IP PHL

BODY GLOVE INTERNATIONAL LLC, Petitioner, **-versus-** **EDWARD JUSTIN L. CANTOR,** Respondent-Registrant.	}	**IPC No. 14-2011-00117** Cancellation of: Reg. No. 4-2006-012928 Date Issued: October 01, 2007 TM: **"BODY GLOVE"**

x----------x

NOTICE OF DECISION

HECHANOVA BUGAY & VILCHEZ
Counsel for the Petitioner
G/F Chemphil Building
851 Antonio Arnaiz Avenue
Makati City

EDWARD L. CANTOR
Respondent-Registrant
162 Northwest Ipil Street
Marikina Heights, Marikina City

GREETINGS:

Please be informed that Decision No. 2015 - ___ dated July 15, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 15, 2015.

For the Director:

Atty. EDWIN DANILO A. DATIN
Director III
Bureau of Legal Affairs

BODY GLOVE INTERNATIONAL LLC, *Petitioner,*	}	IPC No. 14-2011-00117
-versus-	}	Cancellation of: TM Reg. No. 4-2006-012928 Registered on: October 01, 2007 Trademark: "BODY GLOVE"
EDWARD JUSTIN L. CANTOR, *Respondent-Registrant.*	}	
x----------x		*Decision No. 2015-_ _ _*

DECISION

BODY GLOVE INTERNATIONAL LLC[1] ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2006-012928. The registration issued in favor of Edward Justin L. Cantor [2]("Respondent-Registrant"), covers the mark "BODY GLOVE" for use on "*clothing namely shirts, pants, jeans, polos, jackets and shorts; footwear namely shoes, slippers, sandals; headgear namely hats and caps* " under Class 25 and "*bags, wallets*" under Class 18 of the International Classification of Goods and Services.[3]

The Petitioner alleges:

x x x

"7. The registration of the mark "BODY GLOVE" in the name of the Respondent-Registrant contravenes and violates Section 123.1 (e) and (g) of the IP Code, as amended, because the mark is identical and confusingly similar to Petitioner's trade mark, which is owned, used and not abandoned by Petitioner as to be likely when applied to or used in connection with the goods of Respondent-Registrant to cause confusion or mistake, or deceive the purchasers thereof as to the origin of the goods.

"8. The continued registration of the mark BODY GLOVE for goods under class 18 and 25 in the name of Respondent-Registrant will cause grave and irreparable injury and damage to the petitioner for which reason it seeks the cancellation of said registration based on the grounds set forth hereunder.

x x x

"9. Petitioner's BODY GLOVE traces its origin to as far back as 1953 when the Meistrell twins Bob and Bill took over one of Los Angeles, California's earliest marine/dive stores. The twins discovered an insulating material called neoprene used in the back of refrigerators and fashioned from it the first practical wetsuits. The brand's distinction was the fit of its products – they fit the body like a glove.

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[1]A foreign corporation organized and existing under the laws ofCalifornia, United States of America, with principal address at 201 Herondo Street, Redondo Beach, California, 90277, USA

[2]With address on record at 24 Libya St., Better Living Subdivision, Don BoscoBicutan, Paranaque City

[3]The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE
Intellectual Property Center, 28 Upper McKinley Road, McKinley Hill Town Center
Fort Bonifacio, Taguig City 1634 Philippines
T: +632-2386300 • F: +632-5539480 •www.ipophil.gov.ph

"10. Petitioner's licenses the BODY GLOVE trademarks to entities who in turn sells water sports and active lifestyle apparel and products. Petitioner offers various products such as women's swimwear, junior's apparel, board shorts and tees, life jackets, aquatics and snorkeling, sports and safety gear, footwear, watches, sunglasses, wakeboards and water skis, boards, DVD's, skateboards, ice wraps, towels, music, CD's, water filters, mobile phones and Ipod cases, headsets, camera cases, laptop sleeves, and offers these products also thru the internet. x xx

"11. Petitioner has been selling its BODY GLOVE branded products in many parts of the world, including the Philippines, and has established substantial goodwill and reputation in the general public throughout the world, including the Philippines. To assure that its reach is worldwide, Petitioner has appointed several licensees located all over the world.

"12. Petitioner has spent a considerable amount of money and invested significant manpower in advertising, promotion and marketing of its product around the world. The average annual advertising expenses worldwide for the past five (5) years is US $100,493,800.00.

"13. As a result of the Petitioner's extensive advertising, promotion and marketing of the BODY GLOVE brand, it was able to build goodwill and reputation internationally, including the Philippines, which translated into multi-million dollar sales. The average sales worldwide of the BODY GLOVE brand for the past five (5) years amounted to US$ 148,378,382.00.

"14. The foregoing has been attested to by Petitioner's president Russell F. Lesser in his affidavit-direct testimony attached herewith xxx

"15. Herewith attached as x xx is a notarized affidavit of Webster D. Ngo proving that the trademark BODY GLOVE certainly meets the criteria of an internationally well-known mark, in accordance with Rules 102 of the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, which provides:

x x x

"16. Petitioner manufactures and markets a wide array of products, among which that is listed in their websites are: Wetsuits & Rashguards, Women's Swimwear, Men's Boardshorts, T-Shirts, Life Jackets/PFDs, Aquatics & Snorkeling, Sunglasses, Watches, Sports & Safety Gear, Boards (Surf, Body & Skim), Wakeboards & Waterskis, Skateboards, DVDs, Ice Wraps, Towels, Pet Apparels, Water Filters, CDs, Limited Edition Products, Mobile, Rx Eyewear, among others.

"17. In order to protect their rights in the BODY GLOVE trademark as well known mark, Petitioner has filed and obtained registrations for BODY GLOVE in over 50 different trademark jurisdictions including the following countries:

x x x

"18. Through the years, Petitioner was able to grant licensees all over the world and now represent the principal divisions of BODY GLOVE INTERNATIONAL LLC, which includes the following:

x x x

"19. A visual comparison between the parties' marks leaves no doubt that Respondent-Registrant's BODY GLOVE mark is, in every way, not only confusingly similar but, in fact, IDENTICAL to Petitioner's internationally well-known BODY GLOVE trademark, for which Petitioner has already previously obtained registrations in various countries worldwide.

"20. The confusing similarity between Respondent-Registrant's BODY GLOVE mark and Petitioner's well-known BODY GLOVE mark is highly likely to deceive the purchasers of goods on which the mark is being used as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods to which it is affixed. Furthermore, the unauthorized use by others of a trademark similar or identical to Petitioner's BODY GLOVE trademark will certainly dilute the distinctiveness of the latter, and adversely affect the function of said trademarks as an indicator of origin, and/or the quality of the product.

x x x

"21. The Supreme Court has ruled in Mirpuri vs. Court of Appeals, Director of Patents and Barbizon Corp. that 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 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.

"22. As having such identical or closely related goods, the registration of Respondent-Registrant's mark is in clear violation of Section 123.1 (e) and (g) of the IP Code. According to Section 123.1 (e) and (f) of the IP Code, a mark cannot be registered if it is identical with, or confusingly similar to a well-known mark, whether or not it is registered here,to wit:

x x x

"23. As an internationally well-known mark, Petitioner's BODY GLOVE mark is further protected under Article 6bis of the Paris Convention, which provides:

x x x

"24. The identicalness of Respondent-Registrant's mark with Petitioner's own well-known BODY GLOVE trademarks can only lead to the conclusion that Respondent-Registrant intends to ride on the popularity of Petitioner, thereby causing Petitioner to incur monetary losses, and suffer the dilution of its trademarks.

"25. Petitioner is damaged by the registration of the mark BODY GLOVE considering that Petitioner's well-known trademarks have already obtained goodwill and consumer recognition throughout the world. For what other purposes would the Respondent-Registrant choose the exact name 'BODY GLOVE', of all possible names and terms, to identify his goods which are undeniably identical or closely related to Petitioner's own products? x x x

"26. Thus, Respondent-Registrant's registration of the mark BODY GLOVE must be cancelled for having been fraudulently obtained. Respondent-Registrant does not own the mark, and furthermore, as an internationally well-known mark, Respondent-Registrant has no right to its registration, in accordance with Sections 123.1 (e), (f) and (g) of the IP Code, which provide:

x xx

"27. The registration of the mark BODY GLOVE in the name of Respondent-Registrant violates the exclusive proprietary rights of the Petitioner over its own marks and irreparably injure or damage the interest, business reputation and goodwill of said marks.

"28. Clearly, the continuing registration of Respondent-Registrant's mark, which is identical to Petitioner's own BODY GLOVE trademarks will not only prejudice the Petitioner but will also allow the Respondent-Registrant to unfairly benefit from and get a free ride on the goodwill of Petitioner's well-known marks.

"29. Under the IP Code, it is provided that a trademark applicant must submit a Declaration of Actual Use (DAU) within three (3) years from filing date, and failure to do so would render the application as deemed withdrawn. The undersigned requested for a copy of the DAU filed by Applicant Edward Cantor, and was given a copy attached herewith x x x

27.1 As shown in the attached, the IPO stamped receipt date of the said DAU is December 1, 2009, at nearly 3 p.m. Not having met the deadline of November 30, 2009, the DAU filing was late by one (1) day. The period is construed strictly by the IPOPHL, hence, the DAU is deemed not to have been filed.

"27.2 Even assuming that the DAU was timely filed, a verification with the Notarial Section of the Clerk of Court of Makati City to which the Notary Public Atty. Fidel Evangelista belongs, shows that the document purportedly notarized on November 27, 2009 by Atty. Fidel Evangelista under Document number 318, Page Number 65, Book Number 127, series of 2009 is not the DAU executed by Angel O. Olandres, Jr. representative of Respondent-Registrant, but a Serviced Contract entered into by and between First Gateway Real Estate Corp. and Jardine Energy Control Company notarized by the same Atty. Fidel L. Evangelista. x xx

"27.3 Moreover, the DAU does not state the name and address of the outlet selling good bearing the registered mark. Absent this information, this DAU does not comply with the IP Code, hence, the registration must be cancelled.

"30. Under the IP Code, Section 124.2 states that:

x x x

"31. The regulation which was referred in the abovementioned section, The Rules and Regulations on Trademarks, Service Marks, Trade Names, and Marked or Stamped Containers, states that:

x x x

"32. Respondent-Registrant's Declaration of Actual Use was executed fraudulently, deemed not notarized, and did not contain the information as required by Rule 205, and filed outside the required period. Such being the case, Registration No. 4-2006-012928 should be cancelled.

The Petitioner's evidence consists of a special power of attorney appointing the law offices of HECHANOVA, BUGAY & VILCHEZ as its attorney-in-fact; a copy of the Certificate of Registration No. 4-2006-012928 for the mark BODY GLOVE issued in the name of Respondent-Registrant; the affidavit-direct testimony of Russell F. Lesser, president of Petitioner, since 1991; affidavit of Webster D. Ngo, legal assistant in the law firm HECHANOVA, BUGAY and VILCHEZ; a copy of the Declaration of Actual Use ("DAU")filed by applicant Edward Cantor; and, a certification issued by the Makati City Office of the Clerk of Court stating that Document No. 318, Page Number 65, Book No. 127, Series of 2009 notarized by Atty. Fidel Evangelista is not the DAU executed by Angel O. Olandres, Jr, representative of Respondent-Registrant.[4]

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 18 May 2011. The Respondent-Applicant, however, did not file an Answer.

Should Trademark Registration No. 4-2006-012928 issued in favor of Respondent-Registrant be cancelled?

A perusal of the mark registered by the Respondent-Registrant is identical and/or confusingly similar to Petitioner's, as shown below:

Petitioner's trademark

BODY GLOVE

Respondent-Registrant's trademark

Respondent-Registrant's mark BODY GLOVE is part of the Petitioner's mark BODY GLOVE. The fact that the Respondent-Registrant's mark consists only of the words BODY GLOVE, and without the device of a stylized hand or palm in the Petitioner's mark is of no moment. The Respondent-Registrant's trademark registration covers goods that are similar to the Petitioner's, particularly, wearing apparel under Classes18 and 25. The mark BODY GLOVE is creative and unique and thus, highly distinctive, for goods under Classes 18 and 25. Thus, it is likely that the consumers will have the

[4]Marked as Exhibits "A" to "F", inclusive

impression that these goods originate from a single source or origin or that the parties are connected or associated with one another, when in fact they are not.

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that 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 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.[5]

The Respondent-Registrant's filing of their trademark application on 30 November 2006 preceded the Petitioner's trademark application in the Philippines (24 September 2008). The Petitioner, however, raises the issues of trademark ownership, and fraud and bad faith on the part of Respondent-Registrant.

In this regard, this Bureau emphasizes that 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 of registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998. Art 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, nor 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 also states:

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[5] *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

> 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 of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. (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., et al. v. Shen Dar Electricity and Machinery Co. Ltd.*[7], the Supreme Court held:

> x x x 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.
>
> x x x
>
> 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. x x x

[6] See Sec. 236 of the IP Cod

[7] G.R. No. 184850, 20 October 2010.

In this instance, the Petitioner proved that it is the originator and owner of the contested trademark. As stated, the "BODY GLOVE brand's distinction was the fit for its products-they fit the body like a glove, hence, the brand name that came into use in the 1960's..."[8] In fact, "BODY GLOVE" is the substantial and distinctive portion of its business/corporate name. In contrast, the Respondent-Registrant despite the opportunity given, did not file an Answer to defend the assailed trademark registration and to explain how he arrived at using the trademark BODY GLOVE. It is incredible for the Respondent-Registrant to have come up with exactly the same and/or confusingly similar trademark for use on similar goods, specifically article of clothing, bags and wallets, by pure coincidence.

Succinctly, 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.[9]

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.

WHEREFORE, premises considered, the instant Petition for Cancellation is hereby GRANTED. Let the filewrapper of Trademark Registration No. 4-2006-012928 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 15 July 2015.

ATTY. NAT. ANIEL S. AREVALO
Director V, Bureau of Legal Affairs

[8] Par. 4 of the Affidavit-Direct Testimony of Russell F. Lesser, President of BODY GLOVE INTERNATIONAL LLC.(Exhibit "C-3")
[9] *American Wire & Cable Company v. Director of Patents*, G R No. L-26557, 18 Feb. 1970.