



VIBRAM S.P.A.,
Petitioner,

-versus-

VIBRAM MANUFACTURING
CORPORATION,
Respondent-Registrant.

}
} **IPC No. 14-2010-00221**
} Petition for Cancellation:
} Reg. No. 46101
} Issued on: 16 August 1989
} **TM: "VIBRAM"**
}

x-----x

NOTICE OF DECISION

**ORTEGA, DEL CASTILLO, BACORRO
ODULIO, CALMA & CARBONELL**
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GREETINGS:

Please be informed that Decision No. 2015 - 135 dated June 23, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 23, 2015.

For the Director:

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



VIBRAM S.P.A.,	}IPC NO. 14-2010-00221
Petitioner,	}Petition for Cancellation
	}Reg. No. 46101
-versus-	}Issued: 16 August 1989,
	}Trademark : "VIBRAM"
	}
VIBRAM MANUFACTURING	}
CORPORATION,	}
Respondent-Registrant.	}
x-----x	}Decision No. 2015- 135

DECISION

VIBRAM S.P.A., (Petitioner)¹ filed a Petition for Cancellation to Trademark Registration No. 046101. The registration, issued in the name of VIBRAM MANUFACTURING CORPORATION (Respondent-Registrant)², covers the mark "VIBRAM", for use on "rubber and plastic sheets" under Class 17; "shoes, slippers, sandals, soles for footwear" under class 25; "straps made of leather" under class 18 of the International Classification of Goods³.

The Petitioner anchors its petition on the following grounds:

"1. Philippine Renewal Trademark Registration No. 046101 for vibram issued in the name of respondent was obtained fraudulently. Sec. 151 (b) R.A. 8293 provides that a trademark registration that was obtained fraudulently warrants the cancellation thereof, to wit:

xxx

1.1 Respondent's mark depicted in the Certificate of Renewal Registration No. 46101 as well as in the initial drawing submitted by respondent with its trademark application on October 5, 1984 is deliberately identical to Petitioner's mark vibram in stylized italic wording appropriated by Petitioner since 1960.

1.1.1 In 1954, Petitioner filed a trademark application for VIBRAM (word) in Japan, which was registered under Japan Reg. No. 440274 on February 18, 1954. It was renewed on February 3, 2004.

1.1.2 In 1960, Petitioner filed a trademark application for vibram in stylized italic wording in South Africa, which was registered under South Africa, which was registered under South Africa Reg. No. 60/3555 on February 25, 1961 and

¹ A foreign corporation duly organized and existing under the laws of Italy with principal address at Via Cristoforo Colombo. N. 5, 21041 Albizzate (Varese), Italy
² A domestic corporation with address at 156 Arellano St., Bagong Barrio, Kalookan 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.

renewed on May 10, 1994. The mark vibram in stylized italic wording is shown hereunder:

Xxx

- 1.1.3 In 1965, the mark Device of Yellow Octagon + vibram in stylized italic wording as shown hereunder was developed by Petitioner. It was registered in Italy under IT. Reg. No. 203677 on March 4, 1967. This is the mark presently used by Petitioner:

xxx

- 1.2 On the other hand, respondent, on October 5, 1984, filed a trademark application for vibram. The drawing initially submitted to the Intellectual Property Office (then Bureau of Patents and Technology Transfer) with the trademark application is shown hereunder:

xxx

- 1.2.1 What is glaringly obvious is that the mark initially adopted by respondent in 1984 was identical to Petitioner's mark vibram in stylized italic wording appropriated by Petitioner since 1960, or twenty four (24) years ahead of the respondent. Respondent's mark vibram as shown above is identical to Petitioner's mark not only in the choice of the word mark, but also in the choice and manner of written the mark vibram, which in stylized italic wording.

- 1.2.2 The drawing of the mark initially submitted was however, subsequently replaced by respondent with the mark VIBRAM written in block letters as shown on the certificate of Philippine Trademark Registration No. 046101 issued in August 1989.

- 1.2.3 But in the Certificate of Renewal Registration No. 046101, respondent reverted to the mark as was initially filed in October 5, 1984. The mark as shown hereunder and on the certificate is the mark vibram written in stylized wording.

xxx

- 1.3 Based on the comparison of Petitioner's mark and Respondent's mark one cannot help but wonder why out of the many available words and symbols that respondent may choose from, it chose to adopt and register the identical mark vibram in stylized italic wording.

- 1.3.1 Further to respondent's adoption of the identical word vibram is its portrayal of the mark in the same stylized italic writing as Petitioner's mark vibram is stylized italic wording, which unarguably betrays its prior knowledge of the existence, reputation and international goodwill of the mark and name VIBRAM.
- 1.3.2 The adoption of an identical mark may still be considered as a coincidence, but the adoption of the identical mark with the exact font or style of writing for the same goods is not mere coincidence, but fraud.
- 1.3.3 For the respondent to have been the owner of the mark vibram in stylized italic wording, the mark must not have been already appropriated by someone else. At the time of respondent's initial application of the mark in October 1984 and the renewal registration of the mark vibram in stylized italic wording in the Philippines in 2009, the mark was already used by Petitioner, of which respondent was fully aware of as demonstrated by its identical adoption of the mark vibram in stylized italic wording.

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2. Respondent has failed to use the mark VIBRAM or vibram in stylized italic wording in the Philippines. Hence, the cancellation of Philippine Renewal Trademark Registration No. 046101 for vibram is further warranted under Section 151 (c) of Republic Act No. 8293.xxx

3. The cancellation of Philippine Renewal Trademark Registration No. 046101 for vibram is also proper under Section 151(b) of R.A. 8293 because the renewal registration of the mark vibram in the name of the respondent Vibram Manufacturing Corp. is contrary to Article 8 of the Paris Convention and Section 165.2 of R.A. 8293. xxx

4. From the foregoing, it is clear that the Petitioner is the prior adopter and owner of the VIBRAM trademarks which are: (a) VIBRAM (word); (b) vibram in stylized italic wording; and (c) yellow octagon + vibram in stylized italic wording, which are well-known marks in accordance with the criteria laid down under Rule 102 of the trademark rules and regulations. Hence, as well-known marks, they are entitled to protection under Art. 6bis of the Paris Convention and Section 123.1 (e) of R.A. 8293, which justifies the cancellation of Philippine Renewal Trademark Registration No. 046101. xxx

To support its opposition, the Opposer submitted as evidence the following:

1. Affidavit of Adriano Zuccala dated 28 June 2010;
2. Copies of trademark registrations for the "vibram"; "yellow octagon + vibram stylized" in several countries including: Japan, South Africa, Australia, United States of America, South Korea, Hong Kong, Taiwan, Italy, Venezuela, Argentina, Chile, Mexico, Peru, Ireland, Norway, Denmark, Israel, New Zealand, Canada, Lebanon, Brazil, Singapore, Turkey, Indonesia, Japan, China, Sweden, India, United Kingdom;
3. Print-out of status of trademark application 42010500382 for the mark "Vibram" filed on 16 March 2010 and trademark application for the mark "vibram in yellow octagon" filed on 42010500393;
4. Copy of trademark registration for the mark "Fivefingers" issued on 30 March 2009;
5. Print-out of relevant pages from the website www.vibram.com/index.php/us/vibram/About-us/facts-Figures regarding sales of Vibram products;
6. Relevant pages of press releases of vibram, catalogs, advertisements;
7. Joint Affidavit of Winda Legaspi and Ma. Victoria Obeda dated 30 March 2010;
8. Photo façade of Vibram Manufacturing Corp.;
9. Sample shoe soles;
10. Delivery Receipt No. 96095 dated 4 February 2010;
11. Business card of James Lee;
12. Relevant pages of website of www.mr.quickie.com and www.biboshoes.com;
13. Photo of Mr. Quickie, landmark branch;
14. Photo of façade and delivery truck of Bibo Shoes Manufacturing;
15. Business card of Jennie T. Santos;
16. Copies of importation records of Vibram Manufacturing Corp.⁴

The Respondents filed their Answer on 1 December 2011, alleging among other things the following:

"4.1. In accordance with the provisions of Republic Act No. 166, as amended, respondent was issued last August 16, 1989, Certificate of Registration No. 46101 valid for twenty (20) years for the trademark "VIBRAM" for use on shoes, slippers, sandals, soles, straps, rubber and plastic sheets falling under Classes 25, 18 and 17.

"4.2. On April 24, 1990, petitioner filed a Petition for Cancellation of respondent's Registration No. 46101, which petition was docketed as Inter partes case No. 3552.

On July 8, 1992, the Director of Patents promulgated order No. 92-569 dismissing petitioner's petition for failure to prosecute.

"4.3. Last May 1, 2009, before its expiry, respondent filed its duly notarized Petition for Renewal Registration No. 46101.

⁴ Exhibits "A" and "B" inclusive of Submarkings

"4.4. Last August 16, 2009, respondent was issued Certificate of Renewal of Registration No. 46101.

"4.5. Respondent's Certificate of Renewal of Registration No. 46101 is valid for ten years or until August 16, 2019.

By way of Special and Affirmative Defenses:

"6. Petitioner is barred by prior judgment from filing the instant Petition for Cancellation.

"6.2. During the hearing of IPC No. 3552 on November 20, 1990, petitioner marked its exhibits, namely: Exhibits "A" to "K" and thereafter, moved for continuance due to alleged unavailability of witness.

"6.3. On March 13, 1991, petitioner's exhibits were formally offered and admitted in evidence (order No. 91-256). Subsequently, however, order No. 91-701 dated August 23, 1991 was issued setting aside Order No. 91-256 and the exhibits offered by the petitioner were considered as NOT ADMITTED.

"6.4. On September 18, 1991, petitioner filed a Motion for Reconsideration of Order No. 91-701; however, the said Motion for Reconsideration was DENIED for lack of merit. (Order No. 91-804 TM dated October 10, 1991).

"6.5. After more than ten (10) months since the issuance of Order No. 91-804 denying its motion for reconsideration and have more than twenty seven (27) months since the filing of its petition, petitioner failed to take any further step to prosecute its Petition for Cancellation.

"6.6. On July 8, 1992, respondent's Motion to Dismiss the Petition for Cancellation of petitioner for failure to prosecute was GRANTED (Order No. 92-569, (Exhibit '3')).

Order No. 92-569 dismissing petitioner's Petition for Cancellation of respondent's Registration No. 46101 had long become final and executory.

"6.7. The dismissal of petitioner's Petition for Cancellation as contained in order No. 92-569 is a dismissal with prejudice pursuant to Section 3 of Rule 17 of the Rules of Court.

"6.8. Accordingly, the filing of the instant Petition for Cancellation of Registration No. 46101 is barred by prior judgment.

"7. Petitioner failed to submit substantial evidence complying with Office Order No. 79, as well as with the Rules on Electronic Evidence. Most of petitioner's evidence are either mere xerox copies and print-outs. Thus:

"7.1. Exhibits 'A-1-1' to 'A-1-4'; 'A-2'; 'A-3' 'A-3-1' to 'A-3-46'; 'A-4'; 'A-8-1' to 'A-8-24'; 'A-8-26' to 'A-8-56'; 'A-8-38-1'; 'A-13'; 'B-6'; 'B-7'; 'B-8'; 'B-8-a'; 'B-9'; 'B-10'; and 'B-11' are mere xerox copies;

"7.2. While Exhibits 'A-10'; and 'B-5' to 'B-5-a', are mere print-outs.

"8. Respondent adopted, registered, and renewed the registration of the mark 'VIBRAM' in good faith and in accordance with the provisions of both Republic Act No. 166, as amended, and the IP Code.

"8.1. The mark 'VIBRAM' is coined from the initial VIB of respondent's then Treasurer/General Manager, and now President, Victoriano Borromeo, and the year of the RAM (1955) when he was born.

"8.2. The mark 'VIBRAM' in arial font was registered on August 16, 1989, after respondent was found to have complied with Sections 2, 2-A and 4 of Republic Act No. 166, as amended.

"8.3. Both in the original Certificate of Registration No. 46101 and in the Certificate of Renewal of Registration No. 46101, the mark 'VIBRAM' appears in arial font.

"8.4. Respondent has never used the mark 'VIBRAM' in arial font was not copied from petitioner's mark VIBRAM in stylized font.

"9. Respondent has continued the use of its registered mark 'VIBRAM' as evidenced by the accepted Affidavits of Use/Declaration of Actual use it filed on 15 August 1995; August 10, 2000; and April 18, 2005.

"9.1. Samples of actual products bearing respondent's registered mark 'VIBRAM', and sales invoices evidencing continued sales thereof are marked and attached.

"9.2. Samples of respondent's actual products without its registered 'VIBRAM' but the mark/brand of its customers such as Marikina Shoe Expo and Matador, are marked as Exhibits '9' and '10' and made integral parts hereof. Rubber sheets sold by respondent to Mr. Quickie does not bear the brand/mark 'VIBRAM' but Mr. Quickie's mark as shown in petitioner's Exhibit 'B-10', while respondent's products without its registered mark/brand 'VIBRAM' sold to some customers like Bibo Shoe Manufacturing which prefer to use their own marks/brands as Exhibits '11' and '11-a' and made integral thereof.

"9.3. Respondent has registered its corporate and business name with SEC, DTI, and BIR xxx

"10. As of August 16, 1989 when the mark 'VIBRAM' was registered in favor of respondent, alleged Vibram marks were not well-known internationally and in the Philippines. xxx

"11. Respondent validly acquired ownership of the mark 'VIBRAM' which has been legally registered in its favor under the provisions of Republic Act No. 166, as amended, as well as under the provisions of the IP Code, and the corporate and business name 'VIBRAM MANUFACTURING CORPORATION'.

The Respondent-Registrant submitted as evidence, the following:

1. Certified copy of Certificate of Registration No. 46101 issued last 16 August 1989 for the trademark "VIBRAM" for goods under Classes 25, 18 and 17;
2. Certified copy of Notice of Issuance of Certificate of Registration No. 46101;
3. Certified copy of Order No. 92-569 dated 8 July 1992 issued in IPC No. 3552;
4. Certified copy of forwarding letter, Petition for Renewal Registration No. 46101, facsimile and drawing;
5. Certified true copy of Certificate of Renewal of Registration No. 46101 issued on 16 August 2009 for the trademark "VIBRAM" for goods under Classes 25, 18 and 17;
6. Photocopy of Victoriano Borromeo's Passport and Driver's license;
7. Certified copies of accepted Affidavits of Use/Declaration of Actual Use filed on 15 August 1995; 10 August 2000; 18 April 2005;
8. Photograph of rubber sheet for sole (chapa) bearing the Respondent's registered mark "VIBRAM";
9. Photographs of rubber sheet for sole (chapa) bearing the customer's mark "MSE" (Marikina Shoe Expo), "MATADOR";
10. Photograph of rubber sheet for sole (chapa) without the Respondent's registered brand;
11. Photograph of outsole bearing "VIBRAM" and outsole without any mark;
12. Certified copies of representative sales invoices of the Respondent;
13. Certified copy of Certificate of Incorporation issued by the Securities and Exchange Commission;
14. Certified copies of various Certificates of Registration of the business name Vibram Manufacturing Corporation with the Department of Trade and Industry;
15. Certified copies of Certificate of Registrations issued by the Bureau of Internal Revenue in 1984 and 1994;
16. Letterhead and calendar of Vibram Manufacturing Corporation;
17. Notarized Affidavit of James Lee dated 25 March 2011; and
18. Notarized Affidavit of Victoriano Borromeo dated 25 March 2011.⁵

⁵ Exhibits "1" to "18" with submarkings

The Hearing Officer issued on 9 November 2011 a notice setting the Preliminary Conference on 21 November 2011. On said date, the Preliminary Conference was terminated and the parties were directed to file their respective position papers. The Petitioner and Respondent-Registrant filed their 2 December 2011.

Should the Respondent-Registrant's trademark registration VIBRAM be cancelled?

Section 151 of the IP Code provides:

Section 151. Cancellation – 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

- (a) Within five (5) years from the date of registration of the mark under this Act.
- (b) At any time if the registered mark becomes the generic name for the goods or services or a portion thereof, for which it is registered or has been abandoned, or its registration obtained fraudulently, or contrary to the provisions of this Act, or if the registered mark is used by, or with the permission of the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used.

Records show that the Respondent-Registrant applied for registration of the mark "VIBRAM" on 5 October 1984 and was registered in 15 August 1989 under Registration No. 46101.⁶ The registration was renewed on 16 August 2009 under Certificate of Renewal Registration No. 046101.⁷ The Petitioner however, asserts that the Respondent-Registrant obtained its registration fraudulently claiming that it is the prior owner and user of the mark "VIBRAM". But while the Petitioner alleges that the Respondent-Registrant failed to use the mark, the latter proved its continued commercial use of its product bearing the 'VIBRAM' by submitting photographs of products⁸ and representative sales invoices⁹.

The Respondent-Registrant also pointed out that Petitioner had already instituted a Petition for Cancellation against the Respondent-Registrant twenty-five years ago on 24 April 1990 docketed as Inter Partes Case No. 35592. In the previous case, docketed as Inter Partes Case No. 35592, evidence was adduced therein, consisting of Exhibits "A" to "K" which were marked and petitioner moved for continuance due to unavailability of its witness. Its evidence was formally offered and admitted in Order No. 91-701. Subsequently, Order No. 91-256 was issued and the exhibits offered were deemed not admitted. The Petitioner filed a Motion for Reconsideration which was denied in Order No. 91-084 dated 10 October 1991. After ten months since, the last order and after more than twenty seven months since the filing of the petition for cancellation, the Petitioner did not take any further action to pursue its earlier filed Petition for Cancellation. Thus, on 10 January 1992, Respondent-Registrant filed a Motion to Dismiss the Petition for

⁶ Exhibit "1"

⁷ Exhibit "5"

⁸ Exhibit "8"

⁹ Exhibit "12" with submarkings

Cancellation for failure to prosecute which was granted on 8 July 1992 by virtue of Order No. 92-569¹⁰.

Clearly, the Petitioner is barred by prior judgment, as Order 92-569 have become final and executory. The Petitioner may no longer litigate the issue which has already been the subject of an earlier filed petition for cancellation. The Supreme Court in *Espiritu v. Lazaro*,¹¹ justified the dismissal of cases for failure to prosecute, thus:

In every action, the plaintiffs are duty-bound to prosecute their case with utmost diligence and with reasonable dispatch to enable them to obtain the relief prayed for and, at the same time, to minimize the clogging of the court dockets. Parallel to this is the defendants' right to have a speedy disposition of the case filed against them, essentially, to prevent their defenses from being impaired. xxx

Section 1 of Rule 18 of the Rules of Court imposes upon the plaintiff the duty to set the case for pre-trial after the last pleading is served and filed. Under Section 3 of Rule 17, failure to comply with the said duty makes the case susceptible to dismissal for failure to prosecute for an unreasonable length of time or failure to comply with the rules. xxx

It bears stressing that the sanction of dismissal may be imposed even absent any allegation and proof of the plaintiff's lack of interest to prosecute the action, or of any prejudice to the defendant resulting from the failure of the plaintiff to comply with the rules. The failure of the plaintiff to prosecute the action without any justifiable cause within a reasonable period of time will give rise to the presumption that he is no longer interested in obtaining the relief prayed for.

The Supreme Court in *Producer's Bank of the Philippines, et. al v. Court of Appeals* elucidates that dismissal for failure to prosecute constitutes an adjudication on the merits, thus:

"The trial court in dismissing the complaint, and the appellate court in affirming the trial court, applied Section 3, of Rule 17 of the Rules of Court. Section 3 states:

Sec. 3. Failure to prosecute. - If plaintiff fails to appear at the time of the trial, or to prosecute his action for an unreasonable length of time, or to comply with these rules or any order of the court, the action may be dismissed upon motion of the defendant or upon the court's own motion. **This dismissal shall have the effect of an adjudication upon the merits, unless otherwise provided by the court.**

Undoubtedly, in the present case, five years have been an unreasonably long time for a defendant to wait for the outcome of a trial which has yet to commence and on which his family, fortune and future depend. In a number of previous cases, we have consistently warned that courts must ensure that litigations are prosecuted and resolved with dispatch. xxx

¹⁰ Exhibit "3"

¹¹ G.R. 181020, 25 November 2009

Lastly, petitioner takes issue against the Court of Appeals' holding that the dismissal for failure to prosecute should be without prejudice to filing the case anew. Section 3 of Rule 17 is clear that the dismissal of an action for failure to prosecute shall have the effect of adjudication on the merits, unless otherwise provided by the court.

By way of exception to the rule that a dismissal on the ground of failure to prosecute under Section 3 of Rule 17 is a dismissal with prejudice, *Delos Reyes v. Capule*, 102 Phil 467 (1957), held that in a case not tried on the merits and whose dismissal was due to the negligence of counsel rather than the plaintiff, in the interest of justice, the dismissal of the case should be decreed to be without prejudice to the filing of a new action. However, unlike *De los Reyes*, the present case involves as plaintiff/petitioner a prominent bank, that employs a staff of lawyers and possesses significant resources. It cannot plead paucity of means, including legal talent it could retain. Petitioner's counsel inexplicably failed to secure the presence of witnesses when required, failed to appear during pre-trial and trial duly set, failed to seasonably appeal, failed to timely move for reconsideration, failed to brief his substitute lawyer; and failed to diligently pursue the service of summonses. These are acts of negligence, laxity and truancy which the bank management could have very easily avoided or timely remedied. One's sympathy with the bank and its counsel could not avail against apparent complacency, if not delinquency, in the conduct of a litigation. For failure to diligently pursue its complaint, it trifled with the right of respondent to speedy trial. It also sorely tried the patience of the court and wasted its precious time and attention.

In the light of the foregoing circumstances, to declare the dismissal in this case without prejudice would open the floodgate to possible circumvention of Section 3, Rule 17 of the Rules of Court on dismissal with prejudice for failure to prosecute. It would frustrate the protection against unreasonable delay in the prosecution of cases and violate the constitutional mandate of speedy dispensation of justice which would in time erode the people's confidence in the judiciary. We find that, as held by the trial court and concurred in by the appellate court, the dismissal of petitioner's complaint is with prejudice and should have the effect of adjudication on the merits."

WHEREFORE, premises considered, the instant Petition for Cancellation of Trademark Registration No. 046101 is hereby **DISMISSED**. Let the filewrapper of the subject trademark be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 23 June 2015.


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