

## **SPECIAL FIFTH DIVISION**

**[ CA-G.R. SP NO. 82004, June 23, 2006 ]**

**X-TASY GARMENTS, INC., PETITIONER, VS. THE LIMITED STORE, INC., RESPONDENT.**

### **DECISION**

**BARRIOS, J.:**

The petitioner X-Tasy Garments, Inc. (or X-tasy Garments for brevity) by this petition for review seeks the annulment and reversal of the decision dated December 22, 2003 issued by Office of the President through the Intellectual Property Office (or IPO) which affirmed the decision of the Bureau of Patents, Trademarks and Technology Transfer (or Bureau of Patents) cancelling its Registration Nos. SR-8537 and 53611 for "FORENZA LABEL" and "FORENZA".

The respondent The Limited Store, Inc. (or Limited Store) is a U.S. corporation and the registered owner of the trademark "FORENZA" covered by Registration No. 47742 issued on April 10, 1990. On August 6, 1993 it filed before the Bureau of Patents a Petition for *Cancellation of the Trademark* "FORENZA" and "FORENZA LABEL" docketed as Inter Parties Case No. 1918 and 3919. "FORENZA" is covered by Registration No. 53611 issued on September 28, 1992 and "FORENZA LABEL" is covered by Registration No. SR-8537 issued on October 7, 1991 in favor of X-tasy Garments which uses these on its products of jeans, t-shirts, polo shirts, jackets, underwears, shoes and socks.

Limited Store alleged among others that it possesses the exclusive title to and interest in the mark "FORENZA" by virtue of its prior registration and use. The mark "FORENZA" and "FORENZA LABEL" applied for by X-tasy Garments are not only confusingly similar but also deliberately identical to the trademarks it owns and has not abandoned. The mark "FORENZA" has been extensively used and advertised by Limited Store and it has become distinctive of its goods and business and has acquired general international consumer recognition and goodwill. "FORENZA" and "FORENZA LABEL" are identical to the trademark "FORENZA" of Limited Store as likely, when applied to the goods or when used in connection with its goods, cause confusion or will deceive purchasers as to the actual source or origin of the said goods to such an extent that X-tasy Garments' goods may be mistaken by an unwary public as related to the products it sells and manufactures. The adoption of and use by X-tasy Garments of the mark "FORENZA" and "FORENZA LABEL" on related goods constitutes an unlawful appropriation of trademarks done in bad faith because it already knew of the existence, reputation and international goodwill of these trademarks.

In its Answer, X-tasy Garments asserted that its goods such as jeans, t-shirts, polo shirts, jackets in International Class 25 are unrelated and non-competing with Limited Store's goods which comprise of costume jewelry in International Class 14.

Since their goods are not similar, it claimed that there could be no confusion or unlawful appropriation of the trademarks. On this basis, there is a remote possibility that purchasers would be confused or deceived since Limited Store's registration is limited to costume jewelry only and it has no reputation and goodwill to speak of in the Philippines with respect to goods in International Class 25. According to X-tasy Garments, Application Serial No. 58359 and SR-11511 for the label "FORENZA" and "FORENZA LABEL" were filed way back on March 19, 1986, but Certificate of Registration No. SR-8537 for "FORENZA" and Certificate of Registration No. 53611 for "FORENZA LABEL" were respectively issued only on October 7, 1991 and September 28, 1992. If the allegation of Limited Store that it possesses the exclusive title to and interest in the mark "FORENZA" were true, then the application of X-tasy Garments for the trademarks would have been rejected outright by the Bureau of Patents. On the other hand it had obtained Certificate of Copyright Registration No. 0-6346 from the National Library on April 4, 1986 for the copyright claim on "FORENZA."

On December 14, 1997, the Bureau of Patents rendered its decision disposing that:

WHEREFORE, these consolidated Petitions for Cancellation are hereby GRANTED. Accordingly, registration Nos. SR-8537 and 53611 for "FORENZA LABEL" and "FORENZA" are hereby CANCELLED.

Let the filewrapper of this case be forwarded to the EDP/Trademark Registry Division, and the Application Issuance and Publication Division for appropriate action in accordance with this Decision with a copy to be furnished the Trademark Examining Division for information to update its record. (p. 37, rollo)

X-tasy Garments filed a motion for its reconsideration, but this was denied in a Resolution dated February 19, 2003 (p. 46, rollo).

X-tasy Garments then went up to appeal to the IPO but as said was unsuccessful and the appealed decision was affirmed in the judgment the *fallo* of which reads:

WHEREFORE, premises considered, there is no cogent reason to disturb BPTTT Decision No. 97-28 dated 14 December 1997 and Resolution No. 2008-(02)-D dated 19 February 2003 rendered by the Director of the Bureau of Legal Affairs. Accordingly, the instant appeal is DENIED and the appealed decision is hereby AFFIRMED. (p. 86, rollo)

Hence this petition for review where X-tasy Garments assigned the lone error that:

WHETHER OR NOT THE INTELLECTUAL PROPERTY OFFICE SERIOUSLY ERRED IN UPHOLDING THE DECISION CANCELLING THE CERTIFICATES OF REGISTRATION OF PETITIONER'S TRADEMARKS "FORENZA LABEL" AND "FORENZA" (p. 7, rollo)

We do not find merit in the petition.

Section 22 of the Trademark Law provides what constitutes infringement:

Any person who shall use, without the consent of the registrant, any reproduction, counterfeit, copy or colorable imitation of any registered mark or tradename in connection with the sale, offering for sale, or