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OFFICE OF THE DIRECTOR GENERAL

HARBOR FOOTWEAR GROUP LTD.,  
Appellant,

APPEAL NO. 14-08-18  
IPC No. 14-2001-00053  
Petition for Cancellation:

-versus-

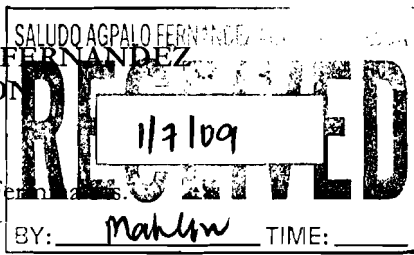
NELSON CHAN,  
Appellee.

Registration No. 51512  
Issued: 18 September 1991  
Trademark: "GIORGIO BRUTINI"

x-----x

NOTICE OF DECISION

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Makati City

ESTRELLITA BELTRAN-ABELARDO  
Director, Bureau of Legal Affairs  
Intellectual Property Office  
Makati City

GREETINGS:

Please be informed that on 19 December 2008, the Office of the Director General rendered a Decision in the above-titled case (copy attached).

Makati City, 19 December 2008.

Very truly yours,  
ATTY. NATHANIEL S. AREVALO  
Attorney VI/Head, Office of Legal Counsel  
Office of the Director General

CERTIFIED TRUE COPY:

*msr*  
Reverend Nereo B. Samson  
Attorney IV



**OFFICE OF THE DIRECTOR GENERAL**

**HARBOR FOOTWEAR GROUP LTD.,**  
Appellant,

-versus-

**NELSON CHAN,**  
Appellee.

x-----x

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**Issued: 18 September 1991**  
**Trademark: "GIORGIO BRUTINI"**

**NOTICE OF DECISION**

**SALUDO AGPALO FERNANDEZ**  
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6. Since August 1977, GIORGIO BRUTINI products have been continuously manufactured and sold with a worldwide market, including the U.S., Japan, Australia, Hong Kong, Brazil, Canada, Great Britain, Italy, Mexico and Panama;
7. The total worldwide sales for GIORGIO BRUTINI products from 1979 to present is valued at about \$800,000,000 and in the Philippines, sales have reached a total amount of about \$350,000;
8. GIORGIO BRUTINI and its variations have earned a worldwide reputation and have gained worldwide following;
9. It spends a lot of money for the promotion, including advertising or publicity, presentation of fairs or exhibitions of its goods bearing the mark;
10. Its mark has, through time, acquired in the minds of the purchasing public a good reputation and high quality image;
11. The Appellee's adoption of the mark on goods similar to those of the Appellant indicates his intent to capitalize on the goodwill and popularity of the Appellant's goods bearing the mark for his own benefit;
12. The Appellee's mark is clearly identical in sound, meaning and appearance to GIORGIO BRUTINI, owned and earlier adopted by the Appellant and will definitely deceive the public into believing that the Appellee's mark is associated with the Appellant;
13. The Appellee fraudulently registered the mark as he has knowledge of the existence of the Appellant's products reflected in the duplication of the Appellant's mark as appearing in his label specimen;
14. The Appellee's registered mark is identical to the Appellant's which is well-known internationally and in the Philippines and is used for identical, or similar or related goods, and its registration is contrary to the provision of Sec. 123 par (e) of the Intellectual Property Code of the Philippines;
15. The Appellee, without legitimate reason, does not use GIORGIO BRUTINI within the Philippines, or to cause it to be used in the Philippines by virtue of a license agreement and in fact, per investigation conducted, it has been found out that he has not marketed his products in the establishment mentioned in his affidavit of use filed on 11 July 1997; and
16. The cancellation is authorized under Sec. 151 of the IP Code.

The Appellee filed his "ANSWER" on 20 December 2001 alleging the following:

1. He filed Application Serial No. 67668 in good faith and Reg. Cert. No. 51512 was issued to him after he had complied with the requirements under Rep.

Act No. 166, as amended, ("RA 166") and the Revised Rules of Practice in Trademark Cases and thus, is entitled to registration;

2. His mark is neither identical nor confusingly similar to the Appellant's or any mark registered or pending registration and/or lawfully used in commerce in the Philippines at the time he adopted and started using it as well as when the Reg. Cert. No. 51512 was issued to him;
3. He adopted and started to use the mark in lawful use in commerce in the Philippines in good faith and that this mark was neither registered nor applied for registration, nor used in lawful commerce in the Philippines by any other person or entity;
4. He has no knowledge or information about the existence and/or use by the Appellant of its mark;
5. He has a better and superior legal right to his mark for being the prior user thereof in lawful commerce in the Philippines, as well as for being the first and the only registrant thereof in the Philippines;
6. He has not abandoned the use of the mark as he continues the lawful use thereof in good faith;
7. His mark was registered pursuant to RA 166 as Application No. 67668 was filed way back on 17 April 1989, whereas the provisions of the Intellectual Property Code, particularly, Sec. 151 being invoked by the Appellant took effect only last 01 January 1998;
8. The validity of the issuance of Reg. Cert. No. 51512 and its continued effectivity should, therefore, be determined and decided on the basis of the pertinent provisions of RA 166 and the implementing Revised Rules of Practice in Trademark Cases then in full force and effect;
9. After more than 15 years since his adoption and first use of GIORGIO BRUTINI and after more than 10 years since he obtained registration, the Appellant is now barred by the equitable principles of *laches*, *estoppel* and acquiescence in seeking the cancellation of Reg. No. 51512;
10. Before Reg. Cert. No. 51512 was issued his application was published for opposition and the Appellant did not file any opposition thereto; and
11. The instant Petition for Cancellation was filed beyond the 5-year period from the date of registration provided under Sec. 151 of the IP Code.

The Appellant's evidence consists of the following:

1. Affidavit of Dennis T. Lazar, executed on 14 January 2003;<sup>2</sup>
2. Declaration of Barry Specht, executed on 14 January 2003;<sup>3</sup>
3. Copies of invoices;<sup>4</sup>
4. Declaration of Wendy A. Greenseich, executed on 10 January 2003;<sup>5</sup>
5. Certificates of registration of the mark GIORGIO BRUTINI issued to the Appellant;<sup>6</sup>
6. Copies of advertisements in magazines, brochures, and catalog of the mark GIORGIO BRUTINI;<sup>7</sup>
7. Transmittal letter, dated 07 February 2006, from the Office of Legal Affairs of the Dept. of Foreign Affairs ("DFA");<sup>8</sup>
8. Certifications of Consul Maria Lourdes C. Legaspi, dated 31 January 2006;<sup>9</sup>
9. Transcript of stenographic notes on the deposition of Barry Specht taken on 31 January 2006;<sup>10</sup>
10. Transcript of stenographic notes on the deposition of Wendy Greenseich taken on 31 January 2006;<sup>11</sup>
11. Transmittal letter of the Office of Legal Affairs of the DFA;<sup>12</sup>
12. Certification of Consul Maria Lourdes C. Legaspi attesting to the taking of deposition upon cross written interrogatories of Dennis Lazar;<sup>13</sup>
13. Transcript of Stenographic Notes on the deposition of Dennis Lazar;<sup>14</sup>
14. Earning Statement for 24 January 2006;<sup>15</sup>
15. Copies of invoices for 2000 to 2002;<sup>16</sup>
16. Judicial Affidavit of Stephen T. Vacal, executed on 30 May 2006;<sup>17</sup> and
17. Affidavit of Allan Ballarta, executed on 25 March 2002.<sup>18</sup>

On the other hand, the Appellee's evidence consists of the following:

1. Certification issued by the Director, dated 19 October 2006;<sup>19</sup>
2. Cert. of Reg. No. 51512 for the mark GIORGIO BRUTINI, issued on 18 September 1991 in favor of the Appellee;<sup>20</sup>

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<sup>2</sup> Exhibit "A".

<sup>3</sup> Exhibit "B".

<sup>4</sup> Exhibits "B-1" to "B-23".

<sup>5</sup> Exhibit "C".

<sup>6</sup> Exhibits "D", "D-1" up to "D-15".

<sup>7</sup> Exhibits "E" to "K".

<sup>8</sup> Exhibit "L".

<sup>9</sup> Exhibits "M" and "O".

<sup>10</sup> Exhibits "N" and "N-1".

<sup>11</sup> Exhibits "P" and "P-1".

<sup>12</sup> Exhibit "Q".

<sup>13</sup> Exhibit "R".

<sup>14</sup> Exhibits "R-1" to "R-32".

<sup>15</sup> Exhibit "S".

<sup>16</sup> Exhibits "T" to "V", inclusive of sub-markings.

<sup>17</sup> Exhibit "W".

<sup>18</sup> Exhibit "X".

<sup>19</sup> Exhibit "1".

<sup>20</sup> Exhibit "1-a".

3. Portion of Exhibit "1-a" indicating the date of first use of the mark GIORGIO BRUTINI on 05 January 1986;<sup>21</sup>
4. Portion of Exhibit "1-a" indicating the date the application was filed on 17 April 1989;<sup>22</sup>
5. Back portion of Exhibit "1-a" showing the payment of the required fees for the affidavits of use;<sup>23</sup>
6. Affidavit of Use filed on 11 July 1997;<sup>24</sup>
7. Affidavit of Use filed on 10 September 2002;<sup>25</sup>
8. Copies of advertisements in magazines and catalog of the mark GIORGIO BRUTINI submitted by the Appellant as Exhibits "E" to "H" and "K";<sup>26</sup>
9. Exhibit "N" of the Appellant (Page 1 of the deposition of witness Barry Specht);<sup>27</sup>
10. Page 2 of Exhibit "N";<sup>28</sup>
11. Exhibits "R-1" to "R-3" of the Appellant (Deposition of Dennis Lazar);<sup>29</sup>
12. Exhibits "T" to "V", inclusive of sub-markings (Copies of invoices for 2000 to 2002) of the Appellant;<sup>30</sup>
13. Exhibits "D-1", "D-5", "D-6", "D-7", "D-9", "D-12" and "D-13" of the Appellant (Certificates of registrations of the mark GIORGIO BRUTINI issued in favor of the Appellant);<sup>31</sup>
14. "SALAYSAY" of Rodolfo A. Cailao executed on 23 November 2006;<sup>32</sup>
15. Sales Invoice No. 91057 of Jeanstation, Incorporated dated 13 June 2006;<sup>33</sup>
16. A pair of pants bearing the mark GIORGIO BRUTINI;<sup>34</sup>
17. A pair of t-shirt bearing the mark GIORGIO BRUTINI;<sup>35</sup>
18. Sales Invoice No. 94401 of Jeanstation, Incorporated dated 25 September 2006;<sup>36</sup> and
19. A pair of short bearing the mark GIORGIO BRUTINI;<sup>37</sup>

After the appropriate proceedings, the Director denied the Petition for Cancellation. She held that the Appellant did not present evidence to overcome the presumption of validity of the Appellee's registration and its claim of first actual and commercial use in the Philippines. According to her, evidence on record shows that the Appellee adopted and started using GIORGIO BRUTINI on 05 January 1986 while the Appellant admitted that it used the mark in the Philippines on 29 November 1995. The

<sup>21</sup> Exhibit "1-b".

<sup>22</sup> Exhibit "1-c".

<sup>23</sup> Exhibit "1-d".

<sup>24</sup> Exhibit "2".

<sup>25</sup> Exhibit "3".

<sup>26</sup> Exhibits "4" to "8", inclusive of sub-markings.

<sup>27</sup> Exhibit "9".

<sup>28</sup> Exhibit "9-a".

<sup>29</sup> Exhibits "10", "10-a" and "10-b".

<sup>30</sup> Exhibits "11" to "13", inclusive of sub-markings.

<sup>31</sup> Exhibits "14", "14-a" to "14-f".

<sup>32</sup> Exhibit "15".

<sup>33</sup> Exhibit "16".

<sup>34</sup> Exhibit "16-a".

<sup>35</sup> Exhibit "16-b".

<sup>36</sup> Exhibit "17".

<sup>37</sup> Exhibit "17-a".

Director also ruled that there is no overt act from which it can be inferred that the Appellee has abandoned GIORGIO BRUTINI and that the Appellee's affidavits of use was approved and accepted by this Office and should be accorded the presumption of regularity. Further, she declared that GIORGIO BRUTINI is not a well-known mark.

The Appellant filed a motion for reconsideration on 28 January 2008. The Director denied the motion in her Resolution of 07 February 2008. Consequently, the Appellant filed on 14 March 2008 in this Office an "APPEAL MEMORANDUM" alleging the following:

1. Its mark is a well-known mark registered in the U.S. and many other countries, extensively advertised and popularized it and is in use in the Philippines as early as 29 November 1995;
2. The Appellee obtained his registration through fraud and no reason was offered by him to explain why he chose the name GIORGIO BRUTINI;
3. The Appellee failed to use his mark from 2002 up to 2006 and thus, has been abandoned; and
4. This Office is not bound by technical rules of procedure and the Bureau of Legal Affairs should have relaxed the application of the technical rules of procedure contained in the Revised Rules of Court.

The Appellee filed his "COMMENT on (Appellant's Appeal)" on 25 April 2008 alleging the following:

1. Decision No. 2007-192 has become final and executory and, therefore, no longer appealable;
2. The Appellant's motion for reconsideration was not accompanied with notice of hearing and is a mere scrap of paper;
3. Decision No. 2007-192 is supported by the admissible evidence on record and is in accordance with RA 166 and applicable jurisprudence;
4. The mark GIORGIO BRUTINI is not well-known; and
5. He does not need to submit evidence to prove the validity of his registration as it is presumed valid and it is for the Appellant to show that he was not entitled to the issuance of Reg. No. 51512 either for fraud or non-use of the subject mark.

The issues to be resolved are:

- 1) Whether Decision No. 2007-192, dated 14 December 2007, has already become final and executory, and



2) Whether the Appellee's mark GIORGIO BRUTINI should be cancelled.

On the first issue, the Appellee alleges that the Appellant's motion for reconsideration failed to comply with Sections 4 and 5 of Rule 15 of the Rules of Court which require every motion to be accompanied with notice of hearing. He contends that a motion without a notice of hearing is *pro forma*, a mere scrap of paper that does not toll the period to appeal, and upon expiration of the reglementary period for appeal, the questioned order or decision becomes final and executory.

The Appellant, however, argues that this Office is not bound by technical rules of procedure and that at most, the Rules of Court may only apply suppletorily and not primarily when it comes to *inter partes* proceedings. The Appellant claims that even in cases before the trial courts where a higher degree of evidence is required, the Supreme Court has had occasions to relax the application of technical rules of procedure for several reasons as for instance, when the purpose for its requirement has actually been served.

In this regard, there is no dispute that the Rules of Court may be applied in *inter partes* cases in suppletory manner. However, to apply the Rules of Court mandatorily or automatically for all matters not covered by internal rules would mean that the latter are equally or even more stringent, extensive, and technical as the Rules of Court. In effect, the Rules of Court would practically, govern the administrative proceedings and the internal rules becoming the suppletory rules. This Office believes that this should not be the case. Applying the Rules of Court in administrative proceedings must be for the purposes of obtaining and not to defeat, substantial justice.<sup>38</sup>

Accordingly, this Office noted that the Appellee was correct in citing the ruling in *Pojas v. Gozo-Dalole, et al.*<sup>39</sup> regarding the requirement that a motion must be accompanied with notice of hearing. However, this ruling is not rigid and not without exceptions as subsequent rulings of the Supreme Court show. The Appellant aptly cites *Vlason Enterprises Corporation v. Court of Appeals, et al.*<sup>40</sup> which clarifies the purpose and objective of the notice of hearing, that is, to afford the adverse parties a chance to be heard before a motion is resolved by the court. Through the notice, the adverse party is permitted time to study and answer the arguments in the motion.

In this instance, records reveal that the Appellee was duly served with a copy of the Appellant's motion for reconsideration. The Appellee in fact, filed his comment or opposition to the motion for reconsideration. Hence, the service of a copy of the motion for reconsideration upon the Appellee substantially comply with the purpose and objective of the notice of hearing. While there was a procedural lapse on the part of the Appellant, the inadvertence did not produce the adverse effect of depriving the Appellee's right to due process.

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<sup>38</sup>Rule 2 Sec. 5 of the Regulations on Inter Partes Proceedings, as amended, ("Regulations") provides that: "Section 5. Rules of Procedure to be followed in the conduct of hearing of Inter Partes cases.- The rules of procedure herein contained primarily apply in the conduct of hearing of Inter Partes cases. The Rules of Court may be applied suppletorily. The Bureau shall not be bound by strict technical rules of procedure and evidence but may adopt, in the absence of any applicable rule herein, such mode of proceedings which is consistent with the requirements of fair play and conducive to the just, speedy and inexpensive disposition of cases, and which will give the Bureau the greatest possibility to focus on the contentious issues before it."

<sup>39</sup> G.R. No. 76519, 21 Dec. 1990.

<sup>40</sup> G.R. Nos. 121662-64, 06 Jul. 1999.

The Appellee also correctly cited the ruling in *National Commercial Bank of Saudi Arabia v. Court of Appeals, et al.*<sup>41</sup> allowing a liberal construction of the requirement of notice of hearing in motions, to wit:

“(1) where a rigid application will result in manifest failure or miscarriage of justice; especially if a party successfully shows that the alleged defect in the questioned judgment is not apparent on its face from the recitals contained therein; (2) where the interest of substantial justice will be served; (3) where the resolution of the motion is addressed solely to the sound discretion of the court; and (4) where the injustice to the adverse party is not commensurate with the degree of his thoughtlessness in not complying with the procedure prescribed.”

Precisely, the interest of substantial justice requires that this appeal be heard and decided on the merits. The interest of justice and fair play requires the resolution of the issue of whether the Appellee’s mark GIORGIO BRUTINI should be canceled considering that it is obviously identical to the Appellant’s mark, as shown below:

**GIORGIO BRUTINI**

*Appellant’s mark*

**GIORGIO BAUTINI**

*Appellee’s mark*

In this regard, it is stressed 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 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.<sup>42</sup>

It must also be emphasized that a petition for cancellation brings forth a review or re-examination of the trademark registration. While a ground to cancel may be on account that the petitioner has better or superior right than the registrant, the very core questions, however, remain to be: Was it correct to register the mark? Were the requirements for registration met? Was the registration fraudulently obtained?

This Office noticed that the Appellee’s trademark application resulting in the issuance of Cert. of Reg. No. 4-1992-84792 was filed and prosecuted under RA 166. This being so, the validity of that registration should, thus, be reviewed or examined under the provision of RA 166.

The Appellant asserts that it is the true and lawful owner of the mark GIORGIO BRUTINI and that the Appellee obtained its registration of this mark through fraud. The Appellant, thus, seeks to cancel the Appellee’s trademark registration pursuant to Sec. 151.1 (b) of the IP Code, to wit:

<sup>41</sup> G. R. No. 124267, 18 Aug. 2004.

<sup>42</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.

"SEC. 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:

x x x

(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 was obtained fraudulently or contrary to the provisions of this Act x x x"

Under Sec. 17(c) of RA 166, any person, who believes that he is or will be damaged by the registration of a mark or trade-name, may, upon the payment of the prescribed fee, apply to cancel said registration if the registration was obtained fraudulently.

The Appellant adduced evidence that it has used the mark in commerce since 1977 and registered the mark in the U.S. in 1981 and subsequently in other countries.<sup>43</sup> On the other hand, in defense of his trademark registration, the Appellee showed that he had secured a certificate of registration for this mark here in the Philippines in 1991 and claimed that he first it in the Philippines 1986.

Sections 2 and 2-A of RA 166<sup>44</sup> provide that:

"Sec.2. What are registrable.- Trade-marks, trade-names, and service-marks owned by persons, corporations, partnership or associations domiciled in the Philippines and by persons, corporations, partnerships or associations domiciled in any foreign country may be registered in accordance with the provisions of this Act: Provided, That said trade-marks, trade-names, or service-marks are actually in use in commerce and services not less than two months in the Philippines before the time the applications for registration are filed: And provided, further, That the country of which the applicant for registration is a citizen grants by law substantially similar privileges to citizens of the Philippines, and such fact is officially certified, with a certified true copy of the foreign law translated into the English language, by the government of the foreign country to the Government of the Republic of the Philippines."

"Sec.2-A. Ownership of trade-marks, trade-names and service-marks, how acquired.- Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trade-mark, a trade-name, or a service-mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business, or service of others. The ownership or possession of a trade-mark, trade-name, service-mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the laws."

It is clear from the foregoing provisions of law the basic requirement in trademark registration: that it is the owner of the mark who has the right to register it. More than usage of a mark in the Philippines, the applicant must be the owner thereof. It does not necessarily mean that the one who first used the mark in the Philippines is *ipso facto* the

<sup>43</sup> Exhibits "D" and sub-markings.

<sup>44</sup> AN ACT TO PROVIDE FOR THE REGISTRATION AND PROTECTION OF TRADEMARKS, TRADE-NAMES AND SERVICE-MARKS, DEFINING UNFAIR COMPETITION AND FALSE MARKING AND PROVIDING REMEDIES AGAINST THE SAME, AND FOR OTHER PURPOSES.

owner of the mark. In *Shangri-La International Hotel Management, Ltd., et. al. v. Developers Group of Companies, Inc.*, the Supreme Court clarified:

"Section 2-A of the same law sets out to define how one goes about acquiring ownership thereof. Under Section 2-A, it is clear that actual use in commerce is also the test of ownership but the provision went further by saying that the mark must not have been so appropriated by another. Additionally, it is significant to note that Section 2-A does not require that the actual use of a trademark must be within the Philippines. Hence, under R.A. No. 166, as amended, one may be an owner of a mark due to actual use thereof but not yet have the right to register such ownership here due to failure to use it within the Philippines for two months."<sup>45</sup>

Sec. 2-A in conjunction with Sec. 4(d), of RA 166 proscribes the registration of a mark if the same has already been appropriated by another for identical, related or similar line of goods and/or the registration will likely cause confusion, mistake or deceive consumers. It would not matter even if the prior appropriation and use was not in the Philippines.

In this instance, the Appellant submitted evidence that it had appropriated and used the mark GIORGIO BRUTINI earlier than the Appellee. The Appellant submitted certificate issued by the U.S. Patent and Trademark Office showing that the mark was registered in favor of the Appellant on 30 June 1981 under Reg. No. 1,159,243. Dennis S. Lazar, the Appellant's Chief Executive Officer stated in his affidavit that the Appellant has used the mark since August 1977, consistent with the date of first use indicated in the U.S. Patent Reg. No. 1,159,243. Moreover, the Appellant presented documents that it had registered the mark in various countries and in fact, had filed an application in the Philippines.<sup>46</sup> Some of these filings and registrations were earlier than the claimed Appellee's use and filing of trademark application, to wit: Brazil (1985), Canada (filing date in June 1980; registration in 1983), Japan (filing date on 15 August 1983; registration on 30 July 1986), South Korea (filing date on 24 November 1983; registration on 30 August 1984), and Taiwan (16 December 1982).

With the evidence submitted by the Appellant, the burden of evidence is shifted to the Appellee to prove his ownership of the mark. But other than his certificate of registration and the accompanying affidavits of use, the Appellee failed to submit proof to overcome or contradict the Appellant's evidence of prior use and appropriation.

This Office also noted the absence of any explanation from the Appellee as to how come his mark is identical to the Appellant's. GIORGIO BRUTINI is highly distinctive and very uncommon mark. Moreover, the evidence on record shows that GIORGIO BRUTINI was already registered and used by the Appellant in countries with huge markets like the U.S., Brazil, Canada, Japan, South Korea and Taiwan prior to the Appellee's adoption and filing of trademark application for the same mark in the Philippines.

Considering that the Appellee deals in goods similar to the Appellant, it is very likely that before he appropriated for himself the mark GIORGIO BRUTINI, he was in fact

<sup>45</sup> G. R. No. 159938, 31 March 2006.

<sup>46</sup> Application Serial Nos. 122605 and 122607 filed on 14 July 1997.

aware that the mark has already been used in commerce by another proprietor. As aptly stated by the Appellant:

"The likelihood of knowledge of the Respondent-Appellee is even bolstered by the nature of the mark at issue: GIORGIO BRUTINI is clearly a name of a person. The name is clearly not a Filipino name. Of all the possible trademarks, a Filipino entrepreneur is available to use, there was no reason offered by Respondent-Appellee to explain why he chose the name, GIORGIO BRUTINI."<sup>47</sup>

In this regard, that two persons, separately and independent of each other, would come up with identical highly distinctive mark for similar or related goods is very unlikely, improbable. The field from which a person may select a trademark is practically unlimited. And thus, if the "junior" user cannot explain or tell how he was able to coin the mark, the only plausible conclusion is that he merely copied and appropriated the mark which already belong to the "senior" user. As held by the Supreme Court:

"Of course, 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 appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark."<sup>48</sup>

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. The intellectual property system is not a haven for people who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.

WHEREFORE, premises considered, the appeal is hereby GRANTED. Certificate of Registration No. 51512 for the mark GIORGIO BRUTINI issued in favor of the Appellee is hereby ordered CANCELLED.

Let a copy of this Decision as well as the records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

**DEC 19 2008**

, Makati City.

  
ADRIAN S. CRISTOBAL, JR.  
Director General

<sup>47</sup> APPEAL MEMORANDUM, p. 13.

<sup>48</sup> *American Wire & Cable Company v. Director of Patents*, G. R. No. L-26557, 18 Feb. 1970.