

SECOND DIVISION

[G.R. No. 185917, June 01, 2011]

**FREDCO MANUFACTURING CORPORATION, PETITIONER, VS.
PRESIDENT AND FELLOWS OF HARVARD COLLEGE (HARVARD
UNIVERSITY), RESPONDENTS.**

DECISION

CARPIO, J.:

The Case

Before the Court is a petition for review^[1] assailing the 24 October 2008 Decision^[2] and 8 January 2009 Resolution^[3] of the Court of Appeals in CA-G.R. SP No. 103394.

The Antecedent Facts

On 10 August 2005, petitioner Fredco Manufacturing Corporation (Fredco), a corporation organized and existing under the laws of the Philippines, filed a Petition for Cancellation of Registration No. 56561 before the Bureau of Legal Affairs of the Intellectual Property Office (IPO) against respondents President and Fellows of Harvard College (Harvard University), a corporation organized and existing under the laws of Massachusetts, United States of America. The case was docketed as Inter Partes Case No. 14-2005-00094.

Fredco alleged that Registration No. 56561 was issued to Harvard University on 25 November 1993 for the mark "Harvard Veritas Shield Symbol" for decals, tote bags, serving trays, sweatshirts, t-shirts, hats and flying discs under Classes 16, 18, 21, 25 and 28 of the Nice International Classification of Goods and Services. Fredco alleged that the mark "Harvard" for t-shirts, polo shirts, *sandos*, briefs, jackets and slacks was first used in the Philippines on 2 January 1982 by New York Garments Manufacturing & Export Co., Inc. (New York Garments), a domestic corporation and Fredco's predecessor-in-interest. On 24 January 1985, New York Garments filed for trademark registration of the mark "Harvard" for goods under Class 25. The application matured into a registration and a Certificate of Registration was issued on 12 December 1988, with a 20-year term subject to renewal at the end of the term. The registration was later assigned to Romeo Chuateco, a member of the family that owned New York Garments.

Fredco alleged that it was formed and registered with the Securities and Exchange Commission on 9 November 1995 and had since then handled the manufacture, promotion and marketing of "Harvard" clothing articles. Fredco alleged that at the time of issuance of Registration No. 56561 to Harvard University, New York Garments had already registered the mark "Harvard" for goods under Class 25. Fredco alleged that the registration was cancelled on 30 July 1998 when New York Garments inadvertently failed to file an affidavit of use/non-use on the fifth

anniversary of the registration but the right to the mark "Harvard" remained with its predecessor New York Garments and now with Fredco.

Harvard University, on the other hand, alleged that it is the lawful owner of the name and mark "Harvard" in numerous countries worldwide, including the Philippines. Among the countries where Harvard University has registered its name and mark "Harvard" are:

- | | |
|---------------------------|---------------------------------------|
| 1. Argentina | 26. South Korea |
| 2. Benelux ^[4] | 27. Malaysia |
| 3. Brazil | 28. Mexico |
| 4. Canada | 29. New Zealand |
| 5. Chile | 30. Norway |
| 6. China P.R. | 31. Peru |
| 7. Colombia | 32. Philippines |
| 8. Costa Rica | 33. Poland |
| 9. Cyprus | 34. Portugal |
| 10. Czech Republic | 35. Russia |
| 11. Denmark | 36. South Africa |
| 12. Ecuador | 37. Switzerland |
| 13. Egypt | 38. Singapore |
| 14. Finland | 39. Slovak Republic |
| 15. France | 40. Spain |
| 16. Great Britain | 41. Sweden |
| 17. Germany | 42. Taiwan |
| 18. Greece | 43. Thailand |
| 19. Hong Kong | 44. Turkey |
| 20. India | 45. United Arab Emirates |
| 21. Indonesia | 46. Uruguay |
| 22. Ireland | 47. United States of America |
| 23. Israel | 48. Venezuela |
| 24. Italy | 49. Zimbabwe |
| 25. Japan | 50. European Community ^[5] |

The name and mark "Harvard" was adopted in 1639 as the name of Harvard College^[6] of Cambridge, Massachusetts, U.S.A. The name and mark "Harvard" was allegedly used in commerce as early as 1872. Harvard University is over 350 years old and is a highly regarded institution of higher learning in the United States and throughout the world. Harvard University promotes, uses, and advertises its name "Harvard" through various publications, services, and products in foreign countries, including the Philippines. Harvard University further alleged that the name and the mark have been rated as one of the most famous brands in the world, valued between US \$750,000,000 and US \$1,000,000,000.

Harvard University alleged that in March 2002, it discovered, through its international trademark watch program, Fredco's website www.harvard-usa.com. The website advertises and promotes the brand name "Harvard Jeans USA" without Harvard University's consent. The website's main page shows an oblong logo bearing the mark "Harvard Jeans USA®," "Established 1936," and "Cambridge, Massachusetts." On 20 April 2004, Harvard University filed an administrative

complaint against Fredco before the IPO for trademark infringement and/or unfair competition with damages.

Harvard University alleged that its valid and existing certificates of trademark registration in the Philippines are:

1. Trademark Registration No. 56561 issued on 25 November 1993 for "Harvard Veritas Shield Design" for goods and services in Classes 16, 18, 21, 25 and 28 (decals, tote bags, serving trays, sweatshirts, t-shirts, hats and flying discs) of the Nice International Classification of Goods and Services;
2. Trademark Registration No. 57526 issued on 24 March 1994 for "Harvard Veritas Shield Symbol" for services in Class 41; Trademark Registration No. 56539 issued on 25 November 1998 for "Harvard" for services in Class 41; and
3. Trademark Registration No. 66677 issued on 8 December 1998 for "Harvard Graphics" for goods in Class 9. Harvard University further alleged that it filed the requisite affidavits of use for the mark "Harvard Veritas Shield Symbol" with the IPO.

Further, on 7 May 2003 Harvard University filed Trademark Application No. 4-2003-04090 for "Harvard Medical International & Shield Design" for services in Classes 41 and 44. In 1989, Harvard University established the Harvard Trademark Licensing Program, operated by the Office for Technology and Trademark Licensing, to oversee and manage the worldwide licensing of the "Harvard" name and trademarks for various goods and services. Harvard University stated that it never authorized or licensed any person to use its name and mark "Harvard" in connection with any goods or services in the Philippines.

In a Decision^[7] dated 22 December 2006, Director Estrellita Beltran-Abelardo of the Bureau of Legal Affairs, IPO cancelled Harvard University's registration of the mark "Harvard" under Class 25, as follows:

WHEREFORE, premises considered, the Petition for Cancellation is hereby GRANTED. Consequently, Trademark Registration Number 56561 for the trademark "HARVARD VE RI TAS `SHIELD' SYMBOL" issued on November 25, 1993 to PRESIDENT AND FELLOWS OF HARVARD COLLEGE (HARVARD UNIVERSITY) should be CANCELLED only with respect to goods falling under Class 25. On the other hand, considering that the goods of Respondent-Registrant falling under Classes 16, 18, 21 and 28 are not confusingly similar with the Petitioner's goods, the Respondent-Registrant has acquired vested right over the same and therefore, should not be cancelled.

Let the filewrapper of the Trademark Registration No. 56561 issued on November 25, 1993 for the trademark "HARVARD VE RI TAS `SHIELD' SYMBOL", subject matter of this case together with a copy of this

Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.^[8]

Harvard University filed an appeal before the Office of the Director General of the IPO. In a Decision^[9] dated 21 April 2008, the Office of the Director General, IPO reversed the decision of the Bureau of Legal Affairs, IPO.

The Director General ruled that more than the use of the trademark in the Philippines, the applicant must be the owner of the mark sought to be registered. The Director General ruled that the right to register a trademark is based on ownership and when the applicant is not the owner, he has no right to register the mark. The Director General noted that the mark covered by Harvard University's Registration No. 56561 is not only the word "Harvard" but also the logo, emblem or symbol of Harvard University. The Director General ruled that Fredco failed to explain how its predecessor New York Garments came up with the mark "Harvard." In addition, there was no evidence that Fredco or New York Garments was licensed or authorized by Harvard University to use its name in commerce or for any other use.

The dispositive portion of the decision of the Office of the Director General, IPO reads:

WHEREFORE, premises considered, the instant appeal is GRANTED. The appealed decision is hereby REVERSED and SET ASIDE. Let a copy of this Decision as well as the trademark application and records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Directors of the Bureau of Trademarks and the Administrative, Financial and Human Resources Development Services Bureau, 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.^[10]

Fredco filed a petition for review before the Court of Appeals assailing the decision of the Director General.

The Decision of the Court of Appeals

In its assailed decision, the Court of Appeals affirmed the decision of the Office of the Director General of the IPO.

The Court of Appeals adopted the findings of the Office of the Director General and ruled that the latter correctly set aside the cancellation by the Director of the Bureau of Legal Affairs of Harvard University's trademark registration under Class 25. The Court of Appeals ruled that Harvard University was able to substantiate that it appropriated and used the marks "Harvard" and "Harvard Veritas Shield Symbol" in

Class 25 way ahead of Fredco and its predecessor New York Garments. The Court of Appeals also ruled that the records failed to disclose any explanation for Fredco's use of the name and mark "Harvard" and the words "USA," "Established 1936," and "Cambridge, Massachusetts" within an oblong device, "US Legend" and "Europe's No. 1 Brand." Citing *Shangri-La International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*,^[11] the Court of Appeals ruled:

One who has imitated the trademark of another cannot bring an action for infringement, particularly against the true owner of the mark, because he would be coming to court with unclean hands. Priority is of no avail to the bad faith plaintiff. Good faith is required in order to ensure that a second user may not merely take advantage of the goodwill established by the true owner.^[12]

The dispositive portion of the decision of the Court of Appeals reads:

WHEREFORE, premises considered, the petition for review is DENIED. The Decision dated April 21, 2008 of the Director General of the IPO in Appeal No. 14-07-09 Inter Partes Case No. 14-2005-00094 is hereby AFFIRMED.

SO ORDERED.^[13]

Fredco filed a motion for reconsideration.

In its Resolution promulgated on 8 January 2009, the Court of Appeals denied the motion for lack of merit.

Hence, this petition before the Court.

The Issue

The issue in this case is whether the Court of Appeals committed a reversible error in affirming the decision of the Office of the Director General of the IPO.

The Ruling of this Court

The petition has no merit.

There is no dispute that the mark "Harvard" used by Fredco is the same as the mark "Harvard" in the "Harvard Veritas Shield Symbol" of Harvard University. It is also not disputed that Harvard University was named Harvard College in 1639 and that then, as now, Harvard University is located in Cambridge, Massachusetts, U.S.A. It is also unrefuted that Harvard University has been using the mark "Harvard" in commerce since 1872. It is also established that Harvard University has been using the marks "Harvard" and "Harvard Veritas Shield Symbol" for Class 25 goods in the United States since 1953. Further, there is no dispute that Harvard University has registered the name and mark "Harvard" in at least 50 countries.