

HANGZHOU HUAYI AEROSOL CO., LTD.,
Opposer,

- versus -

CAI YAO HUANG,
Respondent-Applicant.
x-----x

IPC No. 14-2009-00031
Case Filed: 29 January 2009
Opposition to:
Appln. Serial No. 4-2008-006577
Date Filed: 05 June 2008
Trademark: "TIANSHI AND DEVICE"

Decision No. 2010-80

DECISION

HANGZHOU HUAYI AEROSOL CO., LTD. ("Opposer"), a corporation organized and existing under the laws of China, with principal office at Datong Village, Louta Town, Xiaoshan District, Hangzhou, Zhejiang Province, P.R. China, filed on 29 January 2009 an opposition to Trademark Application Serial No. 4-2008-006577. The application, filed by Cai Yao Huang ("Respondent-Applicant"), with business address at R-602 Pince Tower, Numacia Street, Binondo, Manila, covers the mark TIANSHI AND DEVICE for use on "*preparations for killing and destroying pests; pesticides; moth proofers; insect repellents vermin destroying agents and insecticides*" under Class 05.¹

The Opposer alleges the following:

"1. Opposer is filing the present Opposition under the following laws:

a. Section 123 (d) of the Intellectual Property Code (Republic Act 8293) -which states that a mark cannot be registered if it:

'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 resemble such a mark as to be likely to deceive or cause confusion'.

b. Section 123 (e) of the Intellectual Property Code (Republic Act 8293) -which states that a mark cannot be registered if it:

'Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines 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'.

c. Section 123 (f) of the Intellectual Property Code (Republic Act 8293) -which states that a mark cannot be registered if it:

¹ The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

'Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the proceeding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: *Provided*, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: *Provided further*, That the interests of the owner of the registered mark likely to be damaged by such use'.

d. Sections 3 and 160, et. seq., of Republic Act 8293, which read:

'Section 3. *International Conventions and Reciprocity* -Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act. Section 160. *Rights of Foreign Corporation to Sue in Trademark or Service Mark Enforcement Action* -Any foreign national or judicial person who meets the requirements of Section 3 of this Act and does not engage in business in the Philippines may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation of origin and false description, whether or not it is licensed to do business in the Philippines under existing law (Sec. 21-A, R.A. No . 166a)'.

"2. Opposer is the owner of the mark 'TIANSHI WITH CHINESE CHARACTERS & DEVICE', having used, registered and popularized the same in various countries of the world. In the Philippines, Opposer has filed an application for registration of the said mark on June 18, 2008.

"3. Opposer have been using its marks in Philippines for 4 years now, having first used and adopted the same as early as 2004. Opposer has first used the mark 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' on March 15, 2004 .

"4. Clearly, Opposer is the rightful owner of the mark JIBBITZ having used, adopted and applied the same in the Philippines and registered on several countries in the world much earlier than Respondent.

"5. Being the owner of the marks, Opposer has registered the same in various countries of the world, including the Philippines, CHINA

"6. Opposer has developed goodwill and reputation for its mark 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' through extensive promotion, worldwide registration and use.

"7. From the foregoing, it is apparent that Opposer's mark satisfies the criteria set by the Rules and Regulations Implementing RA 8297 to be considered as a well-known mark, entitled to protection under Section 123 (e) and (f) of R.A. 8293.

"8. In presentation, general appearance and pronunciation, Respondent-Applicant's mark TIANSHI AND DEVICE and Opposer's 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' are confusingly similar, and hence, will cause confusion among their prospective market, considering that the goods are similar or related belonging in the same class and sold in the same channels.

"9. Considering the above circumstances, registration is proscribed by R.A. 8293 Section 123 (d).

"10. If allowed contrary to existing laws and jurisprudence, Respondent's use of the mark TIANSHI AND DEVICE, which is confusingly similar to Opposer's mark 'TIANSHI WITH CHINESE CHARACTERS & DEVICE', will indicate a connection between the latter's goods and those of Respondent's, and will likely mislead the buying public into believing that the goods of Respondent's are produced or originated from, or are under the sponsorship of Opposer, to the detriment and damage of Opposer's interests, considering the goods are the same and belong to the same class. Likewise, the use of Respondent of the mark TIANSHI AND DEVICE will diminish or demean or dilute the superior quality image and reputation of Opposer's mark and products characterized by high standards which Opposer has carefully built through its long use.

"11. Opposer hereby alleges that the Respondent-Applicant's adoption of TIANSHI AND DEVICE trademark which is confusingly similar to that of Opposer's 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' was clearly done with the illegal intent of riding on the popularity and goodwill of Opposer's quality-built reputation and will cause great and irreparable damage and injury to the Opposer.

"12. Further, Respondent-Applicant is clearly in bad faith in so using and adopting the same trademark as that of Opposer's 'TIANSHI WITH CHINESE CHARACTERS & DEVICE', which Opposer has, because of its prior use and application, gained worldwide notoriety for said mark.

"13. Attached to this Notice of Opposition are labels of Opposer's mark 'TIANSHI WITH CHINESE CHARACTERS & DEVICE'.

"14. Opposer reserves the right to present such other documents as may be necessary to prove its foregoing allegations, in the course of the proceedings.

The Opposer's evidence consists of the following:

1. Exhibit "A"-Verified Notice of Opposition;
2. Exhibit "B" -Affidavit-Testimony of Mr. Yu Shu Jin;
3. Exhibit "C" -Copy of Business License;
4. Exhibit "D" -Copy of Business License;
5. Exhibit "E" -Copy of Approval of Change of Name;
6. Exhibit "F" -Product Sales Contract;
7. Exhibit "G" -Certified copy of Application No. 4-2008-007214;
8. Exhibit "H" -Certificate of Trademark Registration No. 1312730;
9. Exhibit "I" -Photo copy of a picture of the product; and
10. Exhibit "J" -Special Power of Attorney.

The Respondent-Applicant filed his Answer on 18 May 2009 and avers the following:

"3. Squarely addressing the matters raised in the Verified Notice of Opposition, Respondent respectfully submits that:

"4. Opposer's contention that it 'is the rightful owner of the mark JIBBITZ (sic) having used, adopted and applied the same in the Philippines and registered on several countries in the world much earlier than Respondent' is an unsubstantiated allegation not supported by evidence;

"5. On the other hand, Respondent has been exclusively selling his pesticide and insecticide products bearing the 'TIANSHI' mark to customers nationwide for the past twelve years. This sale has been continuous and uninterrupted. To the best of his knowledge, Respondent is not aware of any store or distribution network of the Opposer in the Philippines;

"6. In fact, Respondent had attempted to register the 'TIANSHI' mark with the IPO in 2006. But he did not pursue the application and it was deemed abandoned;

"7. An Affidavit narrating Respondent's business origins and dealings is hereto attached as Annex '2';

"8. As held by the Honorable Supreme Court in Shangri-La International Hotel Management, Ltd. et. al. vs. Developers Group of Companies, Inc.:

'xxx it is clear that actual use in commerce is also the test of ownership xxx'

"9. Clearly, being in business since 1997 and Respondent's exclusive and uninterrupted use of the 'TIANSHI' mark from that time up to the present supports his ownership thereof. This time frame is sufficiently longer than the period being claimed by the Opposer ('having first used and adopted the same as early as 2004') for its alleged use of the mark in the Philippines;

"10. The crucial question Opposer needs to answer to validly defeat Respondent's trademark registration is this: Is the 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' a well-known mark?

"11. Respondent respectfully submits it is not. It is very far from being 'well-known' either internationally or in the Philippines. Opposer's mark cannot in any sense be considered 'well-known' by the standards set by law, jurisprudence and the established academic opinion of IP experts and practitioners;

"12. Section 123, par. (e) provides that a mark cannot be registered if it:

xxx

"13. Section 123.1, par (f) meanwhile provides that a mark cannot be registered if it:

xxx

"14. In determining whether a mark is 'well-known: reference in our jurisdiction is often made to Rule 102 of the Rules and Regulations Implementing Republic Act 8297, or the IP Code;

"15. A mark is 'well-known' if it is known to a large part of those involved in the production or trade or use of the goods concerned, and is clearly associated with such goods as coming from a particular source. The mark should be well-known in the aforementioned sense in the jurisdiction where protection is sought;

"16. In the case of *McDonald's Corporation vs. Joburger*, the South African Supreme Court held that the term well-known should be tested by reference to whether sufficient people knew the mark well enough to entitle it to protection against deception or confusion;

"17. Moreover, according to an intellectual property author, there are no particularly helpful definitions of a 'well-known mark' in either Article 6bis of the Paris Convention or Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Therefore, the interpretation of whether a trademark can be considered well-known is interpreted on an independent, national scale;

"18. Based on all the above criteria, Is the Opposer's mark 'well-known' in the Philippines, the jurisdiction where protection is sought? That is highly unlikely. Is the Opposer's mark 'well-known' internationally? Apart from the bare and unsubstantiated allegations in its Verified Notice of Opposition, Opposer has not offered any evidence to prove that it has 'popularized [TIANSHI WITH CHINESE CHARACTERS & DEVICE] in various countries of the world.' General averments cannot act as substitute for solid evidence;

"19. In fact, in today's much-connected and wired world ruled by the Internet, it is fairly easy to ascertain if a name or mark has attained a loosely 'well-known' status. One just has to use a popular search engine to determine if a name or mark is quite 'well-known.' A Google search of 'TIANSHI AND DEVICE' yields no direct reference to the Opposer's mark. Respondent hereto attaches a printout of the first two pages a Google search result dated May 15, 2009 as Annex '3';

"20. Marks that have recently been upheld and recognized by the Intellectual Property Office to be 'well-known' are Mercedes Benz's 'Three Pointed Star: the 'GQ' mark and the Greg Norman 'Shark' logo.

These are so 'well-known' as to be household names. Surely, Opposer's 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' does not belong to this hallowed group of internationally-recognized names and marks;

"21. Even assuming that Opposer's mark has been 'registered on (sic) several countries,' such registration does not automatically make its mark 'well-known.' As held by the IPO in *Price Costco International vs. Ferdinand Vicente Go*:

'Worldwide registrations cannot vest a status of well-known mark. Alleged promotion and advertisements, and worldwide registrations do not directly show the duration, extent and geographical area covered by the same. While the mark may be famous, it failed to prove it is well-known.' (emphasis supplied)

"22. In *Yale University vs. Edralyn Bornillio*, the Bureau of Legal Affairs (BLA) found the disputed marks to be identical. However, the BLA rejected Yale's claim that its mark was internationally well-known for lack of evidence showing that Yale was well-known in terms of the knowledge of it by the relevant sector of the public around the world as well as in the Philippines;

"23. All the above considered, Opposer's claim that it is within the ambit of Sections 123.1 paragraphs (e) and (f) of the Intellectual Property Code as a 'well-known' mark is exposed to be baseless. Equally significant, 'TIANSHI WITH CHINESE CHARACTERS & DEVICE' by application of both Philippine and foreign case law on trademarks cannot by any stretch of the imagination be classified as 'well-known.';

"24. Therefore, Opposer's contention that it should be afforded a better and preferred right over the Respondent's earlier registration is totally unwarranted. Law and jurisprudence does not support the Opposer's position;

"25. Opposer's claim that the registration of Respondent's 'TIANSHI AND DEVICE' will 'likely mislead the buying public x x x to the detriment of the Opposer's interests' and 'will diminish or demean or dilute the superior quality image and reputation of Opposer's mark xxx characterized by high standards which Opposer carefully built through its long use' is a patently unwarranted conclusion bereft of any basis;

"26. It is highly debatable whether Opposer's mark enjoys a reputation in the Philippines. To Respondent's knowledge, Opposer's products are not even available in the country. Only the Respondent sells products with the mark 'TIANSHI' in the Philippines. Why will the Respondent ride on the alleged reputation of Opposer's mark when it was first to offer its products in the Philippines, having been in business since 1997? Opposer's claim is contrary to logic and experience.

"27. Opposer has likewise not presented evidence to prove that it indeed enjoys a good reputation abroad and in other countries, apart from its bare and unsubstantiated allegations;

"28 . In sum, Opposer's position that Respondent's use of the 'TIANSHY and 'TIANSHI AND DEVICE' mark demeans its 'superior quality image' cannot be sustained for lack of factual basis;

"29. Lastly, Respondent is respectfully making a reservation to be able to present additional evidence and arguments in a Supplemental Answer if it so desires, with the kind permission of this Honorable Office.

The Respondent-Applicant submitted the following as evidence:

1. Annex "1"-Special Power of Attorney issued to Atty. Oliver B. San Antonio by the Respondent-Applicant, Cai Yao Huang;
2. Annex "2"-Affidavit of Cai Yao Huang; and
3. Annex "3" -Print-out of pages of a Google search of Tianshi mark

The issues to be resolved in this case are:

1. Whether or not the Opposer's mark is a well-known mark, and
2. Whether or not the Respondent-Applicant should be allowed to register the mark TIANSHI and DEVICE in his favor.

On the first issue, Rule 102 of the Trademark Regulations sets forth the criteria for determining whether a mark is well-known, to wit:

Rule 102. *Criteria for determining whether a Mark is Well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account.

- a. the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- b. the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- c. the degree of the inherent or acquired distinction of the mark;
- d. the quality-image or reputation acquired by the mark;
- e. the extent to which the mark has been registered in the world;
- f. the exclusivity of registration attained by the mark in the world;
- g. the extent to which the mark has been used in the world;
- h. the exclusivity of use attained by the mark in the world;
- i. the commercial value attributed to the mark in the world;
- j. the record of successful protection of the rights in the mark;
- k. the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and

- I. the presence or absence if identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark."

This Bureau noticed that the Opposer submitted proof of the trademark application it filed in the Philippines and of the trademark registration in China. This Bureau finds these insufficient, under the aforementioned rule, to declare the Opposer's mark as a well-known mark.

On the second issue, an opposition proceeding against a trademark application is basically a review of that application to determine if the legal requirements for registration have been satisfied. In this instance, the Opposer is objecting to the Respondent-Applicant's application claiming, in effect, that the latter, not being the owner of the mark TIANSHI and DEVICE, has no right to register it.

It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.² The Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of TRIPS Agreement reads:

Section 2: 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 combinations of colours 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 depend on distinctiveness acquired through use. Members may require, as a 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 the provisions of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a 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 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 or promptly after 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.

² PribhdasJ.Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

Art. 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, the IP Code adopted the definition of the mark under the old law on Trademarks (Rep. Act No. 166), to wit:

121.1 "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec.38, R.A.No.166a).

Sec. 122 of the IP Code also states:

Sec. 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. (Sec. 2-A, R.A. No. 166a)

Significantly, Sec. 122 refers to Sec. 2-A of RA. 166, as amended (the old Law on Trademarks), which states:

Sec. 2-A. Ownership of trademarks, tradenames and service marks; how acquired. -Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce by actual use thereof in manufacture or trade, in business, and in the name, or a service-mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or services of others. The ownership or possession of a trade-mark, trade-name, service-mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the law."

*In Shangri-La International Hotel Management, Ltd. et al. v. Developers Group of Companies, Inc.*³ the Supreme Court defined the import and scope of Sec. 2-A of RA 166, thus:

x x x For, while Section 2 provides for what is registrable, Section 2-A, on the other hand, sets out how *ownership* is acquired. These are two distinct concepts.

Under Section 2, in order to register a trademark, one must be the owner thereof and must have actually used the mark in commerce in the Philippines for 2 months prior to the application for registration. Since "ownership" of the trademark is required for registration, Section 2-A of the same law sets out to define how one goes about acquiring ownership thereof. Under Section 2-A of the same law sets out to define how one goes about acquiring ownership thereof. Under Section 2-A, it is clear that actual use in commerce is also the test of ownership but the provision went further by saying that the mark must not have been so appropriated by another. Additionally, it is significant to note that Section 2-A does not require that the actual use

³ G.R. No. 159938, 31 Mar. 2006.

of a trademark must be within the Philippines. Hence, under R.A. No. 166, as amended, one may be an owner of a mark due to actual use thereof but not yet have the right to register such ownership here due to failure to use it within the Philippines for two months. (Underscoring supplied)

Further, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. -A certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services

Moreover, under the law, a trademark registration may be cancelled. Clearly, it is ownership of the mark that confers the right to registration, and to enjoy exclusive use thereof for the goods or services associated with it.

To show that the Respondent-Applicant is not the owner of the mark TIANSHI and DEVICE, the Opposer pointed out the mark's confusing similarity with its own mark. This Bureau noticed that, without a doubt, the mark applied for registration by the Respondent-Applicant is identical to the Opposer's, as shown below:



Opposer's trademark



Respondent-Applicant's mark

Also, the Respondent-Applicant uses or will use the mark on goods that are exactly the same as the goods the Opposer is dealing with, namely: "*preparations for killing and destroying pests, pesticides, moth proofers, insect repellants, and vermin destroying agents and insecticides*".

Thus, it is evident that one of the parties is a copycat. As to which one is the copycat is established by the evidence as to who appropriated and used first the mark in business.

The Opposer, to support its allegation in the Verified Notice of Opposition, submitted the Affidavit of Yu Shi lin, the Opposer's Manager, stating the Opposer's use of the mark since 1999, including in the Philippines since March 2004. The Opposer solidifies its claim of ownership by corroborating Yu Shi lin's with documentary evidence of the mark's registration in China in 1999.

In contrast, the Respondent-Applicant merely alleges in his Verified Answer that he has been using the mark since 1997. The allegation is not supported or corroborated by evidence. Allegation is not evidence. While the Respondent-Applicant attached to his Position Paper affidavits from three (3) different persons, the submission and admission of these are not anymore allowed at this stage under the Rules and Regulations on Inter Partes Proceedings. Assuming *in arguendo* that these affidavits procured at the behest of the Respondent-Applicant may be admitted, these have no evidentiary value. The statements therein do not establish ownership of the mark by the Respondent-Applicant nor corroborate said party's alleged claim of use thereof as early as 1997.

Accordingly, the Opposer's claim of ownership of the mark TIANSHI and DEVICE is superior to the Respondent-Applicant's.

The field from which a person may select his trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical to another if there was no intent to take advantage of the goodwill generated by the other mark. The Respondent-Applicant should be reminded that the intellectual property system was established to recognize creativity and give incentives to innovations. The trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their or services by a visible sign that distinctly points out the origin and ownership of such goods or services. The IP system should not serve as a haven for people or entities who would take advantage of the intellectual creation of others, whether a local resident or a foreigner.

WHEREFORE, premises considered, the Notice of Opposition is, as it is hereby SUSTAINED. Let the filewrapper of Trademark Application Serial No. 4-2008-006577, together with a copy of this Decision, be returned to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 30 November 2010.

NATHANIEL S. AREVALO
Director, Bureau of Legal Affairs