

****Title:**** Birkenstock Orthopaedie GmbH & Co. KG vs. Philippine Shoe Expo Marketing Corporation

****Facts:**** Birkenstock Orthopaedie GmbH & Co. KG, a German company, applied for registration of the “BIRKENSTOCK” trademarks in the Philippines in 1994. The Intellectual Property Office (IPO) suspended these applications due to a prior registration by Shoe Town International, Philippine Shoe Expo Marketing’s predecessor. Birkenstock filed a petition for cancellation of this registration in 1997, but it became moot and academic when the registration was canceled due to non-filing of the 10th Year Declaration of Actual Use. Subsequently, Birkenstock’s applications were published for opposition in 2007, leading Philippine Shoe to oppose them. The IPO’s Bureau of Legal Affairs favored Philippine Shoe, leading Birkenstock to appeal to the IPO Director General, who reversed the decision allowing Birkenstock’s trademark registration. Unsatisfied, Philippine Shoe appealed to the Court of Appeals (CA), which reinstated the Bureau of Legal Affairs’ decision against Birkenstock, prompting the latter to elevate the matter to the Supreme Court.

****Issues:**** The core issue was whether the “BIRKENSTOCK” marks should be registered in the name of Birkenstock Orthopaedie GmbH & Co. KG. Sub-issues include the admissibility of Birkenstock’s documentary evidence and the ownership and right to register the “BIRKENSTOCK” mark.

****Court’s Decision:**** The Supreme Court found in favor of Birkenstock, reversing the CA’s decision and reinstating the IPO Director General’s decision allowing the registration of the “BIRKENSTOCK” marks to Birkenstock. The Court held that the IPO Director General acted within his discretion to relax procedural rules in the interest of justice. Furthermore, the Court determined that Birkenstock, through substantial evidence, established its rightful ownership and prior use of the mark “BIRKENSTOCK,” despite the failed registration due to procedural lapses.

****Doctrine:**** The Supreme Court reiterates the principle that registration of a trademark alone does not confer ownership; rather, it is the actual use in commerce that determines the rightful owner of a mark. The Court also highlighted that procedural rules should facilitate the attainment of justice and might be relaxed for meritorious cases.

****Class Notes:****

- ****Trademark Registration and Ownership:**** RA 166 (the governing law) emphasizes actual use in commerce as critical for both the establishment of trademark ownership and

the right to register a mark. Failure to file a Declaration of Actual Use results in the automatic cancellation of registration, indicating abandonment of the mark.

- **Evidence Admissibility in Administrative Proceedings:** Rules of evidence in quasi-judicial and administrative proceedings are flexible, aimed at determining substantive rights rather than adhering to strict technicalities.

- **Distinguishing Copyright from Trademark:** Copyright protection cannot substitute or validate ownership for trademark purposes, highlighting the differentiation between forms of intellectual property rights.

Historical Background: This case underscores the complexity of trademark registration and enforcement in a globalized market, where international brands must navigate local legal systems to protect their intellectual property rights. The dispute between a well-established international brand and a local registrant over the “BIRKENSTOCK” mark highlights challenges in ensuring rightful ownership and use of trademarks across jurisdictions, emphasizing the critical role of actual use in commerce and adherence to procedural requirements in the registration process.