

THE IAMS, COMPANY,
OPPOSER,

-versus-

EMERALD GARMENT MFG. CORP.,
RESPONDENT-APPLICANT.

X-----X

} IPC No. 14-2005-00076
}
}

} Opposition to: Appln. No.
} 41991076688
} Trademark: IAMS WITH A
} DEVICE OF FIVE CIRCLES
}

}
} Decision No. 06-115

DECISION

This is an opposition proceeding that Iams Company (*Opposer*) seasonably instituted against Emerald Garment Manufacturing Corporation (*Respondent*). A brief description of the parties is certainly appropriate.

Opposer is a company organized under the laws of the state of Ohio, U.S.A., with principal address at 7250 Poe Ave., Dayton, Ohio 45414, U.S.A. On the other hand, Respondent is likewise a corporation organized and existing under Philippine laws with principal address at 106 West Riverside, SFDM Quezon City. It is the applicant for the registration of the mark "IAMS WITH A DEVICE OF FIVE CIRCLES" under Application No. 4-1991-076688 filed on 5 July 1991 covering goods under Class 25.

On 23 June 2005, Opposer instituted this opposition proceeding through the filing of its Verified Opposition (*Opposition*) before the Bureau of Legal Affairs (*Bureau*). This proceeding was docketed as Interpartes Case No. 14-2005-00076. In its Opposition, Opposer alleged that it will be damaged by the registration of the Respondent's mark, and consequently, if filed an opposition to its registration.

Specifically, Opposer contended that the registration of the subject mark is contrary to Sections 123.1 (d), (e), and (f) of Republic Act No. 8293. First, it pointed out that its "IAMS and PAW PRINT" marks are identical to Respondent's "IAMS WITH A DEVICE OF FIVE CIRCLES" as to be likely to deceive or cause confusion. Second, it noted that the Philippines and the United States of America are both signatories to the Paris Convention for the Protection of Industrial Property, entitling it therefore to its benefits. No less than Section 3 of Republic Act No. 8293, it explained, demands the application of the Paris Convention for its protection. Finally, it remarked that the word IAMS forms part of its trade name, and as such, it should be protected under Section 165.2(a) of Republic Act No. 8293. On these grounds, Opposer prays that the opposition be sustained and the Respondent's application for the registration of the subject mark be denied. The salient portions of the Verified Opposition substantiating the foregoing grounds for opposition are stated below, viz.:

The Opposer is the owner of the IAMS and PAW PRINT marks, which have been registered and applied for registration in the name of the Opposer in the Philippines and in other countries.

The Opposer has been commercially using the IAMS and PAW PRINT marks in the Philippines and internationally prior to the filing date of the application subject of this opposition.

By reason of spelling, pronunciation and appearance, the mark applied for registration by the Respondent-Applicant is confusingly similar to the Opposer's IAMS and PAW PRINT marks.

The Opposer has not abandoned IAMS and PAW PRINT marks and continues to use these in trade and commerce in the Philippines and in other countries.

By virtue of the prior and continuous use by the Opposer of the IAMS and PAW PRINT marks in the Philippines and other parts of the world, these marks have become popular and internationally well-known and has established for the Opposer valuable goodwill with the public which has identified the Opposer as the source of goods bearing the said marks.

The Opposer has also extensively promoted the IAMS and PAW PRINT marks worldwide.

Over the years, the Opposer has obtained significant exposure for its goods upon which the IAMS and PAW PRINT marks are used, in various media including, television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events. The Opposer also maintains an Internet site on products bearing the IAMS and PAW PRINT marks at the domain www.iams.com, which can be readily accessed by internet users.

A Notice to Answer was duly served upon Respondent. For failing to file and serve its Answer or any motion, manifestation, or other paper within the prescribed reglementary period, upon Opposer's motion, the Bureau issued Order No. 2005-906 declaring Respondent *in default*, and accordingly, setting the case for *ex-parte* presentation of Petitioner's evidence. The dispositive portion of the subject Order reads, viz.:

WHEREFORE, Respondent is now adjudged to be in default. Accordingly, the *ex-parte* hearing for the presentation of Petitioner's evidence is set on June 3, 1997 at 2pm.

On 26 October 2005, the Bureau issued an order denominated as "A Notice to Comply" With Office Order No. 79. This order required the Opposer to conform to the requirements of the amendatory regulation. It must be noted that Office Order No. 79 amended the Regulations on Interpartes Proceedings converting the nature of Interpartes proceedings from formal to summary. On 13 December 2005, Opposer filed a motion for extension of time to comply with the foregoing order, and on 20 December 2005, we issued Order No. 2006-03 granting Opposer's motion. The dispositive portion of this order reads, viz.:

WHEREFORE, Opposer is given a non-extendible period of thirty (30) days from 14 December 2005 or until 13 January 2006 within which to submit all its evidences.

On 13 January 2006, Opposer filed a pleading denominated as Compliance in conformity with Order No. 2006-03. On 10 February 2006, we issued Order No. 2006-246 directing Opposer to file its position paper. On 21 March 2006, Opposer filed its position paper.

In this opposition proceeding, the main issue is whether or not Respondent is entitled to the registration of its mark "IAMS WITH A DEVICE OF FIVE CIRCLES." The governing laws at the time of Respondent's application for registration of its mark apply to this proceeding. These pertain to the pertinent provisions of Republic Act No. 166, as amended. Neither the Intellectual Property Code nor the Trips Agreement finds applicability.

To be registrable, the old trademark law requires, among others, that the applicant must be the owner of the trademarks, trade names, or service marks and that these trademarks, trade names, or service marks must have been actually used in commerce in the Philippines for a period of not less than two months before the filing of their applications for registration. The full text of Section 2, R.A. 166, as amended, states, viz.:

What are registrable. – Trademarks, trade names and service marks owned by persons, corporations, partnerships or associations domiciled in the Philippines and by persons, corporations, partnerships or associations domiciled in any foreign country may be registered in accordance with the provisions of this Act: Provided, That said trademarks, trade names, or services marks are actually in use in commerce and services not less than two months in the Philippines before the time the applications for registration are filed: And provided, further, That the country of which the applicant for registration is a citizen grants by law substantially similar privileges to citizens of the Philippines, and such fact is officially certified, with a certified true copy of the foreign law translated into the English language, by the government of the foreign country to the Government of the Republic of the Philippines.

In acquiring ownership of trademarks, trade names, or service marks, their proprietors must actually use them in their lawful trade or business. It is worthy to note that these trademarks, trade names, or service marks must not have been appropriated by anyone else. The full text of Section 2-A, R.A. 166, as amended, states, viz.:

Ownership of trademarks, trade names 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 service rendered, may appropriate to his exclusive use a trademarks, a trade 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 trademark, trade names, 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 this law.

Construing the foregoing provisions, the High Court noted that adoption alone of trademarks or trade names is not sufficient to confer ownership nor is it sufficient to give exclusive right over them. Making advertisements, issuing circulars, or giving out price lists cannot be considered as actual use unless the goods and services themselves upon which the trademark or trade name is used are sold in the market. It pointed out that trademark is a creation of use. In another case, the High Court pointed out that adoption and use must be in commerce and in the Philippines and not elsewhere. It emphasized that the use of the trademark or trade name must be in the country because foreign use creates no trademark right following the nationality principle upon which our trademark law rests.

And recognizing that adoption and use are essential ingredients in the acquisition of trademark or trade name right, the high Court remarked that it belongs to the one who first used and gave it value. Similarly, it concluded in another case that the person establishing prior adoption and use of trademarks or trade names acquires ownership over them in reference to goods or other related articles upon which they are used.

Before proceeding to resolve the main issue, this Bureau finds it imperative to discuss Opposer's ownership over its marks. Notably, Opposer's registration certificates show ownership over its marks "IAMS" and "PAW PRINT." Its ownership, however, extends only to goods and to other related articles on which its marks are used. Conversely, its ownership cannot extend to other goods nor can it extend to other unrelated articles. To ascertain ownership over its marks, an examination of Opposer's goods or other related articles bearing its "IAMS" and "PAW PRINT" marks must be undertaken.

First, we note that Opposer pointed out that part of the company's corporate name had been taken from the company's founding father, Mr. Paul Iams. It noted further that Paul Iams established the company sometime in 1946 in Dayton, Ohio, U.S.A. In 1976, the company started using the "IAMS" mark on foodstuffs for animals, and in 1979, it started using the "PAW PRINT" device on the same products.

Second, we direct our attention to Opposer's worldwide trademark registrations. At the outset, we note that a large majority of its trademark registration certificates are merely photocopies and that those requiring English translation have not been appropriately translated. Noticeably, only Opposer's Philippine registration certificates have conformed to the requirements of the Bureau's Regulations.

In Opposer's Registration Certificate No. 55234 for the mark "IAMS & PAW PRINT DESIGN," it shows that the goods covered are foodstuffs for animals under Class 31. Similarly, Registration Certificate No. 64193 for the mark "PAW PRINT DESIGN" covers goods described as foodstuffs for animals under Class 31. These registrations demonstrate that Opposer's registered has a pending trademark application for the mark "IAMS (PAW PRINT DEVICE 79)" covering goods under Classes 3, 6, 18, 21, 41, and 42. Taking into account Opposer's prior and contemporaneous conduct, it certainly reveals Opposer's appropriation of its marks for pet foods, pet related articles and accessories, and pet services.

But assuming arguendo that evidentiary value can be given to photocopies of Opposer's foreign registrations, it may nonetheless reveal its actual use of its marks over certain goods or services. And having this justifiable end in view, it may then be plausible to relax our procedural rules. A brief discussion is, therefore, appropriate.

A large majority of Opposer's US trademark registrations covers pet foods, pet food related articles, and other pet related accessories falling under class 31. A recital of the subject registrations would be appropriate. US Registration Certificate Nos. 2,834,628 registered in 2004 covers pet food related articles under Class 31. Another US Registration Certificate No. 1,519,511 registered in 1989 covers various articles falling under Classes 6, 9, 14, 16, 18, 20, 21, 22, 24, 25, and 27. Finally, US Registration Certificate No. 1,980,228 registered in 1996, US Registration Certificate No. 1,163,990 registered in 1981, and US Registration Certificate No. 1,448,757 registered in 1987 all cover pet foods under Class 31. To date, it appears that Opposer's foregoing registrations are still valid and subsisting.

In Britain and Northern Ireland, Opposer obtained two trademark registrations covering pet foods under Class 31. The first registration was obtained in 1988 and the second one in 1995. It is not clear, however, if these registrations are still valid and subsisting until now. In Republic of South Africa, Opposer obtained a trademark registration in 1993 covering pet foods under Class 31. It also does not appear if this is still valid and subsisting until today. Opposer's Singapore registration certificates were obtained in the year 2003 covering pet related articles and accessories under classes 3, 6, and 21. To date, these registrations appear to be valid and subsisting.

Nonetheless, we cannot consider some of Opposer's foreign trademark registration. In Italy, France, Benelux, and Sweden, they cannot be considered because they cannot be intelligently comprehended not having any English translation. Its Hong Kong registration

certificate cannot be given any evidentiary value as well because the photocopied registration certificate itself declares that it cannot be used in any legal proceeding.

Finally, we look at Opposer's advertisements in magazines, journals, product catalogs, and other promotional materials. Noticeably, a large majority of these documents do not bear a publication or circulation date. Some, however, appear to have been published or circulated only in the year 2002. But examining them closely, it shows that Opposer used its marks for pet foods, pet related articles and accessories, and pet services.

After careful scrutiny of the foregoing, it appears that Opposer uses its marks for pet foods, pet food articles and accessories, other pet related articles, and pet services. But since a country's municipal law generally governs its intellectual property regime under the familiar principle of territoriality, Opposer's ownership over its marks is limited only to those goods and/or services actually sold and/or rendered in the Philippines. As indicated in its Philippine registration certificates, its marks are used to identify foodstuffs of animals. Its ownership, therefore, extends only to this type of goods.

We now turn to the main, critical, and more important issues. Early on, we noted that Respondent was declared *in default* for failing to file its Answer. No evidence was therefore, adduced to show actual use of its mark "IAMS WITH A DEVICE OF FIVE CIRCLES." Examining the record, it reveals that Respondent did not participate at all in any stage of the proceedings. These circumstances militate adversely against Respondent. First and foremost, it makes any determination of actual use of its mark impossible. Second, its conduct shows that it has lost interest in prosecuting its trademark application.

Trademark ownership, as already pointed out, requires a showing not only of adoption but also of actual use of one's mark in commerce. This, as above noted, Respondent failed to do. And even if we take judicial notice of its trademark application, it cannot, in any way, substantiate actual use of its mark for it does not contain any evidence indicative of actual commercial use. More importantly, it shows non-compliance with the two-month prior use requirement. Such a requirement, it must be emphasized, partakes a condition sine qua non to one's right to register a mark. For the foregoing reasons, it plainly appears that Respondent is not entitled to register the mark "IAMS WITH A DEVICE OF FIVE CIRCLES" in its name.

Moreover, Respondent's failure to file its Answer demonstrated that it has lost interest in prosecuting its trademark application. This inaction is indicative of an utter lack of concern to protect its right, if any, over its mark. Respondent's circumstances constitute laches and reveal its intent to effectively abandon its trademark application. In opposition proceedings and in all other Interpartes proceedings as well, it must be noted that the equitable principles of laches, estoppel, and acquiescence, where applicable, may be considered and applied. This, notably, finds proper application to this proceeding.

Furthermore, Opposer correctly remarked that "Respondent's failure to look after its own interest by failing to abide by the [general] rules and by the provisions of [our] regulations is deemed to have lost interest in the further pursuit of its trademark application." Similarly, Opposer correctly pointed out that Respondent is deemed to have acknowledged the validity of the grounds of the opposition due to its failure to file the Answer to the Notice of Opposition. Respondent, therefore, is deemed not only to have effectively abandoned its right to prosecute its trademark application but also to have admitted the grounds of Opposer's opposition.

Having discussed the foregoing relevant and material issues, we now write *finis* to this opposition proceeding.

WHEREFORE, premises considered, Respondent's trademark application for the mark "IAMS WITH A DEVICE OF FIVE CIRCLES" under Application Serial No. 41991076688 is considered ABANDONED by Respondent-Applicant.

Let the filewrappers for the mark "IAMS WITH A DEVICE OF FIVE CIRCLES" subject matter of this case be forwarded to the Bureau of Trademarks for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 20 October 2006.

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