

TERESITA P. VILLANUEVA, doing
Business under the name and style
PERVIL COSMETICS PHILIPPINES,

Opposer,
- versus -

PING NA LAU,
Respondent-Applicant.

x-----x

IPC 14-2006-00145

Opposition to:
Serial No. 4-2005-003930
(Filing Date: 3 May 2005)

TM: "PERVIL"

Decision No. 2007-58

DECISION

This is an opposition filed by Teresita P. Villanueva to the application for registration of the mark "PERVIL" bearing Application Serial No. 4-2005-003930 filed by respondent-applicant Ping Na Lau for goods under Class 3, namely, soap, toner, lotion, cream, and deodorant, which application was published in the Trademark Electronics Gazette that was officially released for circulation on June 15, 2006

Opposer is doing business under the name and style "Pervil Cosmetics Philippines", a sole proprietorship, with business address at 0454 Isabel Avenue corner Sebastian Street, Kapitán Pepe Subdivision, Cabanatuan City, Nueva Ecija. Respondent-applicant has her postal address at 195 Magallanes Street, Cebu City.

Opposer filed her verified opposition based on the following grounds:

1. Opposer was the creator and first user of the term "PERVIL" which is the dominant word in the trade name "Pervil Cosmetics" and which was derived from Opposer's name, Teresita Perez Villanueva: "PERVIL" is the combination of the first syllables of Per(ez) and Vil(lanueva) which Opposer and her spouse have been using even before venturing into the cosmetics and toiletries business;
2. The trade name "Pervil Skin Specialist" was registered in the name of Mr. Nelson E. Villanueva on January 13, 2003 as evidenced by a Certificate of Business Name Registration issued by the Department of Trade and Industry (DTI);
3. Opposer subsequently registered with the DTI "Pervil Cosmetics Philippines" as a business name, and a Certificate to such effect was issued on January 30, 2003;
4. As early as November 23, 2004, Opposer was issued by the Bureau of Food and Drugs (BFAD) a License to Operate as Cosmetics Laboratory;
5. On November 14, 2005, Opposer registered with the BFAD the product name "Pervil Magic Cream Skin Whitener and Moisturizer", and BFAD issued Certificate of Product Registration No. ECR-348;

6. On May 12, 2006, BFAD issued Certificate of Product Registration No. CR-22688 in favour of Opposer for the product name "Pervil Magic Cream Whitening Lotion";

7. "Pervil Cosmetics Philippines" is currently manufacturing and producing "Pervil Magic Whitening Lotion (Skin Whitener and Moisturizer)", "Pervil Magic Whitening Lotion (Skin Moisturizer with Papaya Extract)", "Pervil Magic Soap" and "Pervil Magic Cream" which are being distributed and sold nationwide;

8. "Pervil" has served as product identifier and has come to symbolize Opposer's cosmetics and toiletries business by virtue of which Opposer has acquired goodwill of considerable value;

9. Opposer has already acquired property right in the goodwill of goods and business identified under the trade name "Pervil Cosmetics Philippines", which right should be amply protected pursuant to Section 168.1 of R.A 8293;

10. As owner and prior user of the term "PERVIL" in the trade name "Pervil Cosmetics Philippines", Opposer has proprietary rights thereto, which include among other's the right to exclude third parties such as the herein Respondent from using and registration the subject mark;

11. The trademark sought to be registered is the name and confusingly similar to the dominant world in the Opposer's trade name "Pervil Cosmetics Philippines" for which reason protection is given to Opposer under Section 165 of the Intellectual Property (IP) Code;

12. To allow registration of the mark "PERVIL" would result in confusion as to the source and origin of the goods being manufactures and sold respectively by Opposer and Respondent-Applicant as their goods belong to the same class or category;

13. By appropriating and registering the mark "PERVIL", Respondent-Applicant's products are likely to be mistaken as having been produced by "Pervil Cosmetics Philippines";

14. Opposer has the right to asset and hereby upholds the posture to protect her trade name, reputation and goodwill from subsequent users of the same or similar trade mark/name;

15. Respondent-Applicant's application for the registration of the subject trademark must not be countenanced and should be denied as it in an act constituting unfair competition; and

16. The registration of the mark "PERVIL" in favor of Respondent-Applicant will cause great damage and irreparable injury to the latter's business and goodwill.

In her answer, Respondent-Applicant admits the allegations in the VERIFIED NOTICE OF OPPOSITION in regard to her personal circumstances, postal address, the filling of

Application Serial No. 4-2005-003930 on May 3, 2005 for the mark "PERVIL" for Class 3 goods, and the publication of the application in the Trademark Electronics Gazette that was officially released for circulation on June 15, 2006; specifically denies the rest of the allegations in the VERIFIED NOTICE OF OPPOSITION; and alleges the following affirmative defenses:

1. Respondent-Applicant adopted in good faith the mark "PERVIL" for use on cosmetic products of February 22, 2001;
2. "PERVIL" is the acronym of the phrase "Perfect Vanity In Life";
3. On February 22, 2001, there was neither existing registration or a pending application for the mark "PERVIL", nor were there cosmetic products in the market bearing the mark "PERVIL";
4. Respondent-Applicant was not aware of any business entity engaged in the manufacture and distribution of cosmetic products using "PERVIL" as its business name or as part of its business name;
5. The mark "PERVIL" was adopted in good faith by Respondent-Applicant long before Opposer adopted and used the same mark "PERVIL" either as a trademark, trade name, or business name;
6. On September 12, 2003, Respondent-Applicant started to market her "PERVIL" soap principally through CS Trading located at 197 Magallanes Street, Cebu City which is a sole proprietorship owned and manages by her brother, Christopher U. Chan;
7. On September 12, 2003, there were no other soap or cosmetics products in the market bearing the mark "PERVIL"
8. On September 17, 2004 at around 10:25 p.m., the building occupied by CS trading was totally burned during the fire incident at 197 Magallanes Street, Cebu City, and all of CS Trading's products and records were totally burned;
9. At the time respondent-applicant files Application Serial No. 4-2005-003930 on May 3, 2005 for the registration of the mark "PERVIL" for Class 3 goods, there was no existing registration nor pending application for the registration of said mark for use on cosmetic products, and there were also no cosmetic products bearing said mark except Respondent-Applicant's "PERVIL" soap, "PERVIL" whitening soap, and "PERVIL" skin whitening lotion;
10. Respondent-Applicant files her Application Serial No.4-2005-003930 on May 3, 2005 for the registration of the mark "PERVIL" in good faith;
11. At the Respondent-Applicant filed her application, Opposer has neither used the mark "PERVIL" as a trademark for her cosmetic products nor filed with this Office an application for the registration thereof as a trademark for her cosmetics products;

12. Since September 12, 2003 to the present, Respondent-Applicant has continued using in good faith the mark "PERVIL" on cosmetics goods she distributes through CS Trading;

13. Respondent-Applicant's mark "PERVIL" is printed quite differently from Opposer's mark; and

14. The examination and approval for publication of Respondent-Applicant's Application Serial No. 4-2005-003930 was done pursuant to, and in accordance with the provision of the IP Code and the Implementing Rules and Regulations on Trademarks and other rules.

Preliminary conference ensued on April 16, 2007. No amicable settlement having been reached by the parties, said preliminary conference was terminated. In view of Order No. 2007-599 issued on April 17, 2007, opposer filed her position paper on May 3, 2007 while respondent-applicant filed her position paper on May 3, 2007.

The issued to be resolved is who between opposer and respondent-applicant has a better right to the mark "PERVIL".

There is no question that the goods sold by opposer and respondent-applicant fall under Class 3. Moreover, a perusal of opposer's and respondent-applicant's respective marks shows a similarity such that one mark may likely be confused as the other mark; that one's goods may likely be confused as the goods of the other and vice versa; and that the goods manufactures by one may likely be confused as having been manufactured by the other and vice versa, or that the public would likely be confused that there is some connection between opposer and respondent-applicant in terms of business which does not exist. Below is a comparison of both marks:

Both marks consist of letters in script-like form/font and, except for the letter "P", in lower case. The slant of both marks is towards the right.

Having resolved the likelihood of confusion between the two marks, the goods bearing the respective marks of opposer and respondent-applicant, and the business being engaged in by opposer and respondent-applicant, an analysis as to who has the better right to the mark "PERVIL" is now in order.

Opposer alleges that it is the first creator and user of the mark "PERVIL" and to prove this point, opposer offered in evidence a Certification issued by the DTI that she has registered the business name "PERVIL COSMETICS PHILIPPINES" (Exhibit "B") on January 30, 2003. Vis-à-vis to this registration on said date, opposer moreover alleges that respondent-applicant started to use the subject mark only on September 12, 2003 based on the latter's Declaration of Actual Use (Exhibit "3-C") which is subsequent to opposer's DTI registration of its business name.

Per Act No. 3883 also known as the Business Name Law, the purpose of registration of one's business name with the DTI, together with one's true name, is to regulate the use in business transactions of names other than true names, such as business names or firm names (Section 1, Act No. 3883). Its purpose, thus, is to make transparent the identity of the person using a business name and to connect him with such business name so that the government can regulate the use of such business name. However, the mere fact of registration with the DTI of such business name does not ipso facto confer upon the registrant a right thereto, or to the dominant word therein, in terms of rights in the context of intellectual property law. One must have ownership over the mark for him to be deemed as having and *intellectual* property right over it. Ownership over mark, in turn, is gauged by actual use in commerce of such mark in the Philippines. This means that the goods with the mark is used are sold or carried on in trade in the country; or are imported into, and thereafter sold in the Philippines. Adoption alone of a mark is not sufficient either to acquire ownership thereof or to give exclusive right thereto as adoption is not equivalent to use (Bata Industries, Ltd. V. Court of Appeals, et al., G.R. No. L-53672 May 31, 1982' Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, April 30, 1969).

Actual use of a mark is shown by sale to the public of goods bearing such mark. Sales invoices and/or sales receipts provide the best proof of actual sales of a product, and that there is actual use for a certain period of the trademark through such sales. Any sale by a legitimate trader from his store is a commercial act establishing trademark rights since such sale is made in due course to the general public (Converse Rubber Corporation v. Universal Rubber Products, Inc., et al., G.R. No. L-27906, January 8, 1987.)

A mark belongs, thus, to the person who first used it and gave it value by selling goods bearing such mark. The person who establishes prior adoption and use of the mark acquires ownership thereof on goods which it is used or affixed. He is entitled to the registration of such mark to the exclusion of others (Underscoring supplied.) (Chung Te v. Ng Kian Giab, 18 SCRA 747 (1966); Ed A. Keller & Co. Ltd. v. Kinkwa Meriyasu Co. (P.I), Inc., 57 Phil. 262 (1932).

In the case at bench, opposer has not presented any evidence to show that she has and is actually using the mark "PERVIL" prior to the date of respondent-applicant's use thereof on September 12, 2003, as indicated in respondent-applicant's DAU. The DTI Certification mentioned earlier does not show actual use of the mark "PERVIL" on opposer's Class 3 goods and, thus, does not suffice to confer to opposer ownership over the subject mark because, as earlier discussed, said DTI Certification is only evidence of registration of a business name as a regulation requirement of Act No. 3883. Moreover, it is to be noted that the License To Operate As A Cosmetic Laboratory (Exhibit "C") issued on November 23, 2004 contains a proviso that "All cosmetic products to be distributed and sold by the subject cosmetic laboratory shall be registered with the BFAD prior to their introduction into domestic commerce" and that Certificates Of Product Registration for "PERVIL Magic Cream Skin Whitener and Moisturizer" and "PERVIL Magic Whitening Lotion" (Exhibits "D" and "E") were respectively issued only on November 14, 2005 and May 12, 2006. Class 3 goods bearing opposer's "PERVIL" mark, could not have been sold earlier than November 14, 2005 or even earlier than September 12, 2003, the date respondent-applicant first used her mark

“PERVIL” as indicated in respondent-applicant’s DAU, which date is *prima facie* considered respondent-applicant’s date of first use of the mark “PERVIL” barring evidence to the contrary. Further, opposer failed to present sales receipt/s and/or sales invoices prior to September 12, 2003 that would prove she has been selling in commerce Class 3 goods bearing the mark “PERVIL” prior to respondent-applicant’s date of first use of said mark or even prior to October 29, 2004 which is the date of the earliest receipt offered in evidence by respondent-applicant to show the sale of eight (8) pieces of “Pervil soap” (Exhibit “4”). Without evidence to show that opposer actually used the mark “PERVIL” by selling goods in commerce bearing such mark prior to respondent-applicant’s date of first sale of her goods bearing the same mark, it cannot be said the opposer owns the mark “PERVIL” and has, thus, the right thereto.

In the case at bench, opposer filed Application Serial No. 4-2005-012500 for the mark “PERVIL Stylized” for goods under Classes 3 and 35, and Application Serial No. 4-2005-012501 for the mark “PERVIL (Stylized) and Device” also for goods under Classes 3 and 35 only on December 20, 2005; while respondent-applicant files Application Serial No. 4-2005-003930 for the subject mark “PERVIL” for goods under Class 3 on May 3, 2005.

Section 123.1 (d) of the IP Code provides:

“A mark cannot be registered if it”

(d) Is identical with an earlier filing or priority date, in respect of;

- (i) The same goods . . . or
- (ii) Closely related goods . . . or
- (iii) If it nearly resembles such a mark as to be likely to deceive or to cause confusion . . .” (Underscoring Supplied.)

Considering that respondent-applicant is the first to file the subject mark “PERVIL” for Class 3 goods under Section 123.1 (d) of the IP Code and that the evidence on record shows that respondent-applicant is likewise, the first to use said subject mark vis-à-vis opposer, respondent-applicant has a better right to the mark “PERVIL” for Class 3 goods as applied for, hence, Application Serial No. 4-2005-003930 for the subject mark “PERVIL” for goods under Class 3 namely soap, cream, lotion, toner, & deodorant, filed on May 3, 2005 by Ping Na Lau is, as it is hereby, GIVEN DUE COURSE.

Let the filewrapper 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, May 21, 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs

