

BIONIC AUTO SEAT COVER
MANUFACTURING, INC.,

Opposer,

-versus-

BIONIC WHEELS MERCHANDISING,
INC.,

Respondent-Applicant.

X-----X

IPC No. 14-2014-00283

Opposition to:

Application No. 4-2014-00000268

Date Filed: 08 January 2014

Trademark: 

NOTICE OF DECISION

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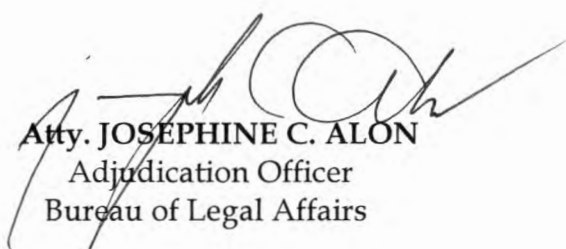
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GREETINGS:

Please be informed that Decision No. 2016- 320 dated 23 September 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, 23 September 2016.


Atty. JOSEPHINE C. ALON
Adjudication Officer
Bureau of Legal Affairs

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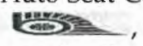


Decision No. 2016- 320


DECISION

BIONIC AUTO SEAT COVER MANUFACTURING, INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-00000268. The application, filed by BIONIC WHEELS MERCHANDISING² ("Respondent-Applicant"), covers the mark " " for use on "business administration" under Class 35 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x
"Arguments"




"28. Opposer Bionic Auto Seat Cover as the long time user and owner of the 'Bionic Auto Seat Cover' Logo , and Mr. Alberto S. Go as its co-owner and creator, both stand to be damaged by the application by Bionic Wheels of the mark  under Trademark Application No. 4-2014-000268. Being the true and lawful owners of the mark, the application will effectively rob Opposer Bionic Auto Seat Cover and Mr. Alberto S. Go of their right to use the mark as a business brand. It is also unavoidable that their loyal customers will also be unduly confused and harassed as a consequence of the fraudulent registration of Trademark Application No. 4-2014-000268 for Bionic Wheels Logo , thereby affecting the sales and income of both Opposer Bionic Auto Seat Cover and its customers.




"29. Mr. Alberto S. Go created the Bionic Auto Seat Cover Logo  for his businesses. From the start of his businesses, through its registration as sole proprietorships, and until these were eventually incorporated, Mr. Alberto S. Go was the owner and majority shareholder of both Bionic Wheels and Bionic Auto Seat Cover.







¹A domestic corporation duly organized and existing under Philippine law with office address at 42-A Albany St. Brgy. Silangan, Cubao, Quezon City.

²A domestic corporation with business address at 935 Aurora Blvd. corner Pittsburgh St., Cubao, Quezon City, Metro Manila, Philippines.

³The 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.

"30. As the driving force behind these businesses, Mr. Alberto S. Go was undeniably the one who consistently invested money and resources to develop the Bionic Auto Seat Cover Logo . It was through his efforts that the fame of the Bionic Auto Seat Cover Logo , and its association with Opposer Bionic Auto Seat Cover, was established and strengthened. For more than thirty (30) years, this Bionic Auto Seat Cover Logo  represented Mr. Alberto S. Go's impeccable services and the good quality products his businesses consistently deliver.

"31. Furthermore, since the inception of Opposer Bionic Auto Seat Cover, it has unceasingly used this Bionic Auto Seat Cover Logo  with the permission of Mr. Alberto S. Go. All of its products and business documents contained this Bionic Auto Seat Cover Logo . Undoubtedly, Opposer Bionic Auto Seat Cover as a business came to be strongly associated with the Bionic Auto Seat Cover Logo  through its regular and consistent use of the mentioned logo. For over thirty (30) years, it has gained a vested right over the mark and stands to be greatly damaged by the registration of this mark by some other entity such as Respondent-Applicant Bionic Wheels.

"32. Mr. Victorio Chu, as a member of the family and mere employee of Mr. Alberto S. Go in Bionic Wheels, was fully aware of the existence and origin of Bionic Auto Seat Cover Logo . He knew that it was Mr. Alberto S. Go who created and developed the Bionic Auto Seat Cover Logo . He was also well aware that Mr. Alberto S. Go heavily advertised the Bionic Auto Seat Cover Logo  and has invested immense amounts of money and effort into strengthening its Bionic Auto Seat Cover Logo , its products, and its businesses. Despite this, Respondent-Applicant Bionic Wheels, where Mr. Victorio Chu is a current stockholder, still sought the registration of Bionic Wheels Merchandising Inc. Logo  which is obviously substantially similar to the Bionic Auto Seat Cover Logo  created and owned by Mr. Alberto S. Go.

"33. Section 122 of the IP Code explains how marks are acquired, thus:

x x x


"34. In Shangri-La International Hotel Management, Ltd. vs. Developers Group of Companies, Inc., the Supreme Court explained that trademark registrations can only be validly applied for by the real owner. If the applicant is not the real and true owner, he has no right to apply for the same. Thus,



x x x

"35. The Supreme Court enunciated in the more recent case of Birkenstock Orthopaedie GMBH and Co. KG vs. Philippine Shoe Expo Marketing Corp. that an application or the registration is not the act which confers trademark ownership, but it is the ownership of a trademark that confers the right to register the same. To wit:

x x x


"36. The circumstances surrounding the case at hand warrant the application of the principle emphasized in these cases.

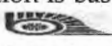
"37. Respondent-Applicant Bionic Wheels cannot seek registration of the mark because it is not the true and rightful owner of Bionic Wheels Merchandising Inc. Logo  subject of Trademark Application No. 4-2014-000268. The Bionic Wheels

Merchandising Inc. Logo  is obviously substantially similar, if not identical, to the Bionic Auto Seat Cover Logo  created by Mr. Alberto S. Go and used in commerce by Opposer Bionic Auto Seat Cover. Its owner and long-time user Opposer Bionic Auto Seat Cover and co-owner and creator Mr. Alberto S. Go are the only ones legally entitled to register the same.

"38. Thus, assuming for the moment that this Honorable Office will grant Respondent-Applicant Bionic Wheels' application, Section 147 of the IP Code will apply. This states that the registered owner will have the exclusive right to prevent all third parties from using the mark without its permission or authority, to wit:

x x x




"39. If registration is thus allowed, Respondent-Applicant Bionic Wheels will then have the undue and unfair advantage over the mark's rightful owner merely on the grounds that it is the registered owner. This then is a source of irreparable injury to Opposer Bionic Auto Seat Cover and Mr. Alberto S. Go. The registration will in effect rob the rightful owners and users, Mr. Alberto S. Go and Opposer Bionic Auto Seat Cover, of their lawful right to register, use and enforce the 'Bionic Auto Seat Cover' Logo .



"40. Trademark Application No. 4-2014-000268 should also be denied on the ground that its registration is based on bad faith and an intentional usurpation of Bionic Auto Seat Cover Logo  's goodwill developed by its true owner Mr. Alberto S. Go and Opposer Bionic Auto Seat Cover.


"41. Section 168 of the IP Code explicitly abhors any type of deceitful and highhanded machinations to usurp a person's property right in the goodwill of the business or services it has identified in the mind of the public, to wit,





x x x

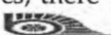


"42. Furthermore, according to Article 28 of the Civil Code, anyone who has been damaged by any unfair competition in commercial enterprises through the use of deceit, machination, and oppressive methods amongst others shall have a right of action, to wit, x x x



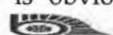


"43. These abovementioned provisions lay out the grounds and basis for Opposer Bionic Auto Seat Cover and Mr. Alberto S. Go's rights to enforce its Bionic Auto Seat Cover Logo . Undeniably, Mr. Alberto S. Go, the creator and owner of Bionic Auto Seat Cover Logo  and Opposer Bionic Auto Seat Cover as its long time user and owner has property rights in the goodwill that has developed over the mark in relation to the business. Additionally, the deceitful action of Respondent-Applicant's Trademark Application No. 4-2014-000268 for Bionic Wheels Logo  will undoubtedly damage its business and is therefore a cause of action for the Opposer Bionic Auto Seat Cover.

"44. As proven in the previous paragraphs, Mr. Alberto S. Go is the creator and owner of Bionic Auto Seat Cover Logo  and Opposer Bionic Auto Seat Cover is its long-time user. Mr. Alberto S. Go was the one who invested money and resources and he with Opposer Bionic Auto Seat Cover consistently used and advertised the Bionic Auto Seat Cover Logo  for his businesses, particularly Opposer Bionic Auto Seat Cover. Through all these efforts, it is clear that Mr. Alberto S. Go and


Opposer Bionic Auto Seat Cover developed the goodwill over the Bionic Auto Seat Cover Logo , and that Opposer Bionic Auto Seat Cover is the business that has been clearly and unequivocally identified with this logo.

"45. As further proven, Mr. Victorio Chu, stockholder of Respondent-Applicant, is the younger brother of Mr. Alberto S. Go and a former employee in Bionic Wheels. As someone who has been present from the onset of the business and logo, he cannot deny the fact the Mr. Alberto S. Go was the creator and owner of the Bionic Auto Seat Cover Logo . He also cannot deny the fact that it was through Mr. Alberto S. Go, being the sole proprietor and later on major stockholder in both Bionic Wheels and Bionic Auto Seat Cover, that the Bionic Auto Seat Cover  developed and gained recognition in the community. Lastly, Mr. Victorio Chu cannot also deny that Opposer Bionic Auto Seat Cover has been using the Bionic Auto Seat Cover Logo  from the very beginning and up until the present and is therefore associated with the Bionic Auto Seat Cover Logo .


"46. Notably, in the 2012 Memorandum of Agreement involving the transfer of shares, there was no stipulation or provision stating that the Bionic Auto Seat Cover Logo  will be assigned to Bionic Wheels. On the contrary, Mr. Alberto S. Go as the creator and owner assigned the Bionic Auto Seat Cover Logo  to Bionic Auto Seat Cover. Consequently, after the transfer of shares and subsequent assignment, Bionic Wheels was divested of its right to use the Bionic Auto Seat Cover Logo .






"47. However, notwithstanding it's clear knowledge that it was Mr. Alberto S. Go who was the creator, owner and developer of the Bionic Auto Set Cover Logo , Respondent-Applicant still pursued the Trademark Application No. 4-2014-000268 for Bionic Wheels Logo  which is obviously substantially similar, if identical, to the Bionic Auto Seat Cover Logo  without the authority nor consent of Mr. Alberto S. Go. This act of Respondent-Applicant is also in spite of its knowledge that in the automobile community, which is the businesses' target market, the Bionic Auto Seat Cover Logo  has come to be strongly associated with Alberto S. Go's business, Opposer Bionic Auto Seat Cover. Opposer Bionic Auto Seat Cover's consumers who have already come to trust the Bionic Auto Seat Cover Logo  as pertaining to the Opposer Bionic Auto Seat Cover and Mr. Alberto S. Go will be unnecessarily confused and also indirectly harassed as a result of the fraudulent registration.



"48. This particular deceptive act is the heart of the protection in Section 168, or the Unfair Competition clause, of the IP Code. There are many instances when the hard word and monetary investments one put into the development of a trademark or logo are laid to waste because of another person's underhanded methods. As such, the IP Code specifically provided protection to the people who have developed goodwill over a mark from others who intentionally and fraudulently register the same in order to usurp the mark's goodwill for themselves, effectively stealing customers as a result.

"49. Thus, Respondent-Applicant's Trademark Application No. 4-2014-000268 for Bionic Wheels Logo  under Class 35: Business Administration is an obviously a ploy to appropriate for itself the goodwill, integrity and reputation Mr. Alberto S. Go and Opposer Bionic Auto Seat Cover has developed over the mark Bionic



Auto Seat Cover Logo . This ploy is clearly a violation of the abovementioned provision.

"50. To summarize, Mr. Alberto S. Go as the creator and owner of the Bionic Auto Seat Cover Logo  and Opposer Bionic Auto Seat Cover as its owner and long-time user for the last thirty (30) years will lose their right to use the Bionic Auto Seat Cover Logo  should this Honorable Office allow the registration of the challenged application. As its unquestioned user for that long period of time, it cannot be denied that Opposer Bionic Auto Seat Cover has come to be associated with the mark and thereby developing a goodwill over it in relation to its business. Furthermore, Opposer Bionic Auto Seat Cover's reputation will be greatly affected as its loyal customers and established client base will be significantly inconvenience by the confusion and instability of business that will result from the allowance of Respondent-Applicant's Trademark Application No. 4-2014-000268 for Bionic Wheels Logo . Lastly, this registration is in bad faith because the knowledge and existence of Opposer Bionic Auto Seat Cover Logo  and the latter's origin as an original creation of Mr. Alberto S. Go is not lost in Respondent-Applicant. In fact, Respondent-Applicant Bionic Wheels' majority holder Mr. Victorio Chu is the younger brother of Mr. Alberto S. Go who worked for him before. Therefore, Mr. Victorio Chu knew how the businesses started, how the Bionic Auto Seat Cover Logo  was created and developed by his older brother, and that Opposer Bionic Auto Seat Cover has been using this logo since its inception.

The Opposer's evidence consists of the Secretary's Certificate executed on 25 March 2014; the Special Power of Attorney dated 29 August 2014 authorizing BNU to represent Opposer Bionic Auto Seat Cover in this Opposition; copy of S.E.C. Registration No. AS94008637 and Articles of Incorporation dated September 1994; copy of the Amended Articles of Incorporation dated 03 November 2005; the Affidavit of Mr. Alberto S. Go; copy of a certification from Mr. Virgilio Bastasa; copy of a BIR Business Certificate issued on 13 December 1985; ; copies of letters issued by Opposer's customers; copies of company letter head, staff identification cards, advertising materials, receipts and checks issued by Opposer depicting the Opposer's Logo ; photograph printout samples of Opposer's products bearing the logo ; copy of the Memorandum of Agreement by and between Alberto S. Go, Anita T. Go, Alwin T. Go and Victorio Chu, Shirley Bucay Chu, Varian Sherwin B. Chu; copy of Opposer's General Information Sheet for the year 2014; copy of Bionic Wheels' General Information Sheet for the year 2014; copy of the letter issued by Mr. Alberto S. Go assigning all his rights over the logo to Opposer; ; copy of Opposer's trademark application for Bionic Logo with Application No. 4-2013-011722; copy of the registrability report from IPOPHL dated 25 February 2014; and copy of IPV No. 10-2014-00005.⁴

This Bureau issued a Notice to Answer and sent a copy thereof upon Respondent-Applicant on 24 September 2014. The Respondent-Applicant filed their Answer on 19 December 2014 and avers the following:

⁴Marked as Exhibits "A" to "S", inclusive.

x x x

"Averments and Defenses

"Respondent re-pleads the foregoing allegations insofar as they are applicable, and further states:

"9. Respondent is entitled to register the BIONIC WHEELS LOGO mark pursuant to the Intellectual Property Code.

"10. Mr. Victorio G. Chu of Respondent is the original creator of the BIONIC WHEELS LOGO mark and has consented and authorized the use thereof by the Respondent in connection with its business.

"11. Mr. Victorio G. Chu and/or Respondent is the prior user of the BIONIC WHEELS LOGO, having first used the same in connection with the Bionic Wheels car accessories business as early as 1978. It must be emphasized also that Opposer was not yet in existence at the time that the BIONIC WHEELS LOGO was conceptualized by Mr. Victorio G. Chu in 1978.

"12. Since 1978 up to the present, Mr. Victorio G. Chu and/or Respondent continue to use the BIONIC WHEELS LOGO.

"13. As original creator of the BIONIC WHEELS LOGO, Mr. Victorio G. Chu has also consented and authorized the trademark registration for the BIONIC WHEELS LOGO by Respondent.

"14. Accordingly, Respondent registered in good faith the BIONIC WHEELS LOGO in its name with the Philippine Intellectual Property Office under the following details:

x x x

"15. For the same reason, Respondent, in acting in good faith, filed to register the subject application for the BIONIC WHEELS LOGO mark.

"16. Opposer and Mr. Alberto S. Go have no copyright or intellectual property right whatsoever over the BIONIC WHEELS LOGO mark. Neither do Opposer and Mr. Alberto S. Go have any pending trademark application or registration over the BIONIC WHEELS LOGO.

"17. While Opposer previously filed an application to register a mark identical or similar to the BIONIC WHEELS LOGO, Opposer subsequently abandoned its application. Neither did Opposer re-file the application nor file any application to register a mark similar to the Respondent's BIONIC WHEELS LOGO mark. Hence, Opposer should be deemed to have abandoned or waived whatever claim it has over the BIONIC WHEELS LOGO mark.

"18. By virtue of the prior, long and continuous use in good faith since 1978 of the BIONIC WHEELS LOGO which was created by Mr. Victorio G. Chu and used in connection with the Bionic Wheels business, Respondent and Mr. Victorio




Chu acquired significant goodwill over the BIONIC WHEELS LOGO, which is a proprietary right entitled to protection.

"19. Based on the foregoing, Opposer cannot rightfully claim any relief against Respondent. As the lawful owner and prior user and registrant of the BIONIC WHEELS LOGO mark, Respondent's use and registration of the BIONIC WHEELS LOGO mark is in accordance with the provisions of existing laws.

"20. Hence, the opposition is completely baseless and should be dismissed for utter lack of merit.

The Respondent-Applicant's evidence consists of the Answer dated 15 December 2014; copy of the Affidavit of Mr. Victorio G. Chu; copy of the Affidavit of Ms. Erlinda P. Rodriguez; copy of the Affidavit of Ms. Rosita G. Siy; copy of the Affidavit of Mr. James N. Go; copy of the Affidavit of Mr. Modesto G. Chu; printout of the trademark details report for BIONIC WHEELS LOGO under Registration No. 4-2012-013195; printout of the trademark details report for BIONIC WHEELS LOGO under Registration No. 4-2014-500309; samples of materials showing the sale and promotion of the BIONIC WHEELS LOGO; photograph of a Social Security System Registration Plate for Bionic Wheels Merchandising, Inc.; the Officer's Certificate and Special Power of Attorney executed by Mr. Varian Sherwin B. Chu regarding his authority to verify the Answer in this Opposition and the authority of Betita Cabilao Casuela Sarmiento to represent Respondent in this case; and the Secretary's Certificate executed by Mr. Varian Sherwin B. Chu regarding the authority granted for the execution of the Officer's Certificate and Special Power of Attorney.⁵

On 29 July 2015, the Preliminary Conference was terminated and the parties were directed to file their respective position papers. Thereafter, the case was deemed submitted for resolution.

Should the Respondent-Applicant be allowed to register the trademark  ?

The Opposer anchors its opposition on the following provisions of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"):

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)

Sec. 147. *Rights Conferred.* - 147.1. The owner of a registered mark 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 or containers 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.

⁵Marked as Exhibits "1" to "12", inclusive.

Sec. 168. *Unfair Competition, Rights, Regulation and Remedies.* – 168.1. A person who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others, whether or not a registered mark is employed, has a property right in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other property rights.

A comparison of the competing marks reproduced below:




Opposer's mark



Respondent-Applicant's mark

shows that the marks are obviously substantially similar, if not identical and used on similar and/or closely related goods and services, particularly, car accessories business. Respondent's business administration under Class 35 intended for its car accessories business is closely related to Opposer's business of manufacturing auto seat cover, car mat, automotive soft goods and other products, and of buying, selling, distributing,

marketing car accessories.⁶ The mark or logo  is creative and unique and thus, highly distinctive, for car accessories business. Thus, it is likely that the consumers will have the impression that these goods or services originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods and services but on the origin thereof as held by the Supreme Court, to wit:



Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, 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 belief that there is some connection between the plaintiff and defendant which, in fact does not exist.⁷

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods and services, 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

⁶Exhibit "D" and series for the Opposer.

⁷Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

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.⁸

The Respondent-Applicant's filing of their trademark application in October 2012 of the mark  under Class 12 for car seat covers preceded the Opposer's trademark application of the logo  (27 September 2013) for car seat cover. The Opposer, however, raises the issues of trademark ownership, and fraud and bad faith on the part of Respondent-Applicant.

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:

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)

⁸ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Ethepe 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).

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.⁹ 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.*¹⁰, 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


In this instance, the Opposer proved that it is the originator and owner of the contested logo. Opposer and Alberto S. Go's explanation or story on how initially the idea of the logo or mark  came about, did seem believable and credible vis-à-vis





⁹ See Sec. 236 of the IP Cod

¹⁰ G.R. No. 184850, 20 October 2010.

Respondent-Applicant Victorio G. Chu's sworn statement. Mr. Victorio G. Chu failed to explain where he got and why he had chosen the word "Bionic" to represent the letter "B" in the logo  or in the mark  and used it in his business name "Bionic Wheels Merchandising", instead he attached only photographs of a Roman soldier's helmet¹¹ to support his claim of ownership over the mark . For his part, Opposer Alberto S. Go came up initially with the idea and concept of a hot wheels logo, consisting of *"a wheel with flames erupting from it"* or made up of *"a single wheel with erupting flames projecting towards the right side"* and was improved aesthetically over time

to come up with the logo . As stated, Alberto S. Go based the name "Bionic" in the business name "Bionic Wheels Merchandising, Inc." on a popular character and television show at that time (1978), the "Bionic" Man.¹² It was Mr. Alberto S. Go, majority holder and president of Bionic Auto Seat Cover, Inc., Opposer herein, who set up and ran the car accessories business as a single proprietorship under the business name "Bionic Wheels Merchandising". Opposer's evidence such as company letter head, staff identification cards, advertising materials, receipts and checks issued including that of Respondent-Applicant's evidence such as a Sept. 1979 sales receipt (No. 5492), December 1980 sales receipt (No. 11520), and August 1987 sales receipt (No. 52094)¹³ show that Bionic Wheels Manufacturing car accessories retailing business indicated Mr. Alberto S. Go as the sole proprietor. In fact, a 1985 Bureau of Internal Revenue Business Registration Certificate¹⁴ shows that Mr. Alberto Go was the registered retailer for Bionic Wheels Manufacturing. True, Mr. Alberto Go has sold his shares or divested himself of ownership of shares in Bionic Wheels Merchandising, Inc. through a Memorandum of Agreement dated 21 January 2012, however, no evidence was submitted by Respondent-Applicant to prove that Opposer, in divesting himself of ownership of shares in Bionic Wheels also divested himself of ownership over the Bionic Auto Seat Cover ("BASC") logo  and that could be the rationale why

Opposer has made move to register the logo  and demand that Respondent-Applicant ceases from using the logo because he is still the creator and owner of the

logo . As the creator and true owner of the logo , Alberto S. Go can wholly assign his copyright and intellectual property rights over the logo  to herein Opposer, Bionic Auto Seat Cover, Inc., which he did sometime in February 2012.¹⁵ Also, consistent to being the true owner of the BASC logo, Alberto S. Go through Bionic Auto Seat Cover, Inc. applied for the registration of the mark or BASC logo  with the Intellectual Property of the Philippines (IPOPHL) in September

¹¹ Exhibit "2" for the Respondent-Applicant.





¹² Exhibit "G" and series for the Opposer.


¹³ Exhibit "2" for the Respondent-Applicant.

¹⁴ Exhibit "I" for the Opposer.

¹⁵ Exhibit "P" and series for the Opposer.

2013 for car seat cover under Class 12. The old Trademark Law provided that "the owner of a trademark, trade name or service mark used to distinguish his goods, business, or services from the goods, business, or services of others shall have the right to register the same..."¹⁶. The right to register trademarks, trade names and service marks is based on ownership. Only the owner of the mark may apply for its registration (*Bert R. Bagano v. Director of Patents, et. al.*, G.R. No. L-20170, August 10, 1965). And where a trademark application is opposed, the Respondent-Applicant has the burden of proving ownership (*Marvex Commercial Co., Inc. v. Peter Hawpia and Co.*, 18 SCRA 1178).

Having sufficiently established how Opposer coined the BASC logo , it is Opposer and not Respondent-Applicant who owns the mark or BASC logo  for car accessories business. Considering that Opposer and Alberto S. Go are the owners, they have absolute and exclusive right to register the BASC logo  and all variations thereto, including the Bionic Wheels Merchandising logo  under its name. Respondent-Applicant failed to prove to this Bureau that indeed it owns the mark and has the exclusive right to the use thereof with the submission only of the affidavits of Victorio G. Chu, Erlinda P. Rodriguez, Rosita G. Siy, James N. Go and Modesto G. Chu¹⁷, samples of materials showing the sale and promotion of the BIONIC WHEELS LOGO with some 1979, 1980 and 1987 receipts issued showing the name of Mr. Alberto Go as proprietor and photograph of the Social Security System Registration Plate.¹⁸

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.¹⁹ Therefore, a subsequent user, such as Respondent-Applicant herein, is unjustified in appropriating prior user's, Opposer Alberto S. Go's BASC logo  where the latter has painstakingly built a reputation and good name over the years of producing or manufacturing car accessories.

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

¹⁶Section 4, Chapter II-A, Republic Act No. 166.

¹⁷Exhibits 2-6 for Respondent-Applicant.

¹⁸Exhibits 9-10 for Respondent-Applicant.

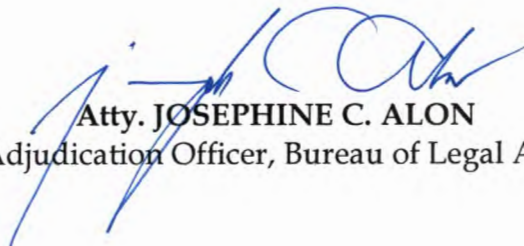
¹⁹*American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.

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 Opposition to Trademark Application No. 4-2014-000268 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, 23 SEP 2016.


Atty. JOSEPHINE C. ALON
Adjudication Officer, Bureau of Legal Affairs