

ORIENT PROVISIONS & TRADING CO.
LTD.; AND REYSONS EXIM INT'L. INC.

Opposer,
- versus -

IPC 14-2005-00131

Opposition to:
TM Application No. 4-1998-08608
(Filing Date: 04 June 2003)

FLORINDA A. VILLEGAS
Respondent-Applicant.

x-----x

TM: "FRESHLY"

Decision No. 2007-21

DECISION

This is a proceeding that Orient Provision & Trading Co., Ltd and Reysons Exim International, Inc. (Petitioners) instituted against Florinda A. Villegas (Respondent) for the cancellation of the trademark "Freshly" which is registered/issued on her favor.

Petitioner ORIENT PROVISIONS & TRADING CO., LTD. hereinafter referred to as "ORIENT", is a corporation duly organized and existing under the laws of the Kingdom of Saudi Arabia. Petitioner REYSON'S EXIM INTERNATIONAL, INC. hereinafter referred to as "REYSONS", is a corporation duly organized and existing under the laws of the Republic of the Philippines with principal office at #77 Scout Santiago St., Brgy. Obrero, Quezon City. Respondent on the other hand, is the registered owner of the trademark "FRESHLY" under Certificate of Registration No. 4-1998-08608 issued in 04 June 2003.

On November 18, 2005, petitioners commenced the above-entitled cancellation proceedings through the filing of its Verified Petition for Cancellation before the Bureau of Legal Affairs, Intellectual Property Office. This cancellation proceedings was docketed as Inter Partes Case No. 14-2005-00131. In its Verified Petition, Petitioners alleged that it will be damaged by Respondent's registration. Consequently, it seeks cancellation of the subject registration. Specifically, Petitioner pointed out the grounds for cancellation, viz.:

- a. Petitioner REYSONS started toll packing "FRESHLY" papaya soap through Respondent as early as June of 1998. Petitioner Reysons provided Respondent with the FRESHLY papaya soap design and specifications, and the "FRESHLY" Label for its initial order of 1,149 cases of Freshly Papaya Soap. The foregoing facts were admitted by Respondent. Her appropriation of the "FRESHLY" trademark was therefore, deceitful, fraudulent and unlawful, and has caused damage to petitioners REYSONS/ORIENT;
- b. Respondent's application for registration of the "FRESHLY" trademark was in fact filed only on November 24, 1998 after she obtained the "FRESHLY" label and design from Petitioner REYSONS;
- c. Thus, at the time, respondent was already aware of the existence, prior use and ownership of the "FRESHLY" brand name by Petitioner Orient;
- d. Despite her aforementioned knowledge, respondent through false and fraudulent representations, produced from the Intellectual Property Office the registration of the Petitioner Orient's "FRESHLY" trademark;
- e. Respondent was never a manufacturer of "FRESHLY" Papaya Soap or any other "FRESHLY" product for that matter;

f. Respondent is plainly and simply a mere “supplier/middleman” and thus, has no basis whatsoever for applying for the registration of the “FRESHLY” trademark;

On April 4, 2006, Respondent-Registrant through counsel filed its Answer to the petition for Cancellation and stated the following:

- “1. It admits paragraph 2.1 of the petition as to the personal circumstances of Respondent-Registrant;
2. It denies all the material allegations made in paragraphs 1 & 2 of the petition particularly the personality of the petitioners for lack of personal knowledge or information sufficient to form a belief as to the truth thereof;
3. It denies all the material allegations made in sub-titles “Antecedent Grounds” and “Main Allegations” the truth of the matter will be set forth in her Specific and Affirmative defenses below;
4. Specific and Affirmative Defenses:
 - 4.1 Petitioner Orient Provision & Trading Co. Ltd. lacks capacity and personality to sue before Philippine courts or administrative bodies.
 - 4.2 Petitioner Reysons Exim International has no personality to petition the cancellation of the trademark “FRESHLY” either in their own right or as an agent or representative of Orient Trading.
 - 4.3 Respondent-Registrant is the lawful and legal owner of the trademark “FRESHLY” and industrial design “SOPA BAR” as evidence by the certificates of registration issued by the Intellectual Property Office of the Philippines in the regular performance of its duty”.

To support its Petition for Cancellation, the Petitioner presented its evidences consisting of Exhibits “A” to “L” inclusive of submarkings while the Respondent-Registrant submitted Exhibits marked “1” to “3” inclusive of submarkings.

On May 29, 2006, a preliminary conference was set wherein the parties failed to reach an amicable settlement prompting the Hearing Officer to terminate the Preliminary Conference, hence, the parties were required to submit their respective position papers to have the case submitted for decision. Petitioner submitted its Position Paper on June 15, 2006 while Respondent submitted her Position Paper on June 8, 2006.

The most compelling issues that need to be resolved in this case are:

1. Whether or not Petitioner Orient Provision & Trading Co., Ltd. has the capacity to sue in the Philippines.
2. Whether or not Registration No. 4-1998-08608 should be cancelled in accordance with the provision of the Intellectual Property Code.

Anent the first issue, we find Petitioner Orient to have the capacity to sue. Sections 3 and 160 of R.A. 8293 otherwise known as The Intellectual Property Code of the Philippines provides the basis in determining the capacity to sue or Petitioner Orient, to wit:

“Sec. 3 International Conventions and Reciprocity – A person who is a national 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 Philippine 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”.

“Sec. 160 Right of Foreign Corporation to Sue in Trademark or Service Mark Enforcement Action. – Any foreign national of juridical person who meets the requirements of Section 3 of the 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 in the Philippines under existing laws”.

The Kingdom of Saudi Arabia and the Republic of the Philippines are both members of the World Intellectual Property Office, Paris and Berne Conventions and as such, both countries extend reciprocal rights with respect to the adjudication of Intellectual Property Orient, we find that this foreign corporation in Saudi Arabia is entitled to file the instant case.

In *Facilities Management Corp. versus De La Osa*, 89 SCRA 131, it was held that a foreign corporation not engaged in business in the Philippines is not barred from seeking redress from the courts of the Philippines.

With respect to the second issue, we find the petition for cancellation to be with merit. Respondent Florinda A. Villegas made admissions in her Affidavit marked Exhibit “3” specifically paragraph 5, 6 and 8 thereof that Petitioner Reysons merely instructed her to have the product named as “FRESHLY”.

Sec. 26, Rule 130 provides:

“Admission of a party – The act, declaration, or omission of a party as to a relevant fact may be given in evidence against him”.

The Affidavit of Respondent-Registrant marked as Exhibit “3”, paragraph nos. 5, 6 and 8 confirms the fact that the mark “FRESHLY” was not conceptualized by her but she was merely requested by Petitioner Reysons to come up with a sample soap named “FRESHLY” and submit it to Petitioner Reysons for approval.

Exhibit 3, Paragraph Nos. 5, 6, and 8 provides thus:

Paragraph 5:

“As a matter of fact, Annex F of Petitioner’s exhibit “L” which is an alleged correspondence between REYSONS and Orient clearly provides therein that the design should be the “same as Likas Papaya with Freshly name on it”. XXX

Paragraph 6:

“While it is true that REYSONS requested that the sample soap that I should come up with should be name FRESHLY, neither REYSONS EXIM nor ORIENT TRADING claimed nor proven ownership of the trademark FRESHLY xxx

Paragraph 8:

“Using the design I created and following the request of REYSONS that the soap be named FRESHLY, I came up with the sample papaya soap and submitted it to REYSONS for approval. “XXX

A man's act, conduct, and declaration, whenever made, if voluntary, are admissible against him, for the reason that it is fair to presume that they correspond with the truth, and it is his fault if they do not. (U.S. vs. Ching Po, 23 Phil. 578, 583)

With the aforementioned admissions, it is clear that the Respondent-Registrant is not the owner of the trademark "FRESHLY" but merely a supplier of agent of Reysons.

The use by the importer, distributor, agent or representative of the owner of mark or trade name is deemed that of the latter. (Marvex Commercial Co. vs. Petra Hawpia & Co., 18 SCRA 1178, 1182)

In the case of UNNO Commercial Enterprises, Inc. vs. General Milling Corporation (120 SCRA 804), the Supreme Court likewise ruled:

"The right to register trademark is based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. The term "owner" does not include the importer of the goods bearing the trademark, trade name, service mark or other mark of ownership unless such importer is actually the owner thereof in the country from which the goods are imported".

In view of the foregoing, the subject Petition for Cancellation is hereby GRANTED. Consequently, Registration No. 4-1998-08608 issued on 04 June 2003 in favor of Florinda A. Villegas in the principal registrar for the registration of the mark "FRESHLY" is hereby ordered CANCELLED.

Let the filewrapper FRESHLY subject matter of the instant case together with a copy of this Decision be forwarded to the Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, 28 February 2007.

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