class 31), **SAFETY FIRST** (Reg. No. 4-2014-006980 for Class 09). Among those which are deemed abandoned are the following: **F1** (Class 34, 12) and **F1 Racing** (Class 25); and another pending application for **F1** (Class 2, 3, 4) [emphasis supplied]. These belong to different applicants or owners of mark and cover diverse goods and services.

Therefore, Respondents have not committed any acts constituting unfair competition.

#### *On the issue of Trademark Dilution*

The registration and use of Respondents' "F1 City Center" mark will not constitute trademark dilution of Complainants' "F1" marks. Trademark dilution is not one of the grounds for refusing a trademark application or cancelling a trademark registration under Section 123.1 of the IP Code. Assuming *arguendo* that "dilution" is among the grounds provided in the law, this

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<sup>16</sup> Superior Commercial Enterprises, Inc. vs. Kunnan Enterprises Ltd. and Sports Concept & Distributor, Inc., G.R. 169974, 20 April 2010, citing Tan vs. Court of Appeals G.R. No. 142401, August 20, 2001.

<sup>17</sup> Coca-Cola Bottlers, Inc. v. Quintin J. Gomez, G.R. No. 154491, November 14, 2008.

<sup>18</sup> Exhibit "2" of Respondents.

<sup>19</sup> page 28, Transcript of Stenographic Notes, 04 July 2016 at 2:30 pm (Witness: Mr. Eduardo L. Oliva)

<sup>20</sup> Philippine Trademark Database, available at <http://www.wipo.int/branddb/ph/en/> (last accessed 11 December 2017).



Bureau does not agree with the Complainants' assertion. The Honorable Supreme Court described trademark dilution<sup>21</sup>, to wit:

"Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of a famous mark is entitled to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark. This is intended to protect famous marks from subsequent uses that blur distinctiveness of the mark or tarnish or disparage it."

Aptly, to be eligible for protection from dilution, it is necessary to meet the following requisites: (1) the trademark sought to be protected is famous and distinctive; (2) the use by Respondent of the mark began after the Complainants' mark became famous; and (3) such subsequent use defames Petitioners' mark.

The Complainants fails to satisfy the above requirements. In the instant case, it was not established by substantial evidence that the Complainants' mark has acquired a degree of distinctiveness for it to be accorded as a famous mark. The pieces of evidence submitted by the Complainants fell short to establish that its mark is famous. As discussed, the mark "F1" appears as a common mark because of the cited applications and registrations of "F1" or that which contains "F1" on it. The Complainants mere assertion that the registration of the Respondents' mark may tarnish or defame the goodwill and identity of its mark cannot be considered by this Bureau as sufficient proof of any dilution so as to cancel the registration of the Respondents' mark.

#### *On the Issue of Damages Claimed by Parties*

The monetary claims prayed for by the Complainants, consisting of the nominal damages, exemplary damages, attorneys' fees, litigation expenses, with cancellation of trademark registration for F1 City Center are denied, there being no factual and legal basis.

On the part of Respondents entitlement for damages, this Bureau cannot also grant the reliefs sought. As aptly held by the Supreme Court, a person's right to litigate should not be penalized by holding him liable for damages. This is especially true when the filing of the case is to enforce what he believes to be his rightful claim against another although found to be erroneous.<sup>22</sup> Further, it is not a sound public policy to place a premium on the right to litigate.<sup>23</sup> No damages can be charged on those who may exercise such precious right in good faith, even if done erroneously.<sup>24</sup> In this case, this Bureau finds that the filing of the instant complaint was not done maliciously or in bad faith.

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<sup>21</sup> Levi Strauss & Co. & Levi Strauss (Phils.), Inc. V. Clinton Apparelle, Inc.,

<sup>22</sup> "J" Marketing Corporation, represented by Hector L. Caludac vs. Felicidad Sia, et. al., G.R. No. 127823, 29 January 1998.

<sup>23</sup> Arenas vs. CA, 169 SCRA 558; Mirasol vs. Dela Cruz, 84 SCRA 337.

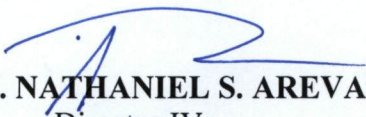
<sup>24</sup> Barreto v. Arevalo, 99 Phil. 771.



**WHEREFORE**, premises considered, the instant Complaint for Trademark Infringement, Dilution and/or Unfair Competition is hereby **DISMISSED**.

**SO ORDERED.**

Taguig City, 15 December 2017.

  
**ATTY. NATHANIEL S. AREVALO**  
Director IV  
Bureau of Legal Affairs