



BBC ICE CREAM LLC,
Opposer,

-versus-

ANTONIO B. DEUS,
Respondent- Applicant.

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} IPC No. 14-2012-00258
} Opposition to:
} Appln. Serial No. 4-2012-000678
} (Filing Date: 19 January 2012)
} TM: "BILLIONAIRE BOYS
} CLUB & DESIGN"

NOTICE OF DECISION

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ANTONIO B. DEUS
Respondent-Applicant
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GREETINGS:

Please be informed that Decision No. 2014 - 117 dated April 28, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 28, 2014.

For the Director:

Edwin A. Dating
Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



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IPC NO. 14-2012-00258
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(Filing Date: 19 January 2012)

Trademark: "BILLIONAIRE
BOYS CLUB & DESIGN"

Decision No. 2014- 117

DECISION

BBC ICE CREAM LLC, ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2012-000678. The application, filed by ANTONIO B. DEUS ("Respondent-Applicant")², covers the mark "BILLIONAIRE BOYS CLUB & DESIGN", for use on "jeans, pants slacks, t-shirts, polo, polo shirts, blouses, dresses, skirts, sweaters, sweatshirts, jackets, jogging pants, sando, blazers, wind breakers, overalls, briefs, panties, supporters, socks, stockings, leggings, hats, caps, visor, gloves, ties, belts of clothing, suspenders, wrist bands, head bands, swim suits, swimming trunks, shoes, sandals, slippers, boots" under Class 25 of the International Classification of Goods³.

The Opposer alleges among other things that it is the owner of well-known marks which are protected by both Philippine and international law. Hence, it invokes Sec. 123.1(e) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") which provides:

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

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark with which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;"

¹ A limited liability company duly organized under the laws of the State of Delaware, U.S.A.

² Filipino citizen, with address at 1025 MPR, PNR Barangka Itaas, Mandaluyong City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

and Article 6bis of the Paris Convention, to wit:

Article 6bis
Marks: *Well-known Marks*

(1) 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 constitutes a reproduction, an imitation, or a translation considered by competent authority of the country of registration or use to be well known in that 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 such well-known mark or an imitation liable to create confusion therewith.

The Opposer also cites Part 1, Article 2(3) of the 1999 Joint Recommendation Concerning Provisions on the Protection of Well-known Marks, as follows:

(3) (Factors Which Shall Not Be Required. (A) A Member State shall not require, as a condition for determining whether a mark is a well-known mark:
(1) that the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State;
(ii) that the mark is well-known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State, or
(iii) that the mark is well-known by the public at large in the Member State.”

The Opposer submitted as evidence the following:

1. Annex “A”- Print- out of E-gazette showing trademark application of Respondent –Applicant;
2. Annex “B”- Print-out of Opposer’s facebook page; and
3. Annex “C”- Affidavit of Andrew R. Tarshis with attached certified copies of trademark registrations of Opposer in several countries.

This Bureau served upon the Respondent-Applicant a Notice to Answer on 30 August 2012. The Respondent-Applicant, however, did not file an Answer. Thus, the Hearing Officer issued on 28 February 2013 Order No. 2013-360 declaring the Respondent-Applicant in default.

Should the Respondent-Applicant be allowed to register the trademark BILLIONAIRE BOYS CLUB & DESIGN?

It is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. The function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing out into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and

imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁴ This purpose will not be served by the co-existence in the market of the competing marks, shown below:

Opposer's marks

Respondent-Applicant's mark



(As appearing in the Opposer's merchandise)

The mark applied for registration by the Respondent-Applicant is the same mark used and owned by the Opposer. The Opposer presented evidence that it deals in goods and services that are similar and/or closely related to those indicated in the Respondent-Applicant's trademark application. It is likely that the consumers will have the impression that the parties' products originate from a single source or the sources thereof are connected or associated with one another. The likelihood of confusion would subsist not only the purchaser's perception of goods but on the origins thereof as held by the Supreme Court, to wit:⁵

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, the defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff, and the public would then be deceived either into that belief or into the belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

The Opposer submitted evidence that the mark BILLIONAIRE BOYS CLUB has been in use and in fact registered by a party other than the Respondent-Applicant long before he filed a trademark application. The mark was created by Pharrell Williams, the

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91, of the Trade related Aspect of Intellectual Property (TRIPS Agreement).

⁵ Converse Rubber Corporation v. Universal Products Inc. et al., G.R. No. L-27906, 08 Jan. 1987.

internationally acclaimed artist and producer in the music industry, in launching his apparel collection. The Opposer has registered the mark in:

1. the United States of America(U.S.A.) under Reg. No. 3,216,201 issued on 06 March 2007 for goods under Class 25; Reg. No. 3,696,657 issued on 13 October 2009 for Class 9; and Reg. No. 3,778,773 issued on 20 April 2010 for Class14;
2. Canada under Reg. No. 754,559 issued on 03 December 2009;
3. Hong Kong under Reg. No. 300062757 issued on 14 August 2013; and
4. Japan under Reg. No. 4767307 issued on 23 April 2004.

In this regard, it does not matter in this instant that the cited trademark registrations were in other countries. This is not about a matter of enforcing the foreign registrations in the Philippines. The foreign registrations are cited and used only as material evidence to show that the Respondent-Applicant is not the owner of the mark subject of his trademark application. Succinctly, the issue is not who between the parties has the better right to the contested mark. The real issue is whether the Respondent-Applicant is the owner of the mark. If not, then he has no right to register it more so that the real owner thereof objects.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

Section 2: Trademarks
Article 15

Protectable subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is

registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code states:

Sec.122. How Marks are Acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R.A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law. Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. – 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 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. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.⁶ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *E. Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity and Machinery Co., Ltd.*,⁷ the Supreme Court ruled:

Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

⁶ See Section 236 of the IP Code.

⁷ G.R. No. 184850, 20 October 2010.

Sec. 134 of the IP Code provides that "any person who believes that he would be damaged by the registration of a mark x x x" may file an opposition to the application. The term "any person" encompasses the true owner of the mark the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*:

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a *prima facie* proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

x x x x

Ownership of a mark or trade name may be acquired not necessarily by registration but by adoption and use in trade or commerce. As between actual use of a mark without registration, and registration of the mark without actual use thereof, the former prevails over the latter. For a rule widely accepted and firmly entrenched, because it has come down through the years, is that actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership.

x x x x

By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. Registration merely creates a *prima facie* presumption of the validity of the registration, of the registrant's ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

The Respondent-Applicant did not file an Answer to defend his trademark application and explain how he arrived at using the same mark. It is incredible that the Respondent-Applicant came up with exactly the same mark for use on similar goods by pure coincidence. The field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

⁸ American Wire & Cable Company v. Director of Patents, G. R. No. L-26557, 18 February 1970.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-000678 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 28 April 2014.


Atty. NATHANIEL S. AREVALO
Director IV
Bureau of Legal Affairs