

HAMMER GARMENTS CORP.,
Petitioner,

INTER PARTES CASE NO.4069
Pet. for Cancellation

-versus-

Regn. No.51765
Date Issued: November 05, 1991
Trademark: "HAMMERHEAD"

DANIEL YANG VILLANUEVA
Respondent-Registrant.
x-----x

DECISION NO. 97-34

DECISION

This pertains to a petition for cancellation of registration of the trademark "HAMMERHEAD" for jeans, jackets, t-shirts, RTW namely shirts, blouses, pants, dresses, socks under Certificate of Registration No. 51765 issued on November 1991 in the name of the Respondent Daniel Yang Villanueva of 42 Tendido of 42 Street, Barangay San Jose, Quezon City.

The Petitioner is HAMMER GARMENTS CORPORATION, a corporation duly organized and existing under the laws of the Philippines with business address at Mozart St., Greenville Subdivision, Bo. Sauyo, Novaliches, Quezon City.

The grounds of the Petition are as follows:

"1. The registration was obtained fraudulently or contrary to the provisions of Section Four, Chapter II of Republic Act No. 166 as amended, which prohibits the registration of:

"xxx a mark or tradename which so resembles a mark or tradename registered in the Philippines or mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers."

"2. The trademark "HAMMERHEAD" covered by Certificate of Registration No. 51765 is confusingly similar if not identical to the trademark and corporate name "HAMMER" which petitioner had much earlier adopted and used in commerce in the Philippines.

"3. The petitioner has spent considerable time, effort and amount of money for the advertisement and promotion of the mark or trade/ corporate name "HAMMER" and Petitioner's well-established business reputation and goodwill will clearly be damaged and will suffer irreparable injury.

"4. The registration of the trademark "HAMMERHEAD" in the name of Respondent is likely to cause confusion mistake or deceive purchasers in view of the fact that it is a reproduction or colorable imitation of Petitioner's mark or corporate name "HAMMER".

Petitioner relied on the following facts to support its petition:

"1. Petitioner is the first, true, original and lawful owner of the mark or name "HAMMER" which is adopted and used in its business and products consisting of men's, women's and children's wear, particularly shirts, blouses, pants, jeans, jackets, jogging pants, briefs, socks, t-shirts, shorts, panties and nighties since January 1, 1983 up to the present.

"2. The trademark "HAMMER" is duly registered with the Bureau of Patents, Trademarks and Technology Transfer in the Supplemental and Principal Register under Certificate of Registration Nos. SR-7514 and 43579 issued on October 2, 1986 and March 27, 1989, respectively.

(Copies of the afforested certificate of registration were attached as Annexes "A" and "B" to form integral parts of the Petition.)

"2.1. Moreover, the word "HAMMER" is that dominant portion of the corporate name HAMMER GARMENTS CORPORATION duly registered with the Securities and Exchange Commission (SEC).

(A copy of SEC registration was attached as Annex "C" to form an integral part of the petition.)

"3. Certificate of Registration Nos. SR-7514 and 43579 are still subsisting and in full force and effect, the corresponding statutory affidavits of use having been filed by the petitioner-registrant within the reglementary period.

Copies of the affidavits of use for the 5th anniversary of the date of issue of the certificate of registration were attached as Annexes "D" and "E" to form integral parts hereof.

"4. The products of petitioner bearing the mark and tradename "HAMMER" are widely sold and promoted in the Philippines and in other countries and by virtue of their long and extensive use, said name or trademark has gained tremendous goodwill, fame, consumers' recognition and acceptance.

"5. The business reputation established and acquired by the petitioner through the years of continuous and exclusive use of the mark or name "HAMMER" is likely to be seriously jeopardized and impaired. Consequently, petitioner will continuously suffer damages due to the dilution of the value of the mark or name and loss of prestige.

"6. Further, the subsequent adoption and use of respondent of the trademark 'HAMMERHEAD' on January 8, 1990 is not a mere coincidence but is a result of a deliberate and well-calculated scheme to take advantage of the popularity and goodwill of petitioner's mark or corporate tradename 'HAMMER'."

On September 2, 1994, a Notice to Answer was sent to Respondent Daniel Yang Villanueva through Registered Mail with Return Card bearing G191. However, the said Notice to Answer was returned to the sender the same being not effectively served as respondent might have moved to another address.

On December 19, 1994, another Notice to Answer was sent to Respondent through Registered Mail with Return Card bearing G-320, however, the same was likewise returned.

Since the Notice to Answer could not be effectively served on the Respondent, Petitioner through Counsel filed an Ex-Parte Motion for Leave (to serve Notice by Publication).

Finding the reasons adduced by Petitioner to be meritorious, the same was granted under ORDER NO. 94-776 dated November 9, 1994. Accordingly, Petitioner was granted leave to serve the Notice to Answer together with the Verified Notice of Opposition on the Respondent by Publication in a newspaper of general circulation, in accordance with Sec. 16, Rule 14 of the Rules of Court. Accordingly, Opposer was required to submit an Affidavit showing proof of service within fifteen (15) days after publication of said Notice to Answer and the Verified Notice of Opposition.

On February 14, 1995 Petitioner through Counsel filed an Ex-Parte Manifestation and Motion to Declare Respondent-Registrant in Default. Considering that despite publication made on January 6, 1995, Respondent-Registrant still failed to submit his Answer or any pleading relating thereto, the Motion to declare Respondent-Registrant in Default was GRANTED per Order No. 95-132 dated February 20, 1995.

Pursuant to the Order of Default, Petitioner in open court presented and formally offered its exhibits consisting of Exhibits "A", "B", "C", "D", "E", "F", "G", "H" inclusive of submarkings which were all admitted by this Office in Open Court on March 31, 1995.

The main issue to be resolved in this case is WHETHER OR NOT the registration of Respondent's trademark HAMMERHEAD covered by Certificate of Registration No. 51765 is confusingly similar if not identical to the trademark and corporate name, HAMMER of Petitioner.

Evidence presented shows that the mark HAMMERHEAD of Respondent is being used on jeans, jackets, t-shirts, RTW namely shirts, blouses, pants, dresses and socks while Petitioner's mark HAMMER is being used in its business and products consisting of men's, women's and children's wear particularly shirts, blouses, pants, jeans, jackets, jogging pants, briefs, socks, t-shirts, shorts, and nighties.

Section 4 of Republic Act No. 166, as amended, provides as follows:

"SEC. 4. Registration of trademark, tradenames and servicemarks on the principal register. There is hereby established a register of trademarks, tradenames and service marks which shall be known as the Principal Register. The owner of a trademark, tradename or service mark used to distinguish his goods, business or services from the goods, business or services from the goods, business or services of others shall have the right to register unless it:

x x x

(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers."

Respondent's trademark needs no further scrutiny. It is clearly similar in spelling, sound and appearance with petitioner's trademark. The only distinction is the presence of the word "HEAD" in Respondent's trademark. Since Petitioner has the exclusive right to use the trademark "HAMMER" by virtue of its registrations with this Office, Respondent has absolutely no right to register the same as part of its mark "HAMMERHEAD".

Also, under Philippine jurisprudence, colorable imitation implies similarity; however, this does not mean such a similitude as amounts to identity. One test given is that if the form of the marks, contents, words or other special arrangement or general appearance of the words of the alleged infringer's mark as such as would likely to mislead persons in the ordinary course of purchasing the genuine articles, then the similarity is such as entitles the injured party of equitable protection.

It is, therefore, not necessary that the matter sought to be protected be literally copied. Difference or variations or similarity in the details of one or article of those of another are not legally accepted tests, whether an action based on confusing similarity exists. It is sufficient that the substantial and distinctive part of the main or essential or dominant features for one mark is copied or imitated in another (Co Tiong Sa vs. Director of Patents, 95 Phil. 1).

As the rightful owner and prior user of the trademark "HAMMER" Petitioner should be given protection from unlawful copying or imitation in compliance with the provisions of the Trademark Law. Thus, the Supreme Court has declared in several cases that:

"That objects of a trademark are to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into the market a superior article or merchandise, the fruit of his industry and skill, and to prevent fraud and imposition. (Etepha vs. Director of Patents, 16 SCRA 495 La Chemise Lacoste, S.A. vs. Fernandez 129 SCRA 373)"

"The owner of a trademark or tradename has a proprietary right in which he is entitled to protection, since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as confusion of goods. The modern trend is to give emphasis to the acts and to treat the issue a fraud. (Ang vs. Teodoro, 74 Phil. 50; Arce Sons & Co. vs. Selecta Biscuits Co., Inc. 1 SCRA 253)"

Moreover trademark "HAMMER" of the Petitioner was first used in commerce in the Philippines since 1 January 1983. Likewise, the mark was duly registered with this Office in the Supplemental Register on 2 October 1986 and in the Principal Register on 27 March 1989. Petitioner's corporate name HAMMER GARMENTS CORPORATION was duly registered with the Securities and Exchange Commission on 29 July 1985 (Exh. "A"). In contrast, Respondent's trademark "HAMMERHEAD" was first used on 8 January 1990 and registered with this Office on 5 November 1991.

Equally significant is the provision of Section 20 of Republic Act No. 166, as amended, which states:

"A certificate of registration of mark or tradename shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark or tradename, and of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein."

Finally, from a cursory appreciation of the Petitioner's corporate name HAMMER GARMENTS CORPORATION, it is evident that the word "HAMMER" is the dominant word which identifies Petitioner from other corporations engaged in similar business. Hence, Respondent has no right to appropriate the same or a colorable imitation thereof for use on its products which are similar to those being produced by Petitioner.

In *Converse Rubber Corporation vs. Universal Rubber Products, Inc.*, 147 SCRA 154, 8 January 1987, the Supreme Court ruled, thus:

"A corporation is entitled to the cancellation of mark that is confusingly similar to its corporate name. Appropriation by another of the dominant part of a corporate name is an infringement (citing *Callman*, Vol. 4, p. 2185, and Vol. 3, P. 1439).

Such unexplained use by Respondent of the dominant word of Petitioner's corporate name lends itself open to the suspicion of fraudulent motive to trade upon Petitioner's reputation." (III, *Callman*, *Unfair Competition*, 2nd ed., pp. 1527-1528)

By appropriating the word "HAMMER" for its trademark "HAMMERHEAD", Respondent's products are likely to be mistaken as having been produced by the Petitioner. The risk of damage is not limited to a possible confusion of goods but also includes confusion of reputation if the public could reasonably assume that the goods of the parties originated from the same source.

Since Opposer has the exclusive right to use the trademark "HAMMER" by virtue of its registrations with this Office, Respondent has absolutely no right to register the same as part of its similar mark "HAMMERHEAD".

It is noteworthy to emphasize at this point that herein Respondent-Registrant was declared in DEFAULT for failure to file his Answer within the reglementary period, and upon motion of Counsel for the Petitioner (Order No. 95-132) dated February 20, 1995.

In this regard, the Supreme Court in DELBROS HOTEL CORPORATION vs. INTERMEDIATE APPELLATE COURT, 159 SCRA 533, 543 (1988) held that-

"Fundamentally, DEFAULT orders are taken on the legal presumption that in failing to file an Answer, the Defendant does not oppose the allegations and relief demanded in the complaint."

Indeed, this Office cannot but notice the lack of concern the Respondent-Registrant had shown in protecting the mark which is contrary to the norm that: "A person takes ordinary care of his concern" (Sec. 3[d], Rule 131 of the Rules of Court).

WHEREFORE, the Petition is GRANTED. Accordingly, Certificate of Registration No. 51765 issued in the name of Daniel Yang Villanueva is hereby CANCELLED.

Let the filewrapper of this case be forwarded to the Patents/Trademarks Registry and EDP Division for appropriate action in accordance with this Decision with a copy to be furnished the Trademark Examining Division for information and to update its record.

SO ORDERED.

Makati City, November 10, 1997.

EMMA C. FRANCISCO
Director