

MODENWEAR SPORTS COMPANY
Complainant,

IPV. No.: 10-2003-00004

-versus-

For: Infringement of Trademark
and Unfair Competition
with Damage

LYNX MARKETING AND
CONSULTANCY, INC.,
Respondent,

Decision No. 2005-04

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DECISION

MODENWEAR SPORTS COMPANY, ("Complainant"), a partnership duly organized and existing under and by virtue of the laws of the Philippines with business address at No. 2-B M. Aquino Street, Corazonville Subdivision, Tandang Sora, Quezon City filed an action for UNFAIR COMPETITION and COPYRIGHT INFRINGEMENT against LYNX MARKETING and CONSULTANCY, INC., (" Respondent"), a domestic corporation duly organized under and by virtue of the laws of the Philippines with principal office at CMT Building, 19 Katipunan Road, Conception, Marikina City, due to Respondent's use of the mark BRIDGES for sports apparel, which is identical to Complainant's trademark application: "BRIDGE AND DESIGN" under TM Application No. 82466, filed with the Bureau of Trademark's on September 11, 1992 in the name of M. Morris T. Lim of No. 36 M. Cuenco St. cor. Apo St. S.M.H., Quezon City under Class 25 for use on t-shirt, pants, shorts, blouses, brief, sando and jacket.

The grounds relied upon by Complainant in filing the instant suit were based on the provisions of Republic Act No. 8293 and their related provisions under the Rules and Regulations on Administrative Complaints for Violation of Laws Involving Intellectual Property Rights, to wit:

1. "The acts of respondent in adopting and using the trademark "BRIDGES" which is identical with the trademark "BRIDGE AND DESIGN" of Complainant for use on similar products constitutes unfair competition and copyright infringement defined under the provisions of Sec. 168 of Republic Act No. 8293 and Sec. I (k), Rule I, Rules and Regulations on Administrative Complaints for Violations of Laws Involving Intellectual Property Rights.

Complainant relied on the following facts to support its allegations: (1) Since its incorporation in 1995, Complainant has been in the business of manufacturing and marketing of t-shirt, pants, brief, among others [see par. 2, Complaint]; (2) Mr. Morris T. Lim, the original applicant of the subject mark, filed application for registration of the subject trademark on September 11, 1992 and later assigned it by virtue of a Deed of Assignment executed on October 10, 1995, including its Copyright Registration, to herein Complainant [see par. 3 & 5 Complaint]; (3) Application Serial No. 82466 for the mark "BRIDGE and DESIGN" was published in the Official Gazette of IPO sometime in July 1994 [see par. 4, Complaint]; (4) Complainant has extensively advertised its mark "BRIDGE and DESIGN" through several advertising materials such as newspapers, posters, and merchandising displays in department stores [see par. 6, Complaint]; (5) Mr. Morris Lim came to know of Respondent's unauthorized use of the subject trademark when he read the launching of the mark "BRIDGES" for sports apparel in two leading (2) newspapers (see par. 7, Complaint); (6) That Respondent proceeded with the sale of its products bearing the mark "BRIDGES" despite notice for them to cease and desist, through a demand letter, from manufacturing and selling the same [see par. 8, 9, & 10 Complaint]; (7) That Respondent thereafter filed an application for registration of the mark 'BRIDGES" in the Intellectual Property Office on July 02, 2002 [see par. 11, Complaint]; (8) That by reason of respondent's unjustified, fraudulent and illegal acts, Complainant has suffered loss in the form of actual, moral and exemplary damages [see par. 13-16, Complaint];

Respondent, though Counsel, filed its Answer and interposed the following ADMISSION and DENIALS:

1. "It admits the allegation in paragraph 1 of the Complaint that respondent is a corporation with the stated address but denies the rest for lack of knowledge or information sufficient to form a belief as to the truth thereof;
2. "It denies paragraphs 2 through 6 of the Complaint for lack of knowledge or information sufficient to form a belief as to the truth thereof;
3. "It admits the allegation in paragraph 7 of the Complaint regarding the launching of " BRIDGES " but denies the rest for lack of knowledge or information sufficient to form a belief as to the truth thereof;
4. "It admits the allegation in paragraph 8 of the Complaint that respondent received the undated letter but denies the rest for being baseless conclusions of fact and law;
5. "It admits paragraph 9 of the Complaint;"
6. It specifically denies paragraph 10 of the Complaint the truth being that respondent immediately stopped production and distribution of goods bearing the mark " BRIDGES " upon receipt of the demand letter and that the shirt bought by complainant could only be part of the goods that have already been sold and distributed before respondent received the demand letter and had knowledge of complainant's alleged trademark;"
7. "It admits paragraph 11 of the Complaint;"
8. "It denies paragraphs 12 through 18 for being merely baseless conclusions of fact and law;"

And raised in its Answer the following Special and Affirmative Defenses, to witt: (1) Respondent was organized in 2002 with the manifest purpose of pooling the resources and considerable experience in the garment industry of some multinational firms [see par. 9, Answer]; (2) The mark " BRIDGES " was derived from one of the scenes in the movie " Mrs. Doubtfire " [see par. 10, Answer]; (3) Respondent had no knowledge of the existence of the mark " BRIDGE and DESIGN " [see par. 11, Answer]; (4) Complainant suffered no damages and/or injury as its claim of goodwill over its products has not been proven [see par. 12, Answer]; (5) That the dominant features of complainant and respondent's marks are distinct and readily discernible and confusion is impossible as respondent's products are priced higher than complainant's products are priced higher than complainant's goods [see pars. 13 & 14, Answer]; (6) That the mark "BRIDGE and DESIGN "at the time of the filing of the instant suit is still considered unregistered mark [see par. 15, Answer]; and (7) Respondent did not copy Complainant's mark "BRIDGE and DESIGN "[see par. 16, Answer].

Summary of Proceedings

In February 2003, Complainant filed this instant suit for UNFAIR COMPETITION and COPYRIGHT INFRINGEMENT against Respondent, arising from Respondent's use of the mark "BRIDGE "for its sports apparel. Complainant's mark" BRIDGE and DESIGN "under class 25 was subject of trademark application in the name of its original applicant, Mr. Morris T. Lim. Thereafter, on 25 October 1995, Mr. Morris T. Lim assigned the trademark application to herein Complainant. Respondent filed its Answer on March 03, 2003. The issues having been joined, pre-trial and subsequently, trial on the merits commenced.

Admitted as documentary evidence for the Complainant are Exhibits "A" to "III" including their sub-markings, consisting of: Sworn Affidavits of Reynante Espinosa, Consultant and

Designer of Modenwear Sports Company; Securities and Exchange commission Registration of Modenwear sports Company; Assignment of application for registration of trademark “ BRIDGE and DESIGN “ ; Promotional materials consisting of plastic bag, advertisement in newspapers, calendars and poster covering the trademark “ BRIDGE and DESIGN “ ; Samples of booklets of sales invoices of Complainant; Demand letter addressed to respondent; Actual sample of a t-shirt manufactured and marketed by Complainant; Actual sample of t-shirt manufactured and distributed by respondent; Affidavit of witness Vilma P. Fulgar; Financial Statement of complainant for the years 1998 to 2002; Receipts and Income Tax Returns of complainant for the year 1998 to 2002; Affidavit of witness Nora Z. Collado; t-shirt of Respondent bought by Complainant after the filling of the instant suit; Trademark application as filed by respondent; Action Paper Nos 4 and 2 of Evelyn Yap, Trademark Examiner; Mayor’s Permit for Complainant’s business; decision No. 2001-20; t-shirt bearing the trademark “ BRIDGES “ bought after Office issued the TRO; Letter of Rafael Nebres dated January 5, 2003; and Agreement covering attorney’s fees as well as receipts, vouchers, etc. to show complainants litigation expenses.

Complainant also presented its witnesses, namely: Mr. Reynante Espinosa, Consultant and Designer for Modenwear Sports Company, Ms. Vilma P. Fulgar, bookkeeper of Martinez & Martinez, accounting agency of Modenwear Sports Company and. Ms. Nora Z. Collado, secretary of Modenwear Sports Company.

Admitted as documentary evidence for the Respondent are Exhibits “1” to “11” including their sub-makings, consisting of: the affidavit of Mr. Rafael V. Nebres, President of Lynx Marketing and Consultancy Inc.; certificate and Articles of Incorporation of Lynx Marketing; Articles of Partnership of Modernwear Sports Co.; A reproduction of the mark “BRIDGES” as actually use by respondent; Published representation of complainant’s mark; 1999-2001 Financial Statements of Modenwear Sports Company; 2002 Mayor’s Permit for Modernwear Sports Company; Second affidavit of Mr. Rafael V. Nebres.

Respondent also presented one (1) witness: Mr. Rafael V. Nebres.

As per Order No. 2003-123 dated On 17 November 2003, the parties were given thirty (30) days from receipt of the Order to file their respective Memorandum. Complainant filed its Memorandum on 03 December 2003. Respondent filed its Memorandum on 22 December 2003.

Issues

1. Whether or not Respondent’s use of the mark “BRIDGES” constitutes unfair competition.
2. Whether or not there is infringement of Complainant’s Copyright.

Discussion

Both parties agree and the records support the following facts: That the launching of Respondents mark “BRIDGES” was announced in daily newspapers sometime on October 2002 [see *par 3, Answer, par. 7, Complaint*]. Thereafter, an undated demand letter from the Complainant addressed to the Respondent was sent and had in fact been received considering that a reply to the letter was made by Respondent’s counsel sometime in November 2002 [see *par. 4, Answer; pars. 8-9, Complaint*].

The rights of both parties have to be examined based upon the law and the relevant facts established in this case.

Records will show that there was prior use by the original applicant, Mr. Morris T. Lim. Our old trademark law requires prior and actual use of the mark before registration. Rights over trademark accrue from its use. This view finds support in the case of Starling Products

International, Inc. v. Farbenfabriken Bayer Actiengesellschaft (27 SCRA 1214 [1969]) where the court ruled: “. . . Adoption alone of a trademark would not give exclusive right thereto. *Such right grows out of their actual use.* . . . The trademark “BRIDGE and DESIGN” was first used by the Complainant and applied for registration with the then BPTTT in 1992 (Exhibit C-1, Complainant). Complainant presented evidence of its early use in 1994 when it submitted for this office record a Philippine Daily Inquirer page dated June 17, 1994 (Exhibit E-9, Complainant) showing a group of teenage dancers from a recording company endorsing the trademark by wearing a shirt with the mark “BRIDGE “ on it. This fact of earlier use was not dispute by the Respondent.

Respondent, on its part, filed their application for the registration of the mark “BRIDGES” in July 2002 (Exhibit “AAA”, Complainant), ten (10) years later than Complainants application, for use on identical goods such as but not limited to sports apparel, socks, caps (Class 25), knowing fully well that another entity was using the same brand name on the same or identical goods. Culled from the records is the statement in the second affidavit (Exhibit “1” and “11”, Respondent) of the lone witness for the Respondent, Mr. Rafael V. Nebres, President of Lynx Marketing and Consultancy Inc., to the effect that:

“Mr. Witness: (Paragraph3) after deciding on the bridges logo, together with my associates, consulted the IPO website sometime in the second quarter of 2002 and was able to confirm that no company or person has registered or has applied for registration of the word “bridges” as a single mark in any of the classes we intend to do use the mark. A computer print-out of the webpage containing the search result of our query as of October 18, 2002 (printed after we received Modenwear’s demand that we cease from using our mark) is attached herein as Annex “A”. We did however, see in the search result an entry for the mark “Bridge” with petitioner Modenwear as the applicant.”

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This particular statement of the witness contradicts one of the special and affirmative defenses made by Respondent (par, 11, Answer) that its incorporators and officers had no knowledge of the existence of Complainant’s mark “BRIDGE” and the very purpose why said witness was presented at the trial on February 24, 2003, when the Counsel for the Respondent, Atty. Pasal, stated that:

“Hearing Officer: What is the purpose of his testimony as being offered?

ATTY. PASAL: Your Honor we offer the testimony of the witness Mr. Rafael V. Nebres in general your Honor to oppose the application for preliminary injunction applied for by the Complainant. And specifically your Honor to prove that Defendant Lynx Marketing Consultancy. Incorporated is engaged in a legitimate business. And that it had no prior knowledge of the mark being used by the Complainant prior to the demand letter send to wit by Counsel. Second specific request your Honor to prove that Defendant’s Lynx Marketing has already stopped production of goods bearing the mark BRIDGES. “

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Respondent relied heavily on the search result conducted in the second quarter of 2002 before they filed their application, they have not shown, however, clear evidence of abandonment by Complainant of the mark “BRIDGE and DESIGN “. The second affidavit (Exhibit “11”, Respondent) of the same witness, Mr. Rafael V. Nebres, supports this observation, to wit:

“Mr. Witness: (Paragraph 4) To double check our findings, we also went in person to the IPO Library and checked the Public Index File. We did not find Modenwear’s mark “bridge” under the active file, which confirmed the findings of our Internet search. We did however, find an Index Card corresponding to Modenwear's mark “bridge “ dated 1992 under the “pending “ file. When we asked the IPO personal why the mark was not active but pending since 1992, we were told that the mark must have been abandoned and inactive but that the Index Card had not yet been

removed. This assurance, coupled with our finding that the mark “ bridge “ with design of a bridge by Modenwear bore no resemblance in appearance with our mark, we were confident that we can use our mark.

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There is no inaction on the part of the Complainant amounting to abandonment. Quite the contrary, it has continuously and openly use and advertise its trademark in different mails, newspapers, posters, calendars and other advertising media in metro manila and around the country (Exhibits E1-24, Complainant). There is nothing in the record to show a clear and absolute intention by Complainant to discontinue the use of the mark “ BRIDGE and DESIGN “ for goods under Classes 25. Worth mentioning at this point is the jurisprudence in the case of PAGASA INDUSTRIAL CORPORATION vs. COURT OF APPEALS, ET. AL. 204 Phil 162, where the court said:

“Respondent in its comment, argued that the mark applied for by petitioner not only resembles the mark which it previously registered but is exactly the same or is identical to respondent’s trademark; the petitioner should have presented clear, positive proof that Kaisha abandoned the trademark, because these exist already a prima facie evidence of continuing use by the latter by virtue of its registration; that it was incumbent upon petitioner which raised the defense of laches, to establish by clear evidence that either respondent was aware of the use of its trademark by petitioner or that respondent has performed an act which misled petitioner into believing that respondent was abandoning its rights over the trademark; and that respondent since its organization in 1948 has endeavored to popularize its trademark and spent tremendous sum of money for this purpose, thus, it is unbelievable that it will just abandon its product after spending so many years in developing the same.”

Corollary, being the prior user of the mark “ BRIDGE and DESIGN “ for use on goods under Class 25, Complainant’s act of preventing another to use or adopt the same trademark on identical or related goods, such as in this case, is valid.

Respondent argues that the mark “BRIDGE and DESIGN“ was not a creation of Complainant Modenwear which entitles the latter to prevent another from using the same as a mark (page 16, Respondent’s memorandum). But the word BRIDGE as used by Complainant is not a descriptive trademark, it is arbitrary. It is descriptive if it describes the nature or identity of the goods or services for which it is used. The word “ BRIDGE “ may be appropriated by Complainant as its own when used on goods not descriptive of the label or mark and provided he has acquired prior use thereof, a good example would be the word “APPLE“ which is a very distinctive trademark for a computer. In the case at bar, the word “BRIDGE“ is used on garments. The case of [G.R. No.L-18289. March 31, 1964.] ANDRES ROMERO, petitioner, vs. MAIDEN FORM BRASSIERE CO., INC. and THE DIRECTOR OF PATENTS, respondent’s, is one case relevant to and decisive of this particular point when the court ruled:

“The trademark “Adagio” is a musical term, which means slowly or in an easy manner, and when applied to brassieres is used in an arbitrary (fanciful) sense, not being a common descriptive name of a particular style of brassieres, and is therefore registrable.”

This Office finds existence of same mark “BRIDGE “ on the other goods such as THE BRIDGE on leather goods (footwear and headgear), BRIDGES TO BABYLON on footwear, headgear and BRIDGEPORT on shoes, sandals, bells under Class 25 (*Exhibit AAA, complainant*). The use of the same mark is allowed on dissimilar goods but in the case at bar, Respondent adopted the word “BRIDGES“ on similar goods as Complainant’s, garments (*Exhibit BBB, Complainant*); but not just on plain garments, both parties are similarly targeting sportswear. The mark “BRIDGE and DESIGN“ was used by Complainant to identify and distinguish its business from those engaged in similar businesses. It uses the said mark in connection with its garment business. The existence of the same mark for use on other goods

did not prevent Complainant from using the mark on goods under Class 25. Believing it can be appropriated as its own, Complainant filed for the registration of the mark "BRIDGE and DESIGN". The Bureau of Trademark allowed publication of the mark "BRIDGE and DESIGN" in its May-June 1994 issue only after a finding that the subject mark is registrable (Exhibit C, Complainant). In fact in a decision (Exhibit EEE, Complainant) rendered by the Bureau of Legal Affairs over an Opposition case (IPC No. 4084) filed by an Italian firm against Mr. Morris T. Lim, The BLA has given due course to the registration of the mark "BRIDGE and DESIGN", the dispositive portion of which reads:

"WHEREFORE, premises considered, the Opposition to the registration of the trademark "BRIDGE and DESIGN " is hereby DENIED. Accordingly, trademark Application Serial No. 82466 for the registration of the trademark " BRIDGE and DESIGN " used on t-shirt, pants, socks, short, blouses, brief, sandos and jacket filed by MORRIS T. LIM is hereby GIVEN DUE COURSE."

It is basic doctrine in trademark law that goodwill of a business and its symbol, a trademark, are inseparable. Trademarks have no existence independent of the article or service in connection with which the mark is use. There is no such thing as property in a trademark except as a right appurtenant to an established business or trade in connection with which the mark is employed. [see McCarthy on Trademarks and Unfair Competition, Vol. 1., 2.07, pp. 34-35 citing United Drug Co. v. Theodore Rectanus Co. 248 U.s. 90, 63 L. Ed. 141. 39 S. Ct. 48 (1918); American Steel Foundries V. Robertson, 269 U.S. 372, 70 L. Ed. 317, 46 S. Ct. 160 (1926).

Under the Intellectual Property Code, trademarks are protected, even prior to or without registration, against my unlawful acts committed by third parties. Unfair competition provisions of the Intellectual Property Code state that "any subsequent use of the trade name by a third party, whether as a trade name or mark or collective mark, or any such use of a similar trade name ot mark, likely to mislead the public, shall be deemed unlawful;" [see Secs. 165.2(a) and (b), R.A. 8293].

Respondents act are clear acts of unfair competition under Section168.2 and 168.3 of R.A. 8293 which provide:

"168.2 Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, shall be guilty of unfair competition, and shall be subject to an action therefore.

"168.3 In particular, without in any way limiting the scope of protection against unfair competition, the following shall be deemed guilty of unfair competition:

- (a) Any person who is selling his goods and gives them the genera appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, other than the actual manufacturer or dealer, or who otherwise clothes the goods with such appearance as shall deceive the public and defraud another of his legitimate trade, or any subsequent vendor engaged in selling such goods with a like purpose;
- (b) Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such person is offering the services of another who has identified such services in the mind of the public; xxx"

This Office did not find any evidence that would legally justify Respondent's unauthorized use of the disputed trademark. That Complainant is the prior user of the mark "BRIDGE and DESIGN", which has been established through Complainant's consistent use of the subject trademark in connection with its garment business. Complainant has established the business since its inception or the launching of their products in the market bearing the mark. "BRIDGE and DESIGN " in 1994 (exhibits D_AA, Complainant). It has nationwide distribution as far as Davao City, Cotabato City and Sultan Kudarat(Exhibit JJ, complainant). Complainant has used the mark "BRIDGE and DESIGN" to designated his goods since its inception in 1992 in the garment industry or more than a decade of sale, advertising and promotional efforts. This is evidence by the numerous documents such as calendars, advertising materials, posters, sales invoices and/or transaction receipts issued to several customers (Exhs. BB-HH, E1-24, complainant).

All products of Complainant were sold and advertised under the mark "BRIDGE and DESIGN", it was inevitable that the business of the Complainant will be identified only as such. There was no other name which Complainant's products could have been identified, insofar as the public is concerned. Undoubtedly, the subject trademark served as the source identifier. The trademark "BRIDGE and DESIGN" has come to symbolized the goodwill of Complainant's garment business. It has therefore acquired goodwill of considerable value through long and continued use.

As owner and prior user of the subject mark, Complainant has proprietary rights thereto, which include, among others, the right to exclude third parties such as the Respondent herein from the unauthorized use of said mark "BRIDGES" or identical goods. To permit Respondent to continue using the same or identical mark to be used on the same or similar goods would result in confusion as to source of goods and diversion of sales to Respondent. An ordinary purchaser especially one that has already identified in his mind the mark "BRIDGE and DESIGN" may be mistaken when the goods are displayed side by side, especially that both parties herein deal with, among other customers, ISETANNN DEPARTMENT STORE (exhibit JJ, Complainant) FAIAMRT, FARMERS PLAZA (exhibits JJ and GGG-2, Complainant) and LANDMRK DEPARTMENT STORE (Exhibits JJ and GGG-1, Complainant). The contention of Respondent that his sports apparel are sold at a higher price (par. 14, Answer) does not negate the fact of unlawful appropriation, the disparity in the price for Complainant's shirt (P 189.00) and Respondent's shirt (P 300.00) (page 6, Respondent's Memorandum) is not substantial considering that these may be displayed altogether or sold in the same section of any department store (Exhibit GGG-2, Complainant), it would be different scenario should the goods of Respondent be sold exclusively at Rockwell or Rustans malls catering only for the AB crowd. In applying the trademark law (RA 8293) in point, the requirement that there must be absent ant likelihood of confusion that would bar registration by subsequent user of identical or similar mark, the likelihood that purchasers may confuse the goods of Respondent and Complainant to come from the same manufacturer or source or that these goods when place alongside each other will suggest a connection or association of one with the other. The goods involved move through the same channels of trade and are of the same as they both constitute garments, specifically sports apparel, meaning, of the same descriptive properties.

The insertion of the word "S" at the end and the style in which the letter "I" is written do not make Respondent's mark "BRIDGES" different and distinct from the mark "BRIDGE and DESIGN" of the Complainant. Respondent cannot assert identify, by mere looking at the mark, one can readily see that Respondent has indeed used and appropriated the dominant features of Complainant's mark, which in this case is the word BRIDGE. There are variations as contended by Respondent but an ordinary purchaser will just ignore these thinking that it may be variations of the same trademark or an offshoot or a derivative of Complainant's mark. Nowadays by continuous development in the promotional and advertising field, creators of marks come up with numerous variations using the same trademark, take the case of the crocodile logo of the famous mark "LA CHEMISTE LACOSTE", it has a present adopted a smaller or mini version of the

crocodile logo, K-SWISS is now using the K-SWISS word instead of the four stripes it has adopted for a long time.

Taking into account that hundreds of words may be appropriated by Respondent without causing even the slightest hint of confusion, why would it pick the mark "BRIDGES" if it has no intention of benefiting from the goodwill already established by Complainant's mark. Noteworthy to mention are Supreme Court decisions on the matter. The Supreme Court in a long line of cases ruled:

"Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in the English or paucity of sign, symbols, numerals etc. as to justify one who really wishes to distinguish his product from the other entering the twilight zone of or field already appropriated by another." (Weco Products Co., Milton ray Co., 143 F. 2d. 985,32 C.C.P.A. Patents 1214).

"Why of the millions of terms and combinations of letters and designs available the appellee had to choose so closely similar to another's trademark if there was no intent to make advantage of the goodwill generated by the other mark." (American wire & cable Co., vs. dir. Of Patents 3211 SCRA 544).

Having thoroughly discussed the issue and having found the acts of Respondent as constitutive of unfair competition, this Office now turns its attention on the issue of copyright infringement.

Modenwear complaint was the fact that since Respondent copies the mark BRIDGE, Respondent infringed on its copyright. Complainant's position was premised on its belief that it has copyright over the word "BRIDGE" and it testified to the effect that:

- "ATTY. MANANTAN: We can stipulate your Honor that a sample of the work was deposited in the Office of the National Library your Honor. That is the copyrighted work.
- "ATTY. PASAL: Mr. Witness would you know what kind of representation of the mark BRIDGE was deposited in the National Library?
- "ATTY. MANATAN: The document is the best evidence your Honor. The registration is there, for BRIDGE for garments.
- "ATTY. PASAL: In the first place the document is substance your Honor. There's no sample of the work which was identified by the Applicant for the injunction.
- "ATTY MANATAN: The registration itself your Honor, the title of the work is BRIDGE for garments. That is the work your Honor. [TSN. 24 February 2003. P. 29].

Respondent countered by stating that the word "bridge" is not a creation of complainant Modenwear. It went further by declaring that "*As this is the only common element of the two marks, the stylized depiction of the word, accompanying images and colors being markedly different, there is no copyright infringement.*" (p. 16, Respondent' Memorandum)

Although Complainant was able to obtain a copyright over the work "BRIDGE" for garments, the word "BRIDGE" is not an artistic, much less a literary work which could be copyrighted under the Copyright Law. The Law, Sec. 172, RA 8293, enumerates works that are copyrightable: literary works, musical works, dramatic works, choreographic works, pictorial, graphics, sculptural works, motion pictures and other audiovisual works, sound recording and architectural works. The word "BRIDGE", which is the copied portion of the Complainant's

copyright does not fall in any of these categories. Hence, we cannot sustain Complainant's claim of copyright infringement in this respect.

Regarding damages for acts of unfair competition, Sec. 168.4 is the law in point it provides that the remedies provided for in Sections 156 and 157 of R.A. 8293 in cases of infringement of registered mark shall apply mutatis mutandis in cases of unfair competition.

Section 156.1 of R.A. 8293 provides:

“Sec. 156. Actions and Damages and injunction for infringement – 156.1. The owner of a registered mark may recover damages from any person who infringes his rights, and the measure of the damages suffered shall be either the reasonable profit which the complaining party would have made, had the defendant not infringed his rights, or the profit the defendant actually made out of the infringement, or in the event such measure of damages cannot readily be ascertained with reasonable certainty, then the court may award as damages a reasonable percentage based on the amount of gross sales of the defendant or the value of services in connection with which the mark or trade name was used in the infringement of the rights of the complaining party.”

Section 157.1 provides:

“Sec. 157. Power of the Court Infringing Material Destroyed. In any action arising under this act, in which a violation of any right of the owner of the registered mark is established, the court may order that the goods found to be infringing be, without compensation of any sort, dispose of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or destroyed; all labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of the defendant, bearing the registered mark or trade name or any reproduction, counterfeit or colorable imitation thereof, all plates, molds, matrices and other means of making the same, shall be delivered up and destroyed.

Under Section 10.2(b) of R.A. 8293, the Bureau of Legal Affairs has also been authorized to impose one or more of the following administrative penalties, in cases where a party has been found to violate intellectual property laws, to wit:

“10.2 (b) After formal investigation, the Director of Legal Affairs may impose (1) or more of the following administrative penalties:

- (i) The issuance of a cease and desist order which shall specify the acts which the respondent shall cease and desist from and shall require him to submit a compliance report within a reasonable time which shall be fixed in the order;
- (ii) The acceptance of a voluntary assurance of compliance or discontinuance as may be imposed. Such voluntary assurance may include one or more of the following:
 - (1) An assurance to comply with the provisions of the intellectual property law violated;
 - (2) An assurance to refrain from engaging in unlawful and unfair acts and practices subject of the formal investigation;
 - (3) An assurance to recall, replace, repair or refund the money value of defective goods distributed in commerce; and
 - (4) An assurance to reimburse the complainant the expenses and costs incurred in prosecuting the case in the Bureau of Legal Affairs. The Director of the Bureau

of Legal Affairs may also require the respondent to submit periodic compliance reports and file a bond to guarantee compliance of his undertaking.

- (iii) The condemnation or seizure of products which are subjects of the offense. The goods seized hereunder shall be disposed of in such a manner as may be deemed appropriate by the Director of Legal Affairs, such as by sale, donation to distressed local governments or to charitable or relief institutions, exportation, recycling into other goods, or any combination thereof, under such guidelines as he may provide;
- (iv) The forfeiture of paraphernalia and all real and personal properties which have been used in the commission of the offense;
- (v) The imposition of administrative fines in such amounts as deemed reasonable by the Director of Legal Affairs, which shall in no case be less than Five Thousand Pesos (P5,000) nor more than One Hundred Fifty Thousand Pesos (P150,000). In addition, an additional fine of not more than One Thousand Pesos (P1,000) shall be imposed for each day of continuing violation;
- (vi) The cancellation of any permit, license, authority or registration which may have been granted by the Office, or the suspension of the validity thereof for such a period of time as the Director of Legal Affairs may deem reasonable which shall not exceed one (1) year;
- (vii) The withholding of any permit, license, authority, or registration which is being secured by the respondent from the Office;
- (viii) The assessment of damages;
- (ix) Censure; and
- (x) Other analogous penalties or sanctions.”

WHEREFORE, in view of the foregoing, this Office finds that Respondent's acts of using the identical mark "BRIDGES" on the same goods under Class 25 to be acts of unfair competition against Complainant. Accordingly, this Office makes the injunction earlier issued permanent. Consequently, Respondent is hereby permanently enjoined to cease and desist from using the subject trademark or any variations thereof in its garment business. Respondent is likewise hereby ordered to deliver to this Office for destruction any and all labels, signs, prints, packages, wrappers, receptacles, and advertising in his possession bearing the aforesaid mark "BRIDGES" within fifteen (15) days from receipt of this Decision.

In this case, Complainant has not presented to this Office sufficient basis to measure actual damages. Moreover, Complainant, being an artificial person and having existence only in legal contemplation, is not entitled to moral damages. Regarding attorney's fees, as this is supported by evidence during trial, the same may be recovered, hence Respondent is hereby ordered to pay Complainant the amount of one hundred thousand pesos (P100,000.00) as attorney's fees within fifteen days from receipt of this Decision.

SO ORDERED.

Makati City, 24 October 2005.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office