

BIOSPA, INC., and EMMA B.	}	IPC No. 14-2007-00270
GUERRERO,	}	Case Filed: 21 September 2007
Opposer,	}	
	}	Opposition to
-versus-	}	Serial No.: 4-2007-001830
	}	Date Filed: 21 Feb. 2007
SPLASH CORPORATION,	}	Trademark: "BIOSPA"
Respondent-Applicant.	}	
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Decision No. 2008-228

DECISION

This pertains to a Verified Opposition filed 21 September 2007 by herein opposer's, Bio Spa Inc., a corporation organized and existing under the laws of the Republic of the Philippines with address at LPL Building 112 Legaspi Street, Makati City; and Dr. Emma B. Guerrero, Filipino and of legal age, with office address at No. 67 West Avenue, Quezon City. This instant opposition is against the application filed on 21 February 2007 bearing Serial No. 4-2007-001830 for the registration of the trademark "BIOSPA" used for goods in Classification No. 03 for face wash, face scrub, face toners, face clarifying solutions, bath soap, body lotion, body wash, body scrub, body cream, body oil, hair cleanser, hair wash, hair mask, foot lotion, foot scrub, foot oil, hair shampoos, hair conditioners, which application was published in the Intellectual Property Office's Official Gazette and officially released for circulation.

The respondent-applicant in this instant opposition is Splash Corporation, a corporation organized and existing under the laws of the Republic of the Philippines with address of record at HBC Corporate Center, 548 Mindanao Avenue cor. Quirino Highway, Novaliches, Quezon City.

The allegations of facts and the grounds for the instant opposition are provided in sum, to wit:

The grounds for opposition are as follows:

4. Opposer Dr. Guerrero is the prior user of the trademark "Biospa", which she has authorized Bio Spa, Inc. to use as its corporate name/business name and as trademark and service mark to identify and distinguish the company's products and services from similar products in the market. Dr. Guerrero is a major stockholder of Bio Spa, Inc. which was incorporated on 30 May 2001.

4.1 It is the primary purpose of Bio Spa, Inc. to *"engage in, conduct and carry on the business of buying, selling, distributing, marketing and franchising, slimming and skin care services & products and wholesale & retail in so far as may be permitted by law."*

5. From the time of the incorporation of Bio Spa, Inc. in 2001, it has continuously used the corporate name in the operation of its business, i.e., the Bioessence & Facial Slimming Center located at LPL Building 112 Legaspi Street, Makati City.

6. In the operation of its facial and slimming center, Bio Spa, Inc. has been offering and continues to offer the following products and services: skin care treatments, spa treatments, massage treatments and slimming treatments; cleansing milk, antibiotic liquid, acne drying lotion, antibiotic astringent, post body peel lotion, post drying lotion, collagen cream, post peel cream, post wart cream,

night cream, placenta cream, HV cream, liquid sunblock, essential eucalyptus oil, essential lemon oil, essential orange oil, essential lavender oil, essential ylang ylang oil, bleaching solution, bleaching cream, underarm whitening, bleaching tablet, argussy slimming gel, green herbs weight reduction cream, slimming cream and diet tea.

6.1 All the foregoing products and services have been sold and continue to be sold in the name of Bio Spa, Inc. Receipts for the sale of the foregoing products and services are likewise issue in the name of Bio Spa, Inc. as owner and operator of the Bioessence Facial & Slimming Center.

7. Recently, in June 2007, Bio Spa, Inc. opened another center named Suay Thai at Las Piñas City. At said center, Bio Spa, Inc. likewise offers the above-enumerated products and services.

7.1 All the foregoing products and services at Suay Thai are sold in the name of Bio Spa, Inc. Receipts for the sale of the foregoing products and services are likewise issued in the name of Bio Spa, Inc. as owner and operator of Suay Thai.

8. Through long, continued and exclusive use for over six (6) years up to the present, the corporate name/business name of Bio Spa, Inc. and the trademark/service mark "Biospa" have become distinctive of the business, products and services of Opposer Bio Spa, Inc. "Biospa" has long become well-known in the industry and synonymous with the quality of the goods and services that the company offers. Thus, the registration of the mark "Biospa" in the name of Respondent-Applicant for similar goods is likely to mislead public, particularly as the nature, quality, characteristics and origin of said goods.

8.1 In the case of *De la Rama Steamship Co. vs. National Development Co.*, 35 SCRA 367, the Supreme Court ruled that the substantial and exclusive use of a trade name for five (5) years is accepted as prima facie proof that the trade name has become distinctive; and thus by such long and continued use acquire a proprietary connotation, such that, to the purchasing public, the name becomes associated with the products or services of the business, as so is entitled to protection.

9. As the owner of the mark "Biospa", Dr. Guerrero applied for the registration of the "Biospa" mark for goods under class 3 as early as 27 July 2004, three (3) years prior to Respondent-Applicant's application for the same mark for similar goods under Class 3. However, by inadvertence and failure of former counsel to respond to an office action said application was abandoned as per office action of the Bureau of Trademarks.

10. Nevertheless, Opposers had no intention to abandon the "Biospa" mark. In fact, said mark continues to be used by Bio Spa, Inc. as its corporate name/business name and as trademark/service mark to identify its products and services. Thus, upon learning of the Respondent-Applicant's application for the registration of the mark "Biospa", Opposers herein immediately engaged the service of the undersigned counsel to oppose the subject application.

12. The registration of the mark "Biospa" in the name of the respondent-applicant will violate and contravened the provisions of Sections 123.1 of Republic Act 8293 (the "IP Code"), as amended, because said mark is confusingly similar to Opposer's well-known trademark "Biospa", owned, used

and not abandoned by the Opposers as to be likely when applied to or used in connection with the goods of the Respondent-Applicant to cause confusion or mistake, or deceive the purchasers thereof as to the origins of the goods.

13. The registration of the mark "Biospa" for goods under Class 3 in the name of Respondent-Applicant will cause grave and irreparable injury and damage to the Opposers, for which reason they oppose said application based on grounds set forth herein.

14. The registration of the trademark "Biospa" in the name of Respondent-Applicant will contravene and violate Section 123.1 (g) of the IP Code which provides that a mark cannot be registered if it is likely to mislead the public, particularly as to the nature, quality, characteristics or origin of the goods or services.

15. Such registration will also contravene and violate Section 168.1 of the IP Code which provides:

"168.1. A person who has identified in the mind of the public the goods he manufactures or deals in, his business or service from those of others, whether or not a registered mark is employed, has a property right in the goodwill of said goods, business or services so identified, which will be protected in the same manner as other property rights."

16. The identity or confusing similarity between Respondent-Applicant's mark and Opposer's mark "Biospa" is very likely to deceive the purchasers of goods on which the mark is being used as to the origin or source of said goods and as to the nature, character, quality and characteristics of the goods, to which it is affixed.

17. Confusion as to the origin or source of goods is all the more likely considering that the word "Biospa" is the dominant portion of the registered corporate name or business name of Bio Spa. Inc. Under Sections 165.2(a) and (b) of the IP Code, "trade names or business names shall be protected, even prior to or without registration, against any unlawful act committed by third parties, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful."

18. In the case of *Philips Export B.V. vs. Court of Appeals*, 206 SCRA 457, the Supreme Court held:

"A corporation's right to use its corporate name and trade name is a property right in rem which it may assert and protect against the whole world in the same manner as it may protect its tangible property, real or personal against trespass or conversion. A corporation has the exclusive right to the use of its name which may be protected by injunction upon a principle similar to that upon which persons are protected by injunction upon a trademarks and trade names. It is a fraud on the corporation which has acquired a right to the name and perhaps carried on a business thereunder, and another should attempt to use the name, or the same name with a slight variation, in such a way to induce others to deal with it in the belief that they are dealing with the corporation which has given reputation to the name. xxx The

right to the exclusive use of a corporate name with freedom from infringement by similarity is determined by priority of adoption.”

19. Opposer will be damaged by the registration of the mark “Biospa” in the name of Respondent-Applicant, considering the fact that Opposer’s corporate name/business name Bio Spa, Inc. and its trademark/service mark “Biospa” have long been established and have obtained goodwill and consumer recognition.

20. Respondent-Applicant’s application to register the “Biospa” mark is in unfair competition with and an infringement of opposer’s registered business name/corporate name Bio Spa, Inc. and distinctive and well-known trademark/service mark “Biospa” as the use of the mark on the goods described in its application clearly violates the exclusive right of the Opposers to said marks.

21. The registration of the mark “Biospa” in the name of the Respondent-Applicant will violate the proprietary rights, interest, business reputation and goodwill of the Opposer Bio Spa, Inc. over its corporate name and opposer’s trademark/service mark “Biospa”, considering that the distinctiveness of said mark will be diluted, thereby causing irreparable injury to the Opposers.

22. It is also apparent that the registration of the mark “Biospa” in the name of Respondent-Applicant, which mark is confusingly similar to Opposer’s registered corporate name/business name Bio Spa, Inc. and the distinctive and well-known trademark/service mark “Biospa” will not only prejudice the Opposers but will also allow the Respondent-Applicant to unfairly benefit from and get a free ride on the goodwill of Opposer’s mark.

Subsequently, this Bureau issued a Notice to Answer dated 26 September 2007 to respondent-applicant’s agent, Padlan Salvador Coloma & Associates, directing the filing of Answer within thirty (30) days from receipt. Thence, respondent-applicant’s counsel filed three (3) Motions for Extension of Time to File Answer dated 06 November 2007, 07 December 2007 and 04 January 2008. These were granted in Order Nos. 2007-2043, 2007-2234 and 2008-171 dated 13 November 2007, 14 December 2007, and 24 January 2008, respectively. Respondent-applicant however neglected these opportunities in not filing an Answer to the Verified Opposition. Thus, finding merit in opposer’s Manifestation and Motion dated 21 February 2009, this Bureau hereupon declares respondent-applicant to have waived its right to file Answer, and submitting this instant case for decision on the basis of the opposition, the affidavits of witnesses and the documentary evidence submitted by the opposer, pursuant to Section 11 of Office Order No. 79, series of 2005 or the Amendment to the Rules and Regulations on Inter Partes Cases, consisting of the documentary evidence marked as Exhibits “A”, “B”, “C”, “D”, “E”, “F”, “G”, “H” (with Annex “A”, “A-1”, “C”, “C-1” to “C-30”, “D”, “D-1” to “D-30”, “E”, “E-1” to “E-30”, “F”, “F-1” to “F-30”, “G”, “G-1” to “G-20”, “J”, “J-1” to “J-20”), and inclusive of sub-markings. All other evidence are mere photocopies of the original documents, thus, are inadmissible in evidence for failure to comply with Section 7, Office Order No. 79, series of 2005 or the Amendments to the Regulations on Inter Partes Proceedings.

The issue –

Whether or not opposers mark “Bio Spa” acquires better protection over respondent-applicant’s applied mark “Biospa” despite the abandonment of the former’s application.

The records of this instant case, consisting of the certified true copy of opposer’s application for registration of its mark “Bio Spa (Exhibit “F”) shows that opposer has filed an application of its mark “Bio Spa” on 27 July 2004. This mark is however declared abandoned as of 19 August 2005.

Respondent-applicant on the other hand, on the basis of the file wrapper records, filed its application for registration of its mark "Biospa" on 21 February 2007. This application is the subject of this instant opposition case.

In the determination of who between the contending marks possess the better right initially finds basis in Section 123.1 (d) of R.A. 8293 of The Intellectual Property Code, to wit:

"Sec. 123. *Registrability.* – 123.1. A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or
 - (ii) Closely related goods or services, or
 - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;"
- (Emphasis Ours.)

The aforesaid law, which refers to "prior registrant" or "prior filer" rule, took effect on 01 January 1998. It is the governing law in the application and adjudication of trademarks, trade names and service marks filed during its effectivity. As to the subject mark which was filed on 21 February 1971, R.A. 8293, *supra* applies.

Based on the foregoing, opposer is the first filer of an unquestionably identical trade marks covering similar and/or related products: opposer's mark "Bio Spa" under class 03 goods for skin care products/spa services vis-à-vis respondent-applicant's mark "Biospa" under class 03 goods for face wash, face scrub, face toners, face clarifying solutions, bath soap, body lotion, body wash, body scrub, body cream, body oil, hair cleanser, hair wash, hair mask, foot lotion, foot scrub, foot oil, hair shampoos, hair conditioners.

The matter of abandonment of application by the opposer will not automatically cause its privation of protection as prior filer. However, opposer has to substantially prove the evidentiary facts of actual use prior to respondent-applicant's filing of its application, and continuously thereof. Evidence of such will negate opposer's actual abandonment of its mark, reverting its priority and better right under the "prior filer" of its applied mark. Still and all, the actual use of mark must be in reference to the trademark or trade name on goods or services sold or offered to the market. This is in concurrence to the basic principium that, "Trademark is a creation of use." (Bata Industries, Ltd. vs. Court of Appeals, 114 SCRA 318 and Sterling Products Intl Inc vs. Farbenfabriken Bayer Aktiengesellschaft, 27 SCRA 1214.)

In this instant case, opposer submitted multifarious evidence consisting of Service Invoice and Official Receipts (marked as Exhibits "C", "c-1" to "C-30", "D", "D-1" to "D-30", "E", "E-1" to "E-30", "F" "F-1" to "F-30", "G", "G-1" to "G-30"). Examining these documents, the "Bio Spa" mark neither appear as a trade mark of the products sold, service mark nor a trade name instead, "Bio Spa, Inc." is shown as a corporate name and as the owner or operator of "BIOESSENCE FACIAL & SLIMMING CENTER". Although "Bio Spa, Inc." is not used as a trade name which "identifies or distinguishes an enterprise" and (Section 121.4, R.A. 8293) the trade name as appearing in the Service Invoice and Official Receipts is "BIOESSENCE FACIAL & SLIMMING CENTER" which is owned by Bio Spa, Inc. In fact, the documentations from the Securities and Exchange Commission (Annex "A", "A-1", "A-2", "A-3") show that "Bio Spa, Inc." is a corporate name.

However, taking into account the factual circumstances and evidence, this Bureau finds opposer Bio Spa, Inc. has better right over the mark "Bo Spa" as it is actually the operator and owner of Bioessence Facial and Slimming Center engaged in the Business of buying, selling and

distributing slimming and skin care services and selling products similar to that of respondent-applicant as evidenced by Exhibits "C", "D", "E", "F", "G" and submarkings. In fact, the primary purpose of Bio Spa, Inc. as registered with the Securities and Exchange Commission is to conduct and carry on the business of buying, selling, distributing, marketing and franchising slimming and skin care services and products and wholesale and retail in so far as may be permitted by law.

IN VIEW of all the foregoing, the instant Verified Opposition is, as it is, hereby SUSTAINED. Consequently, trademark application bearing Serial No. 4-2007-001830 filed by respondent-applicant Splash Corporation on 21 February 2007 for the registration of the mark "Biospa" covering class 03 for face wash, face scrub, face toners, face clarifying solutions, bath soap, body lotion, body wash. Body scrub, body cream, body oil, hair cleanser, hair wash, hair mask, foot lotion, foot scrub, foot oil, hair shampoo, hair conditioners, is hereby REJECTED.

Let the filewrapper of "BIOSPA", 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, 10 December 2008.

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