

GELERT IP LIMITED,
Petitioner,

-versus-

NINGBO YINZHOU YOU NAI TE
HUWAI YONGPIN CO. LTD.,
Respondent- Registrant.

X-----X

IPC No. 14-2015-00306
Cancellation of:
Registration No. 4-2013-007518
Date Issued : 18 March 2014
TM: "GELERT"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2016 - 251 dated July 14, 2016 (copy enclosed) was promulgated in the above entitled case.

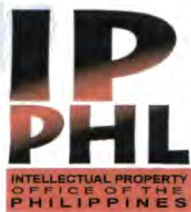
Taguig City, July 14, 2016.

For the Director:


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

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

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Trademark: **"GELERT"**

Decision No. 2016 - 251

DECISION

GELERT IP LIMITED ("Petitioner")¹ filed a Verified Opposition to Trademark Application Serial No.4-2013-007518. The application, filed by NINGBO YINZHOU YOU NAITE HUWAI YONGPIN CO. LTD. ("Respondent-Applicant")² covers the mark "GELERT" for use on the following classes of goods under the International Classification of Goods and Services,³ namely: **class 08:** penknives; table cutlery (knives, forks and spoons); hand pumps; hand tools, hand operated; hammers (hand tools); shovels (hand tools); razors, electric or non-electric; cutlery; sword scabbards; side arms, other than firearms; blade sharpening instruments; pickaxes; pliers; knives; daggers; **class 09:** sunglasses; compasses (measuring instruments); binoculars; signalling whistles; measuring apparatus; optical apparatus and instruments; spectacles (optics); global positioning system (gps) apparatus; pedometers; converters, electric; speed indicators; counters; surveying apparatus and instruments; flashlights (photography); spectacle cases; batteries, electric; battery chargers; galvanic batteries; voltage regulators for vehicles; chronographs (time recording apparatus); **class 11:** lighting apparatus and installations; flashlights (torches); gas lamps; water filtering apparatus; heating apparatus; stoves; pocket warmers; immersion heaters; gas lighters; torches for lighting; pocket torches, electric; electric lamps; diving lights; light-emitting diodes (led) lighting apparatus; safety lamps; lamp reflectors; cookers; ultraviolet ray lamps. not for medical purposes; water sterilizers; solar thermal collectors (heating); **class 18:** travelling bags; backpacks; umbrellas; walking sticks; cases, of leather or leatherboard; trunks (luggage); saddlery; pouches, of leather, for packing; harness for animals; straps (harness---); suitcases; moleskin (imitation of leather); purses; pocket wallets; leather straps; parasols; bags for campers; haversacks; **class 20:** sleeping bags for camping; pillows; air mattresses, not for medical purposes; furniture; containers, not of metal (storage, transport); tent pegs, not of metal; mattresses; cots; mirrors (looking glasses); straw mattresses; packaging containers of plastic; beds; air pillows, not for medical purposes; air cushions, not for medical purposes; **class 21:** kitchen utensils; kitchen containers; drinking vessels; flasks; cooking pots; picnic baskets (fitted---), including dishes; cups; mess-tins; drinking flasks for travellers; vacuum bottles; corkscrews; crockery; dishes; drinking glasses; insulating flasks; lunch boxes; ice cube molds (moulds); table plates; mugs; tableware, other than knives, forks and spoons; **class 22:** Awnings of textiles; tarpaulins; ropes; nets; hammocks; awnings of synthetic materials; tarred brattice cloth; sacks (bags) of textile, for packaging; string; rope ladders;

¹ A limited company incorporated under and by virtue of the laws of the United Kingdom, with business address at Unit A, Brook Park East, Shirebrook NG20 8RY, Nottinghamshire, United Kingdom.

² An entity from the People's Republic of China, with business address at Shang Fan Cun, Heng Xi Zhen, Yin Zhou Qu, Ning Bo Shi, People's Republic of China.

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

and, **class 25:** *clothing; footwear; headgear for wear; socks; gloves (clothing); belts (clothing); money belts (clothing); scarfs.*

The following are the pertinent allegations in the petition:

"1. Petitioner is the lawful and rightful owner of the trademark 'GELERT' covering goods/services classified under International Classes 06, 08, 09, 11, 18, 20, 21, 22, 25 and 35 of the Nice Classification as evidenced by the UK, CTM and U.S. Trademark Registrations.

"2. Petitioner's aforesaid UK, CTM and U.S. Trademark Registrations for the mark 'GELERT' have not been abandoned and are currently in full force and effect.

"3. On 25 July 2014, petitioner filed with the Intellectual Property Office an application for the registration of its 'GELERT' trademark covering goods/services under International Classes 08, 09, 11, 17, 18, 20, 21, 22, 25 and 35 of the Nice Classification, which trademark application was assigned Application No. 4-2014-009294.

"4. Earlier, however, more specifically on 27 June 2013, respondent, though not the legal and rightful owner thereof, filed with the Intellectual Property Office an application of the registration of the identical mark 'GELERT' for use on goods under International Class 08, 09, 11, 18, 20, 21, 22 and 25, which trademark application was assigned Application No. 4-2013-007518.

"5. On 17 October 2013, respondent's trademark application matured into Trademark Registration No. 4-2013-007518 which is now the subject of the instant petition for cancellation.

"6. Petitioner has adopted and has been in continuous and extensive commercial use of its trademark 'GELERT' long before respondent filed on 27 June 2013 its Trademark Application No. 4-2013-007518 for the identical mark 'GELERT'."

The Opposer's evidence consists of the following:

1. Special Power of Attorney executed by David Michael Forsey;
2. Affidavit executed by David Michael Forsey;
3. Registration No. UK00002378653 issued on 26 August 2005;
4. Registration No. UK00002057489 issued on 01 November 1996;
5. Registration No. UK00002538299 issued on 18 June 2010;
6. Registration No. UK00002622832 issued on 19 October 2012;
7. Registration No. UK00002191679 issued on 10 September 1999;
8. CTM Registration No. 011969532 issued on 24 January 2014;
9. US Trademark Registration No. 4116703 issued on 27 March 2012;
10. Certified copy of Petitioner's Philippine Trademark Application No. 4-2012-009294 filed on 25 July 2014; and,
11. Downloaded Copy of Certificate of Trademark Registration No. 4-2013-007518 issued on 17 October 2013.

This Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 15 July 2015. Respondent-Registrant however, did not file an answer. Thus, it is declared in default and this case is deemed submitted for decision.

Should Respondent-Registrant's trademark GELERT be cancelled?

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 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

Section 151.1, Republic Act No. 8293, also known as the Intellectual Property Code ("IP Code") provides:

x x x 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:

x x x

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

In relation, Sec. 123.1 (d) of the IP Code provides:

A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

Records show that the Petitioner is the registered owner of the trademark GELERT and its variants in the following jurisdictions: United Kingdom⁵ and the United States of America⁶ covering goods under the classifications 08, 09, 11, 18, 20, 21, 22, 24, 25, and 35⁷ as early as 1996.⁸ In the Philippines, the Petitioner has pending application for the said mark dated 25 July 2014.⁹ On the other hand, the Respondent-Registrant filed its application for the registration of the mark GELERT on 27 June 2013, and was issued Certificate of Registration No. 4-2013-00007518 on 18 March 2014.¹⁰

The competing marks are hereby reproduced below for comparison:

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 Annexes "A" to "F" of Petitioner.

⁶ Annex "G" of Petitioner.

⁷ Annexes "A" to "G" of Petitioner.

⁸ Annex "B" of Petitioner.

⁹ Annex "H" of Petitioner.

¹⁰ Filewrapper records.

GELERT

GELERT

Petitioner's Mark

Respondent-Registrant's Mark

The contending marks contain the identical word mark GELERT. While they adopt different fonts in their respective marks, this is not sufficient to distinguish the two marks. What defines both marks is the word mark itself. Minor details appear inconsequential because the mark is unique. It has no relation to the kind, nature or purpose of the goods involved, and therefore is a highly distinctive mark.

Thus, the competing marks being used on goods that are similar or closely related to each other, and which cater to same cluster of purchasers and flow on the same channels of trade. Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:¹¹

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, 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. Hence, 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 which, in fact does not exist.

The public interest, therefore, requires that the 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 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.¹²

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:

¹¹ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

¹² Pribhdas J.Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

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 of trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Member 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 prescribed 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 Trademark (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguish 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 provision 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 validly in accordance with the provision 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.¹³ 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 right 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 Machinery Co. Ltd.*¹⁴, the Supreme Court held:

RA 8293 espouses the "first-to-file" rule as stated under Sec. 123.1(d) which states:

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.

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 continues 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.

In this instance, the Petitioner proved that it is the owner of the contested mark. It has submitted evidence relating to its ownership, as shown by its trade mark registrations from the United Kingdom, the

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Sec. 236, IP Code.

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G.R. No. 184850, 20 October 2010.

United States of America, and OHIM¹⁵ covering goods similar and/or identical to that of Respondent-Applicant's.

In fact, the registration of Petitioner's GELERT marks and its variants were dated prior to that of the Respondent-Registrant, which bears the following dates: 26 August 2005¹⁶, 01 November 1996¹⁷, 18 June 2010¹⁸, 19 October 2012¹⁹, 10 September 1999²⁰, 24 January 2014²¹, and 27 March 2012²². The Petitioner has likewise shown of its continuous adoption of the mark GELERT when it filed an application for registration of the said mark in the Philippines.²³

Thus, to allow the continued registration of Respondent-Registrant is to cause confusion to the public of the presence of identical marks on goods that are covered by Petitioner's mark or goods closely related thereto, it will also deprive the true and actual owner of the mark.

In addition, this Bureau considers that the subject mark GELERT appears prominent in Opposer's tradename²⁴, GELERT IP LIMITED. As such, Sec. 165 of the IP Code protects the prior user, which in this case is the Opposer, even prior to or without registration of said tradename, to wit:

165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

In contrast, Respondent-Registrant failed to did not give sufficient explanation in adopting and using the trademark GELERT. As discussed above, the mark is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Registrant to have come up with the same mark practically for similar goods 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 million of terms and combination of letters and designs available, the Respondent-Registrant 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.²⁵

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

¹⁵ Office for Harmonization in the Internal Market.

¹⁶ Annex "A" of Petitioner.

¹⁷ Annex "B" of Petitioner.

¹⁸ Annex "C" of Petitioner.

¹⁹ Annex "D" of Petitioner.

²⁰ Annex "E" of Petitioner.

²¹ Annex "F" of Petitioner.

²² Annex "G" of Petitioner.

²³ Annex "H" of Petitioner.

²⁴ Sec. 121.3, IP Code 'Tradename' means the name or designation identifying or distinguishing an enterprise.

²⁵ American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.

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 to Trademark Registration No. 4-2013-007518 is hereby **GRANTED**. 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 14 JUL 2018


Atty. NATHANIEL S. AREVALO
Director W, Bureau of Legal Affairs