

BINA'S AUTO SUPPLY, INC.,
Opposer,

IPC 14-2006-00144

- versus -

Opposition to:
TM Application No. 04-2004-00615
(Filing Date: 09 July 2004)

MARVIN VILLAFLORES
Respondent-Applicant.
x-----x

TM: "MEIJI"

Decision No. 2007-55

DECISION

This is an opposition to the registration of the mark "MEIJI" bearing Serial No. 4-2004-006105 files on 09 July 2004 for the goods falling under class 12 of the International Classification of goods which trademark application was published at the e-gazette of the website of the Intellectual Property Philippine on August 18, 2006.

The Opposer in the instant case in "BINA'S AUTO SUPPLY INC.", a corporation duly organized and existing under the Philippine Laws, with address at 1261 C.M. Recto Street, Sta. Cruz, Manila.

The Respondent-Applicant on the other hand is "MARVIN VILLAFLORES", with address at 3230 Narra Street, Barangay Obrero, Tondo, Manila.

Grounds for the opposition are as follows:

1. Notwithstanding the earlier filing date accorded the Respondent-Applicant by this Honorable Office, it is respectfully submitted by the Opposer that it has the legal and beneficial right and ownership to use the mark "MEIJI" as it is the first to adopt and use the above-named trademark in actual trade and commerce in the different parts of the Philippines. The Opposer will herein prove that over the years, it had built good business name, reputation and goodwill in the automotive spare parts industry carrying the mark "MEIJI".
2. As an entity engaged in automotive spare parts, it has developed and eventually distributed to the different parts of the Philippine market, a brand of its own which carries the name "MEIJI" and which trademark is associated with quality and dependable products. Through the Opposer's brand development and continuous distribution efforts, the automotive spare parts bearing the name "MEIJI" have gained recognition and acceptance through the years. The spare parts currently in the market include.

Overhaul gasket set
Cylinder head gasket
Exhaust manifold gasket
Intake manifold gasket
Oil pan gasket
Valve stem seal
Exhaust Pipe gasket
Line O-ring kit
Oil cooler gasket
Cylinder head O-ring kit
Prechamber repair kit
Valve cover gasket
Nozzle Washer
Crank Seal Packing
Grommet Rubber Washer

Oil Filler Rubber Cap
Fuel Connector Rubber
Valve Cover Half Moon Plug

3. As the Opposer is the prior and continuing user of the subject mark and even without the benefit of earlier trademark in its name, it is argued that the registration of the mark "MEIJI" in favour of Respondent-Applicant is violative of Section 123.1 (e) of Republic Act No. 8293 or the "Intellectual Property Code", the pertinent portion of which reads:

Sec. 123. *Registrability.* A mark cannot be registered if it: x x x (e) is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippine to be well-known internationally, and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark".

4. Trademarks, service marks and trade names are symbols or devices used in trade and commerce to distinguished goods, business and services from those of others. A merchant or trader who employs them for the purpose or who, by the use thereof, identifies in the public his goods, business or services from those of others acquire property rights not only the symbol or devices but also in the reputation or goodwill generated thereby. The law on trademarks, service marks and trade names is intended to protect the merchant or the manufacturer against invasion of his property rights, and the buying public against deception or mistake of purchasing the goods or services of one person as those of another (*Section 168.1, Republic Act No. 8293, Chuangcaw Soy & Canning Co., vs. Director of Patents, 108 Phil. 833 (1960), La Chemise Lacoste, S.A. vs. Fernandez, 129 SCRA 373 (1984).*)
5. Accordingly, evidence of use of a mark is shown by the sale of the goods or wares bearing the mark to the public. For this purpose, sales invoices provide the best proof that there were actual sales of the trader's product in the country and that there was actual use of certain period of the trader's trademark through sales. (*Converse Rubber Corp., vs. Universal Rubber Products, Inc., 147 SCRA 154 (1987).*)
6. After it filed its trademark application, the Opposer, on 11 October 2006, submitted and filed its Declaration of Actual Use (DAU) with this Honorable Office, a requirement of the trademark law which should be complied with within three (3) years of the trademark application and within one (1) year from the fifth (5th) anniversary of the registration of the mark (Section 124.2 and 145, *ibid*). The DAU is a declaration under oath by the applicant or its authorized representative that the mark was actually used and is in use in trade and commerce in the Philippines. It necessarily must include documents and proofs showing the use of the mark. For this purpose, a copy of the DAU as filed by the Opposer with its attachments that include Sales Invoices, photographs of promotional materials and actual products prominently showing the mark "MEIJI", is herein attached as Exhibit "C" for the Opposer and made integral part hereof.
7. The mark is actually and still presently used in the Philippines for the various automotive spare parts, such as the following:

Overhaul gasket set
Cylinder head gasket
Exhaust manifold gasket

Intake manifold gasket
Oil pan gasket
Valve stem seal
Exhaust Pipe gasket
Line O-ring kit
Oil cooler gasket
Cylinder head O-ring kit
Prechamber repair kit
Valve cover gasket
Nozzle Washer
Crank Seal Packing
Grommet Rubber Washer
Oil Filler Rubber Cap
Fuel Connector Rubber
Valve Cover Half Moon Plug

8. Respondent-Applicant is not known as an industry player. A simple research however of his name in the database of this Honorable Office would show that he had in fact applied for several trademarks, which to the Opposer's knowledge as a major industry player belongs to other entities. A copy of the page where the name of the Respondent-Applicant appears in this Honorable Office's website as applicant of several marks herein attached as Exhibit "J" and made an integral part hereof. What could be deduced from this seemingly harmless act of the Respondent-Applicant?
9. In the instant case, the Opposer has clearly shown that it is the prior user of the mark and it had been continuously using the subject mark for at least, if not more than, a decade now. Not only has the Opposer the property rights but it has also the developed the reputation and goodwill in the industry to be associated with the subject mark, hence, the use of Respondent-Applicant of the mark will even make him liable for unfair competition.

On January 2, 2007, Respondent-Applicant filed his Answer to the Verified Notice of Opposition admitting some of the allegations and likewise denied some of them.

The Opposer submitted the following as its evidences in support of its opposition;

1. Exhibit "D" – Sworn Affidavit of Thelma A. Valero.
2. Exhibit "E" – Sworn Affidavit of Vicente F. Tan.
3. Exhibit "F" – Sworn Affidavit of Narciso Jao.
4. Exhibit "G" – Sworn Affidavit of Custer Tanchip.
5. Exhibit "H" – Sworn Affidavit of Benson Jao.
6. Exhibit "I" – Sworn Affidavit of Thomas Y. Haw.

all others were mere photocopies.

On the other hand, Respondent-Applicant when he files his verified Answer, did not attach therein the required affidavit of his witness/witnesses and the originals of the documents/certified true copies in lieu of the originals in support of his Answer as required in the Notice of Answer issued by the Bureau of Legal Affairs (BLA) dated 20 October 2006.

During the preliminary conference on January 23, 2007 at 2:00 in the afternoon, the parties were encouraged to settle the case amicably, but they opted to maintain their respective

stand hence, they were required to file their respective position paper, after which the case was considered submitted for decision.

In the instant case, it has been observed that both parties filed their respective trademark application for the registration of the mark 'MEIJI' with the Intellectual Property Philippines.

For the Opposer – bearing Serial No. 4-2006-010179, filed on September 14, 2006.

For the Respondent-Applicant – bearing Serial No. 4-2004-006105, filed on July 4, 2004.

As shown by the records, the two marks are identical or the same on both spelling, pronunciation and the composition of the letters.

The only issued to be resolved is:

WHETHER OR NOT RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK "MEIJI".

The Respondent-Applicant is the party who first filed the application for the registration of the mark "MEIJI" with the Intellectual Property Philippines (IPP). In his answer, he invoked Sec. 122 and 138 of the Intellectual Property Code, which provides:

"Section 122. How marks are acquired. – The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law.

"Section 138. Certificate of Registration. – A certificate of registration of a mark be prima facie evidence of the validity of the registration, the registrant's exclusive right to use the same in connection with the goods or services and those that are related therein specified in the certificate.

It is very clear that Respondent-Applicant is banking on first-filer-owner rule which means that the first to file the trademark application, generally, gets the registration. The right to the registration of the mark attaches to the one who is first in filing the application for registration.

In resolving this issue, there is a need to understand fully the main objective or purpose of a trademark. A trademark is essentially a means, through which the goods of a particular producer or manufacturer may be distinguished from those of competitors or others. Its function is to designate distinctively or indicate the source or origin of the products to which it is attached. Significantly, a trademark also guarantees certain standards of quality and warn against the imitation or faking of products, thus preventing the commission of fraud on the public. Further, trademark is a form of advertisement. The definition of a trademark under Republic Act No. 166, as amended, conforms to these stated purpose or function to wit:

"Section 38. Words and terms defined and construed. – In the construction of this Act, unless the contrary is plainly apparent from the context.

The term "trademark" includes any word, name, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold or dealt in by others.

The term "mark" includes any trademark or service mark entitled to registration under this act whether registered or not.

Respondent-Applicant advances his theory that under Republic Act No.8293, registration confers ownership of a trademark. This Bureau disagrees.

The Philippines implemented the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) when Republic Act No. 8293 took into force and effect on 01 January 1998.

Article 15 of TRIPS Agreement reads:

Section2: 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 combination of colors as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability on distinctiveness acquired through use. Members may require, as 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 its provisions of the Paris Convention (1967).

“3. Members may make registrability depend on use. However, actual use of 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 (3) 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... 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:

Article 16

Rights Conferred

“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 described above shall not prejudice any existing prior rights, nor shall they affect the possibility of members making rights available on the basis of use.”

Significantly, Republic Act No. 8293 adopted the definition of the mark under Republic Act No. 166, as amended, to wit:

“121.1. – “mark” means any visible sign capable of distinguishing the goods or services of a enterprises and shall include a stamped or marked container of goods; (Sec. 38 of Republic Act No. 166a)”

There is no doubt at all and it is very clear, that in this jurisdiction, it is not the registration that confers ownership of trademark; rather, it is the use of the mark that gives rise to ownership of the trademark, which in turn gives the right to the owner to cause its registration and enjoy exclusive use thereof for the goods associate with it. While Republic Act No. 8293, does not contain express references to ownership of marks as a basis for their registration, the definition of the term “mark” implies that the right to registration belongs to the owner who used or uses the same to distinguish his goods or services”.

The “first-to-file” rules could not have been intended to justify the approval of a trademark application just because it was the first to file the application regardless of another better or superior right over the mark being applied for. The rule cannot be used to commit or perpetuate an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The right of being issued a registration for its exclusive use therefore, should be based on the concept of ownership which in turn is based on actual use. Republic Act No. 8293, implement the TRIPS Agreement and therefore the idea of “registered owner” does not mean the ownership is established by mere registration but that registration merely establishes 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.

On the basis of evidence submitted by Opposer, it has been establishment that it is the actual and prior user of the mark “MEIJI” in the Philippines. The affidavits of its witnesses showed/stated therein that they are distributor of the Opposer and buying “MEIJI” automotive spare parts from it for the past ten (10) years as shown by Exhibits “D” to “I”.

The right to exclusive use of a trademark grown out of its actual use (CIA General de Tobaccos vs. Alhambra Cigar & Cigarettes Manufacturing Co., 38 Phil 485) and does not depend upon the registration thereof.

The exclusive right to a trademark grown out of their actual use, for trademark is a creation of use.” (Sterling Products International, Inc., vs. Farbenfabriken Bayer Aktiengesellschaft, L-19906, April 30, 1969, 27 SCRA 1214 and 1224).

In contract, the Respondent-Applicant did not submit or introduce competent evidence to prove that its trademark is being used in the Philippines.

In the case “Operators, Inc., vs. Director of Patents, et. al. (G.R. No. L-17901, 29 October 1965)” the Supreme Court stated:

“Where the applicant was not the owner of the trademark being applied for, he had no right to apply for registration of the same. The right to register trademarks, trade names and service marks is based on ownership Co., vs. Petra Hampia and Co., 18 SCRA 1178)

WITH ALL THE FOREGOING, the opposition is, as it is hereby SUSTAINED. Consequently, trademark application bearing Serial No. 4-2004-006105, filed on 09 July 2004 for the mark “MEIJI” by Marvin Villaflores is hereby REJECTRD.

Let the filewrapper of the trademark “MEIJI” 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.

Makati City, 28 May 2007.

Atty. ESTRELLITA BELTRAN ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office