

UNITED LABORATORIES, INC.  
Opposer,

Inter Partes Case No- 3909

- versus -

Opposition to:  
Application Serial No. 75668  
Filed: 12 April 1991  
Trademark: WINNING MOMENTS

TOP OF THE LEAGUE PRODUCTIONS, INC.  
Respondent-Applicant,

x ----- x

Decision No. 97-04  
December 1, 1997

### DECISION

This pertains to an Opposition filed by United Laboratories, Inc. against the Application for the registration of "The Winning Moments" bearing Serial No. 75668 filed by Top of the League Productions, Inc., herein Respondent-Applicant.

Opposer is a domestic corporation with principal address at 66 United Street, Mandaluyong, Metro Manila and is engaged in the business of manufacturing, distributing and selling various pharmaceutical products, while Respondent-Applicant is also a domestic corporation with address at Suite 411 SRC Building, 228 Ortigas Avenue, Greenhills, San Juan, Metro Manila and is engaged in the business of advertising.

Believing that it will be damaged in the event subject application shall mature into a registration, Opposer filed this Opposition.

Opposer relied on the following facts to support its Opposition:

"(a) The Opposer is a corporation engaged in the business of manufacturing, distributing and selling various pharmaceutical products;"

"(b) The Respondent-Applicant on the other hand is a corporation engaged in the business of advertising,"

"(c) The Opposer is the owner of the television vignettes for use in advertising as forty-five (45) second to one minute tapes entitled "Winning Moments";"

"(d) The original idea of this advertising scheme came from one of the Opposer's branch managers for use in advertising its product ENERVON;"

"(e) This idea was thereafter conceptualized and in fact formally adopted by United Laboratories, Inc., the Opposer herein, in an agreement formally executed with MB & A Creative. Marketing Services, represented by Manny Benedicto, dated March 28, 1987, whereby the latter shall produce for United Laboratories, Inc. for its ENERVON promotion, fifteen 45-second sports capsules entitled "The Winning Moments with Enervon";"

"(f) On November 2, 1988, Opposer entered into another contract with Top of the League Productions, represented by Manny Benedicto for the production of another set of fifteen 45-second sports capsules, entitled "The Winning Moments with Enervon";"

"(g) For so many years, these television advertising shorties were shown in weekly and even daily sports features by Opposer for its Enervon product, a fact that all viewers throughout the Philippines will confirm;"

(h) The Opposer has no intention to abandon the use of the mark "WINNING MOMENTS" as a service mark to advertise its pharmaceutical products nor does it have any intention to abandon its trademarks;"

(i) The Respondent-Applicant has no right whatsoever to the servicemark or trademark as the case maybe, entitled "WINNING MOMENTS" because as can be gleaned from the Letters of Agreement enclosed as Annexes "A" and "B", it has been commissioned to produce the said advertising materials, the true owner of which is none other than the herein Opposer;"

(j) As has been often said that water cannot rise above its source, the grant of a trademark registration for the mark "WINNING MOMENTS" in favor of herein Respondent-Applicant is NULL and VOID because it is not the owner thereof and therefore has no right to register the same in its name. Also such grant will cause damage and prejudice to herein Opposer."

Pursuant to Rule 189 of the Rules of Practice in Trademark Cases, a Notice to Answer together with the Notice of Opposition was sent on August 2, 1993 by this Office to Top League Productions, Inc. in the address provided by the Opposer in its Opposition. Respondent, however, did not file an answer despite receipt of such notice nor manifested any intention to controvert the Opposer's claims.

On December 9, 1993, Opposer moved for the service of the Notice to Answer by publication in accordance with Rule 14 of the Rules of Court. Finding merit in the Opposer's motion, this Office issued Order No. 93-875 dated December 16, 1993 granting the Motion for Leave to Serve Notice to Answer by Publication, which notice was sent on the next day.

On January 6, 1994, however, Opposer filed a Manifestation and Motion informing this Office that upon further investigation, it learned that Respondent-Applicant holds office at Mezanine 9, Gallery Building, Amorsolo St., Legaspi Village, Makati City, and prayed that the Notice of Opposition be served on said address. Accordingly, an Alias Notice to Answer was issued under Order No. 94-56 which Alias Notice to Answer was served and received by Respondent on January 17, 1994. Despite receipt thereof, Respondent did not file an Answer. Subsequently, on June 24, 1994, Opposer filed a Motion to Declare Respondent as in Default, which was granted by this Office per Order No. 94-471 dated 11 July 1994.

Opposer claims ownership over television vignettes for use in advertising as forty-five (45) seconds to one minute tapes entitled "Winning Moments." According to Opposer, the idea of this advertising scheme was conceptualized by one of its branch manager and adopted by United Laboratories, Inc.

On March 28, 1987, Opposer and MB & A Creative Marketing Service executed a Letter of Agreement whereby the latter undertook to produce for the Opposer Fifteen forty five (45) second sports capsules entitled "WINNING MOMENTS WITH ENERVON" for the Opposer's Enervon product (Exhibits A).

On 02 November 1988, another agreement marked as Exhibit "B" was entered into between Opposer and Respondent for another production of fifteen forty-five (45) second sports capsules. For many years, these television advertising shorties were shown in weekly and daily sports features for the Opposer's Enervon products (Exhibit C).

The sole issue to be resolved thus is whether the Respondent-Applicant is the owner of the mark "WINNING MOMENTS" and is entitled to the registration thereof.

The Trademark Law requires as a basis of acquiring ownership of a mark actual use in commerce in the Philippines. Under Section 2-A of Republic Act No. 166, it is provided:

“Section 2-A. Anyone who lawfully produces or deals in merchandize 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 trademark, tradename or service mark not so appropriated by another to distinguish his merchandize, business or service from others.”

Where the mark sought to be registered has been previously used by another for its business, such prior use controverts the claim of legal appropriation by the subsequent users (Unno Commercial Enterprises, Inc. vs. General Milling Corp., 120 SCRA 804). According to the Supreme Court, it is the actual use in commerce or business that vests in the applicant the right of ownership over the trademark (Sterling Productions International, Inc. vs. Farbenfabrieken Bayer AG, 27 SCRA 1214). In Unno Commercial Enterprises, Inc. vs. General Milling Corp., 120 SCRA 804, it was held that the right to register trademark is based on ownership.

The use by the Opposer of the mark “THE WINNING MOMENTS WITH ENERVON” in advertising its Enervon products vests upon it ownership over such mark. The Respondent-Applicant's production of the said advertisement cannot be the basis of its ownership and registration of subject mark in its own name as said production or use was done in pursuance to an Agreement with the Opposer, United Laboratories, Inc. In other words, Opposer in entering into a letter of agreement with the Respondent merely engaged the services of the latter to undertake the production of said advertisement.

Corollarily, Rule 34 of the Revised Rules of Practice in Trademark Cases specifically provides:

“Rule 34. *Who may make application; ownership the bail of application.* - Only the owner of a trademark, trade name, or service mark may apply for its registration.”

According to the Supreme Court in the aforecited case of Unno Commercial Enterprises, a mere importer or distributor of the product cannot be included in the term “owner” in Section 2-A Republic Act No. 166, unless they are duly authorized by the actual owners of the mark.

In the instant case, the Respondent-Applicant cannot be considered an authorized representative of the Opposer. A cursory reading of the Letters of Agreement (Exhibits “A” and “B”) executed between the Opposer and the Respondent-Applicant reveal that the former merely engaged the services of the latter for the production of the advertisement conceptualized by the Opposer to promote its Enervon products, and there is nothing in the Agreement which indicate any intention on the part of the Opposer to make the Respondent its representative.

It is likewise noteworthy to emphasize at this point that Respondent-Applicant was declared in default on 11 July 1994 in accordance with Rule 169 of the Revised Rules of Practice in Trademark Cases and with the Rules of Court for his failure to files its Answer despite notice within the reglementary period, and upon motion of Counsel for the Opposer (Order 94-471).

In this regard, it was recently held by the Supreme Court in Delbros Hotel Corporation vs. Intermediate Appellate Court (1988), that

“Fundamentally, default orders are taken on the legal presumption that in failing to file answer, the Defendant does not oppose the allegations and relief commanded in the complaint.”  
(Underscoring ours)

Therefore, this Office cannot help but notice the lack of concern and interest the Respondent-Applicant had shown in protecting the mark which is contrary to the norm a person takes ordinary care of his concern (Section 3(d), Rule 131 of the Rules of Court).

WHEREFORE, the instant Opposition should, as it is hereby, SUSTAINED. Accordingly, Application Serial No.75668 for the registration of the trademark “WINNING MOMENTS” of Respondent-Applicant Top of the League Productions is, as it is hereby, REJECTED.

Let the filewrapper of this case be forwarded to the Application, Issuance and Publication Division for appropriate action in accordance with this DECISION with a copy to be furnished the Trade Examining Division for information and to update its records.

SO ORDERED.

December 01, 1997.

EMMA C. FRANCISCO  
Director