

TONON LABURTHE S.A.
MANUFACTURE DE
CHAUSSURES TANNERIE,

Opposer,
- versus -

ALBERTO ANG GAERLAN,
Respondent-Applicant.

x-----x

IPC 14-2002-00080

Opposition to:
TM Application No. 126045
(Filing Date: 28 October 1997)

TM: "ARCUS (Arcus Plus Device)"

Decision No. 2007-57

DECISION

This pertains to an Opposition filed on 26 November 2002 by herein Opposer, TONON LABURTHE S.A. MANUFACTURE DE CHAUSSURES TANNIREI, a limited company, organized and existing under the laws of France, with office address at 64539 Pontaco, France, against the application filed on 28 October 1997 bearing Serial No. 126045 for the registration of the trademark "ARCUS (Arcus Plus Device)" used for goods in Class 25, of the Nice Classification of Goods namely shoes, slippers, sandals, T-shirts, and jeans, which application was published in the Intellectual Property Office Official Gazette, page 29, Volume V, No.6 and officially released for circulation on 19 September 2002.

The Respondent-Applicant in the instant petition is ALBERTO AND GAERLAN, with address on record at Quezon City.

In support of the instant Opposition, Opposer enumerates the following grounds, to wit:

1. Opposer has widely used the mark ARCUS & Design throughout the world including the Philippines and is widely known around the world as its exclusive owner. Hence, registration of the subject mark in the name of Respondent-Applicant is contrary to Article 6bis of the Paris Convention for the Protection of Industrial Property of which the Philippines is a signatory and is enforced in this jurisdiction by virtue of the Memorandum of the then Minister of Trade dated 20 November 1980 and October 1983, directing the Director of Patents to cancel and/or reject/refuse all unauthorized registration of world famous marks, and by virtue of Section 123 (d) and (e) of the Intellectual Property Code (R.A. No. 8293).

2. The Respondent-Applicant's mark ARCUS & Design is identical to the mark ARCUS & Design owned by the Opposer as, when applied to or used in connection with Respondent-Applicant's goods, to cause confusion or mistake and deceive the public or lead them to believe that the goods of the former is owned, originated from or sponsored by Opposer, and should therefore be refused registration as mandated by Section 123 of R.A. No. 8293.

3. Respondent-applicant has utilized fraud and misrepresentation in filing the subject mark.

4. The registration thereof will cause grave and irreparable injury and damage to the Opposer within the meaning of Section 134 R.A. No. 8293.

The antecedent facts are presented in summary, to wit:

1. Opposer TONON LABURTHE S.A. MANUFACTURE DE CHAUSSURES TANNERIE is the registered owner of the mark ARCUS & Design for footwear such as shoes, boots and slippers in International Class 25 under French Certificate of Registration No. 96652657 issued on 27 November 1996, copy of which is attached to the Opposition as Annex "B".

2. Opposer has also registered the same trademark as an International Trademark with the Organisation Mondiale de la Proprete Intellectuelle under Certificate of Registration No. 675 170 in Class 25 issued on May 16, 1997, copy of which is attached to the Opposition as Annex "B".

3. Opposer has likewise registered the trademark ARCUS & Design in many other countries of the world. The list of the Registration of trademarks around the world in the name of Opposer is attached to the Opposition as Annex "C".

4. Opposer has used the mark ARCUS & Design for various kinds of goods throughout the world including the Philippines, making the mark ARCUS & Design well known around world.

5. Respondent-Applicant's subject mark is identical to Opposer's mark and is used on goods similar to the products of the Opposer.

6. The uncanny similarity in the mark and the use of the subject mark make it very obvious that Respondent-Applicant is riding on the international popularity of Opposer's mark ARCUS & Design and it passing of its goods as those of Opposer.

7. Opposer spent large sum of money for advertising and popularizing its products using the mark ARCUS & Design, which coupled with long use, unblemished and esteemed public refutation as manufacturer of superior high quality goods and products, has generated and established an immense and valuable goodwill for its mark ARCUS & Design the world over.

8. The use and registration of Respondent-Applicant's mark will likely cause the dilution of the advertising value of Opposer's mark ARCUS & Design and the excellent image of the mark and will surely weaken its power of attraction.

9. Respondent-Applicant Alberto Ang Gaerlan is the majority stockholder of Alberto Shoes Corporation, a domestic corporation organized and existing under Philippine laws with office at No. 65 H Villa Ortigas II, Granada cor. B. Serrano Sts.,

Quezon City. Copy of the Articles of Incorporation of Alberto Shoe Corporation is attached to the Opposition as Annex "D".

10. As early as 1997, Alberto Shoes Corporation is an importer and dealer in the Philippines of Opposer's products bearing the mark ARCUS & Design. Copies of various Purchase Orders and Sales Invoice of Opposer to Alberto Shies Corporation are attached in the Opposition as Annexes "E" to "E-6".

11. That Respondent-Applicant is the owner of the subject mark and has first used the name in June 8, 1997, as indicated in the application, are falsities. Respondent-Applicant knew as early as 1997 that Opposer is the owner of the mark ARCUS & Design and Respondent-Applicant has no independent use of such other than his sale of Opposer's products bearing the mark ARCUS & Design. Hence, Respondent-Applicant's application thereof was filed through fraud and misrepresentations.

12. Therefore, the use and registration of the subject mark by Respondent Applicant will amount to a violation of Opposer's proprietary rights over the mark ARCUS & Design, will cause great and irreparable injury and will likely prejudice the public believing that Respondent-Applicant's goods are those of those of the Opposer's, sponsored by Opposer, originated from or related to Opposer herein.

In Respondent-Applicant's Answer dated 19 March 2003, admissions and denials are enumerated, to wit:

1. Preliminarily, Respondent-Applicant would like to point out that the instant "notice of opposition" is time-barred. Records show that when the Opposer originally sought and was granted an extension of time to file notice of opposition for a period of thirty (30) days from 19 October 2002, its (second) motion for extension of time filed on 19 November 2002 was filed out of time because the 30-day period of its first extension expired on 18 November 2002 considering the month of October 2002 has thirty-one (31) days. "In computing a period, the first day shall be excluded and the last day included," (Art. 13, Civil Code of the Philippines) or "the day of the act or event from which it begins to run is to be excluded and the date of performance included". (Section 1, Rule 22 of the Rules of Court) Hence, the BLA, IPO should take cognizance of, and not act upon in the first place, as there was no more period to be extended. In other words, BLA, IPO acquires no jurisdiction over the "notice of opposition" filed by the Opposer under Rule 703 of the Rules on Trademarks, Service Marks, Trade Names, and Marked or Stamped Containers.

2. The allegations in paragraphs 1 and 2 of the alleged "grounds for the opposition" in relation to paragraphs a) to e), inclusive, under the alleged "facts to support opposition" are denied, for lack of knowledge sufficient to form a belief as to the truth thereof; allegations in paragraphs 3 and 4 thereof, in relation to paragraphs f) to i), inclusive, are likewise denied, for being self-serving, inaccurate and conclusionary, the truth of the matter being that – (2.1) the alleged Opposer's trademark was never registered in this jurisdiction; (2.2) the alleged Opposer's

trademark failed to meet the criteria of a “well-know” mark here and internationally; (2.3) the acronym ARCUS was conceptualized after research and verification from government agency concerned (then Bureau of Patents, Trademarks and Technology Transfer) which proved to be favourable, and herein Respondent-Applicant resolved to register it as a trademark in this jurisdiction, on the honest belief of protecting his property rights even locally and, a priority claim on the mark to be registered.

3. The allegations in paragraphs 4-6 of the alleged “ground” in relation to the paragraphs j) to m), inclusive, under the alleged “facts to support its opposition” are denied, for being self-serving, conjectural, erroneous and conclusionary, the truth of the matter being that –

(3.1) Respondent-Applicant, who holds a substantial, not majority shareholdings, has a separate and distinct personality from the corporation, Alberto Shoes Corporation. His action in registering the acronym ARCUS as trademark was purely coincidental with the business dealing of the corporation, who then acquires ownership of local and imported goods it sells to the public locally; (3.2) Respondent-Applicant believed that, since there was no locally registered trademark fro Class “25”, the adoption and actual use of the mark ARCUS in commerce in good faith, applied for its registration way back 1997, will protect his interest and exclusive right of use; (3.3) Opposer has never conducted or had done business in the Philippines, much less promotional activities.

Special and affirmative defenses are likewise set forth as grounds to reject the Notice of Opposition of the Opposer, to wit:

1. The Bureau of Legal Affairs, Intellectual Property Office acquires no jurisdiction over the incident. As stated, the period within which to file an opposition has expired. The “Notice of Opposition” by TONON LABURTHE S.A MANUFACTURE DE CHAUSSURES TANNERIE, was files beyond the one (1) month period from the date of publication of the application on 19 September 2002. As such, the filing thereof was time-barred. Thus, invoking the same as if a motion to dismiss had been filed, the pertinent provision applicable in the incident at bar is Rule 703 of the Rules on Trademarks, Service Marks, Trade Name and Marked or Stamped Containers.

2. The alleged grounds relied upon by herein Opposer are unmeritorious. As adverted, the gratuitous claim of Opposer that it “has widely use the mark ARCUS & Design throughout the world including the Philippines and the same is widely known around the world to be exclusively owned by the opposer” is off-tangent because it has not nor attempted to register the same mark in this jurisdiction. Article 6bis of the Paris Convention is misplaced for the Supreme Court ruled in the case of Mirpuri vs. Court of Appeals, 318 SCRA 516 that, “the essential requirement under Article 6bis is that the trademark to be protected must be well-known in the country where protection is sought. The power to determine whether a trademark is well-known lies in the competent authority of the country of registration of use. x x x “

3. The factor of being “well-know” should be distinguished from the claim of Opposer that its trademark is “widely known”. It has the burden to prove that its trademark is within the ambit and protection of Article 6bis of the Paris Convention.

Thereafter, parties submitted their respective Pre-Trial Briefs, stipulating the facts and posed issued for resolution of this Bureau. While both expressed their willingness to amicably settle this instant case, they failed to come up to mutual terms and conditions. This, the trial on the merits ensued.

Opposer presented its lone witness, Jean Tonon, who executed a duly authenticated Sworn Statement with attached Annexes to constitute as his direct testimony, on 21 April 2004 and marked as evidence on 10 June 2004.

Counsel for Respondent-Applicant, moved in open court to submit written Cross Interrogatories in the next schedule hearing, but failed to do so. Instead, he filed Motion to Cross-Examine Opposer’s Witness dated 14 July 2004, pursuant to Section 3 (a), Rule 9, of the Rules and Regulations on Inter Partes Proceedings and further invoking his constitutional right to due process of the law. Opposer opposed the said motion, citing Section 13 (d), *ibid*.

Verily, this Bureau in Order No. 2005-395 dated 17 June 2005, denied Respondent-Applicant’s motion, on the basis of Rule 2, Section 13 (d), *ibid*. Consequently, Respondent-Applicant was afforded fifteen (15) days from receipt of the said Order to submit its written cross-interrogatories.

Respondent-Applicant however, did not file any motion, pleading nor manifestation relative thereto. Thus, in Order No. 2005-890 dated 19 October 2005, this Bureau waived Respondent-Applicant’s right to cross-examine foreign witness through written cross-interrogatories.

Again, Respondent-Applicant files on Omnibus Motion dated 15 November 2005, seeking reconsideration of the aforementioned Order dated 17 June 2005 and 10 October 2005. This Bureau, in Resolution No. 2006-04 dated 03 March 2006, denied the same.

Opposer filed a Formal Office of Evidence date 07 December 2005. Hence, this Bureau, in Order No. 2006-1031 dated 25 July 2006, admitted Exhibits “A” to “G” inclusive of sub-making, in accordance with the Implementing Rules and Regulations on Inter Partes Proceedings, which consists of the following, to wit:

- “A” Authentication of the Sworn Statement of Jean Tonon by Philippine Consul to Paris dated 05 April 2004
- “A-1” Sworn Statement of Jean Tonon dated 23 February 2004
- “A-2” Second Page of Exhibit “A”
- “A-3” Third Page of Exhibit “A”

- “A-4” Signature of Jean Tonon
- “A-5” Notarization of the Sworn Statement
- “B” Certified True Copy, French Certificate of Registration No. 96652657 for ARCUS & Design
- “B-1” Second Page of Exhibit “B”
- “B-2” Third Page of Exhibit “B”
- “B-3” Fourth Page of Exhibit “B”
- “B-4” Fifth Page of Exhibit “B”
- “B-5” English Translation of Exhibit “B”
- “B-6” Second Page of Exhibit “B-5”
- “B-7” Third Page of Exhibit “B-5”
- “B-8” Fourth Page of Exhibit “B-5”
- “C” Certificate of Registration of the Organisation Mondiale De La Proprete Intellectuell
- “C-1” English Translation of Exhibit “C”
- “C-2” Second Page of Exhibit “C-1”
- “C-3” Third Page of Exhibit “C-1”
- “D” List of Registration of Trademark ARCUS & Design in the name of Opposer
- “E” Catalogue of Opposer’s products bearing the mark ARCUS & Design
- “F” to Purchase Orders and Sales Invoice of Opposer to Alberto Shoes Corporation
- “F-6” Corporation
- “G” Security and Exchange Commission Certificate of Registration and Articles of Incorporation of Alberto Shoe Corporation

Relative thereto, Respondent-Applicant files a Clarificatory Motion fir being erroneous, open-ended and prejudicial to his substantial rights and interest. In Order No. 2007-01, this Bureau finds Respondent-Applicant’s allegation to be devoid of merit in

accordance to existing laws and jurisprudence. Again, this Bureau, re-scheduled Respondent-Applicant's presentation of evidence.

In view of the latter's continuous disregard to present his evidence, Order No. 2007-532, dated 23 February 2007 was issued and this case is deemed submitted for decision.

The pivotal issues are as follows:

Whether or not the Bureau of legal Affairs, this Office, has jurisdiction over the instant Opposition case.

"Whether or not the Respondent-Applicant's Trademark "ARCUS & Design" be refused registration.

Anent the first issue, this Bureau rules in the affirmative. The rule stands and is consistently applied in a string of cases decided by the Honorable Supreme Court, that, to wit:

" x x x cases shall be determined on the merits, after full opportunity to all parties for ventilation of their causes and defenses, rather than on technicality or some procedural imperfections. In so doing, the ends of justice would better be served. The dismissal of cases purely on technical grounds is frowned upon and the rules of procedure ought not to be applied in a very rigid, technical sense, for they are adopted to help secure, not override, substantial justice, and thereby defeat their very ends. Indeed, rules of procedure are mere tools designed to expedite the resolution of cases and other matters pending court. A strict and rigid application of the rules that would result in technicalities that tend to frustrate rather than promote justice must be avoided. Emphasis Ours, (Durban Apartments Corp. vs Miguel Geraldito R. Catacutan, et al., GR No. 167136, December 14, 2005)

In this instant case, Respondent-Applicant's allegation of this Bureau's lack of jurisdiction stemmed from Opposer's filing of Second Motion for Extension on the 31st day which is beyond the one (1) month period allowed in the Regulations in Inter Partes Proceedings.

True, the Regulations provide for an additional one (1) month extension to file Notice of Opposition. However, such provision should be read in entirety, to wit:

"x x x the time for filing the verified opposition may be expended for an additional one (1) month by the Director upon the written request of the opposer. Whenever an extension is granted, the Director shall cause the applicant to be notified, thereof. The petition for extension shall be filed in triplicate. However, in no case shall the period within which to file the verified opposition exceed four (4) months from the date of release of the IPO Gazette publishing the mark being opposed. x x x" (Emphasis Ours.) Section 4 (a), Rule 7, Regulations on Inter Partes Proceedings.

The granting or denial of motions for extension is discretionary to this Bureau. What is deemed mandatory is the filing of the Verified Notice of Opposition not exceeding four (4) months from publication in the IPO Gazette.

Thus, it is filing of the Verified Notice of Opposition which is jurisdictional, and has the force and effect of a law. The filing of extension is merely a procedural requirement which should be construed liberally to effect substantial justice. There is ample jurisprudence holding that the subsequent and substantial compliance may call for the relaxation of the rules of procedure. Therefore, to pronounce that this Bureau lacks jurisdiction in the instant case by reason of Opposer's one-day belated filing is harsh and prejudicial to the higher interest of justice.

Let us now proceed to the core issued: whether or not subject mark be refused registration.

After a careful and in-depth perusal of the records, this Bureau negates refusal of Respondent-Applicant's registration of the subject mark.

It bears emphasizing that the Application subject of the instant opposition was filed under the old Trademark Law (R.A. 166, as amended). Thus, this Office shall resolve the case under said law in order not to adversely affects right acquired prior to the affectivity of the new Intellectual Property Code or R.A. 8293.

The applicable provision of the Trademark Law provides:

"Sec. 4. Registration of trademarks, trade names and service marks on the principal register. – x x x The owner of a trademark, trade name or service mark used distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same on the Principal Register, unless it:

" x x x

"(d) Consists of our comprises a mark or trade name which so resembles a mark or trade name registered in the Philippines or a mark or trade name 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 purchases".

It is undeniable that the contending mark of the Opposer, "ARCUS & Design" and that of Respondent-Applicant, "ARCUS (ARCUS plus Device) is not only similar but clearly identical. With respect to the goods, Opposer's goods include: shoes, boots and slippers. Respondent-Applicant's goods on the other hand consist of: shoes, slipper, sandals, t-shirt and jeans. Therefore, the use of the subject mark is likely to lead to a confusion of source.

This determination is not sufficient to favour Opposer considering that the afore-quotes law provides for a mark which was “previously used” in the Philippines, in order to validly oppose the registration of a trademark in the name of another. In fact, section 2 of RA 166, as amended, requires prior use of the mark in trade or commerce for at least (2) months before the filing of the application for registration thereof. The element of prior use of trademark in the Philippines proves to be a concurring element to claim legal right to the subject mark.

In the case at bar, Opposer failed to substantially prove “prior use” of its subject mark here in the Philippines. *Firstly*, there was no application for registration of the subject mark with the Intellectual Property Office, Philippines to at least, allege its first use of the said mark. *Secondly*, Opposer’s evidence consisting of Exhibits “F” to “F-6”, which are Purchase Orders and Sales Invoice of Opposer to Alberto Shoes Corporation are merely photocopies, admitted by Opposer’s counsel in the 21 April 2004 hearing, evidenced by the transcript of stenographic notes in page ten (10), as quoted:

“Atty. Olivia: x x x We admit that the Sales Invoice and the Purchase Orders marked as Exhibits “F” to “F-6” are photocopies. Likewise, we will admit that the Security and Exchange Commission Certificate of Registration of Albertus Shoes Corporation is also in Photocopy your honor. May we just request those in photocopies your honor be temporarily marked subject to the presentation of certified true copy from the concern offices. x x x”

The Revised Rules of Court, having supplementary application in this proceeding, requires that original document or a certified copy of which must be produces, as provided in the following provisions, to wit:

“When the subject of injury is the contents of a documents, no evidence shall be admissible other than the original document itself, except x x x” (Section 3, Rule 130, Revised Rules Court)

“Whenever a copy of a document or record is attested for the purpose of the evidence, the attestation must state, in substance, that the copy is a correct copy of the original, or a specific part thereof, as the case may be. The attestation must be under the official seal of the attesting officer, if there be any, or if he be the clerk of a court having a seal, under the seal of such court.” (Section 25, Rule 132, Revised Rules of Court)

Thus, since Opposer failed to produce for comparison nor formally offered the original documents or certified copies of the above-mentioned evidence, in the English language or translation thereof, the, it is deemed that no evidence has been presented to establish the factum probandum. There is therefore no basis to prove “actual use” of its mark in the Philippines.

It bears stressing however, that when a mark is declared or a well-known status, then the law gives protection to the same and consequently, rejects the application for

registration or cancels the registration of all other similar or related marks. Sadly, in this instant case, Opposer's mark has not attained such status.

Art. 6 bis of the Paris Convention for the Protection of Industrial Property provide that –

Article 6 bis
(Marks: Well-Known Marks)

“The countries of the union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitute a reproduction, an imitation or a translation, liable to create confusion, of a mark considered by the competent authority of the country as being already the mark of a person entitled to the benefits of this convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any well-known mark or an imitation to create confusion therewith: (Underscoring Ours.)

In the instant case, the Opposer allegation that its mark is well-known is supported by various certificates of registrations in many countries of the world (Exhibit “D”). This Office is not convinced that Opposer has complied with the requirements to be declared as well known under the prevailing standards and criteria.

In Memorandum of the Minister Luis Villafuerte dated 20 November 1980, directing the Director of the Philippine Patent Office to reject all the pending registration of signature and other world famous trademarks by applicant other than its original owner's or users of the trademarks are enumerated therein, Opposer's trademark is not one of them.

Likewise, under the Memorandum dated 25 October 1983, the then Minister of Trade and Industry, the Hon. Roberto V. Ongpin, provided for guidelines on the implementation of Article 6 bis (SIC) of the Treaty of Paris. The conditions are as follows:

1. the mark must be internationally known;
2. the subject of the right must be a trademark, not a patent or copyright or anything else;
3. the mark must be for use in the same or similar kinds of goods; and
4. the person claiming must be the owner of the mark (The Parties Convention Commentary)

The Opposer's mark is not internationally known since it is not even known in the Philippines and other Asian countries, even through publications, articles, advertisements and clippings. Thus, Opposer failed to comply with the first requirement of the Memorandum above stated.

IN VIEW of all the foregoing, the instant Opposition is, as it is hereby, DENIED. Consequently, trademark application bearing Serial No. 126045 for the mark "ARCUS (ARCUS Plus Device)" filed on 28 October 1997 is hereby GIVEN DUE COURSE.

Let the filewrapper of ARCUS (ARCUS Plus Device), subject matter of this case together with a copy of this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 29 May 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs