

YUNNAN BAIYAO GROUP CO., LTD., <i>Opposer,</i>	}	IPC NO. 14-2008-00327
	}	Case Filed : 27 November 2008
	}	
	}	Opposition to:
-versus-	}	Appl'n. Serial No. : 4-2007-500878
	}	Date Issued : 27 December 2007
	}	Trademark : "YUNNANBAIYAO"
PING NA L. DE PAZ, <i>Respondent-Applicant.</i>	}	
x-----x	}	Decision No. 2009-66

DECISION

This is an opposition to the registration of the mark "YUNNANBAIYAO" bearing Application No. 4-2007-500878 filed on December 27, 2007 covering the goods "*pharmaceutical products namely medicated powder, capsule, plaster, liniment, balsam and oil*" falling under class 5 of the International Classification of goods which application was published for opposition in the Intellectual Property Philippines (IPP) E-Gazette, officially released on August 01, 2008.

The Opposer in this instant case is "YUNNAN BAIYAO GROUP CO., LTD.", a company organized and existing under the laws of the People's Republic of China, with principal office located at State High and New Technology Zone, Kunming Yunnan, People's Republic of China.

On the other hand, the Respondent-Applicant is "PING NA L. DE PAZ" with principal address at No. 197 Magallanes Street, Cebu, Philippines.

The grounds of the opposition are as follows:

- "1. The registration of the mark "YUNNANBAIYAO" in the name of the Respondent-Applicant will violate and contravene the provisions of Section 123.1 (a) (e), (g) and (m) of the IP Code, as amended, because said mark is identical and confusingly similar to Opposer's internationally well-known trademark "YUNNAN BAIYAO & CHINESE CHARACTERS & DEVICE" or "YUNNAN BAIYAO", owned, used and not abandoned by the Opposer as to be likely, when applied to or used in connection with the goods of the Respondent-Applicant, to cause confusion or mistake, or deceive the purchasers thereof as to the origin of the goods.
- "2. The registration of the mark "YUNNANBAIYAO" in the name of the Respondent-Applicant will cause grave and irreparable injury and damage to the Opposer for which reason it opposes said application based on the grounds set forth hereunder.
- "3. Opposer is the true owner of the trademark "YUNNAN BAIYAO & Chinese Characters & Device", prior user and adopter of said mark in the Philippines and elsewhere in the world.
- "4. Respondent-Applicant's mark "YUNNANBAIYAO" is confusingly similar to Opposer's well-known mark "YUNNAN BAIYAO & Chinese Characters & Device"
- "5. The registration of the mark "YUNNANBAIYAO" should not be allowed because the act of Respondent-Applicant in applying for the registration of the mark "YUNNANBAIYAO" contravenes Section 123 (a), (e), (g) and (m) of the Intellectual Property Code.

- “6. Opposer’s trademark “YUNNAN BAIYAO & Chinese Characters & Device” is internationally well-known.
- “7. Since Opposer’s trademark “YUNNAN BAIYAO & Chinese Characters & Device” is internationally well-known, it is entitled to protection against confusingly similar marks covering similar or related goods.

Opposer submitted the following in support of its opposition:

Exhibit	Description
Exhibit “A” to “A-4”	Special Power of Attorney duly authenticated by the Philippine Consulate Office in China
Exhibit “B”	Authentication by the consul of the Republic of the Philippines in People’s Republic of China
Exhibits “B-6” to “B-8”	Copy of trademark certificate of registrations with English translation.
Exhibits “B-9” to “B-13”	Relevant documents showing the recognition of the mark “YUNNAN BAIYAO”
Exhibits “B-14” to “B-58”	Copies of different registrations with English translation
Exhibit “C” to “C-4”	Copy of the Application filed with the Intellectual Property Philippines (IPP)
Exhibits “D” to “D-18”	Copy of the amended Articles of Incorporation and By-Laws
Exhibits “E” to “E-4”	Affidavit-Direct Testimony of Ms. Gladies Nepomuceno
Exhibit “E-2” to “E-4-B”	Object evidence

Respondent-Applicant failed to file its answer despite having received the Notice to Answer issued by the Bureau of Legal Affairs (BLA) on February 08, 2009.

Section 11 of the Summary Rules (Office Order No. 79, Series of 2005), provides:

Section 11. *Effect of failure to file an Answer.* – In case the Respondent-Applicant fails to file an answer, or if the answer is filed out of time, the case shall be decided on the basis of the Petition or Opposition, the affidavit of the witnesses and documentary evidence submitted by the Petitioner or Opposer.

The issue to be resolved in this particular case is:

WHETHER OR NOT RESPONDENT-APPLICANT IS ENTITLED TO THE REGISTRATION OF THE MARK “YUNNANBAIYAO”.

The applicable provision of law is Section 123.1 (d) of Republic Act No. 8293, which provides:

“Section 123.1. A mark cannot be registered if it:

- “(d) Is identical with a registered mark belonging to a different proprietor or 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 resembles such a mark as to be likely to deceive or cause confusion;”

The contending trademarks are reproduced below for comparison and scrutiny.



Opposer's mark



Respondent-Applicant's mark

The Opposer's "YUNNAN BAIYAO & Chinese Characters & Device" while the Respondent-Applicant's mark consists of the word "YUNNANBAIYAO".

It is observed that the contending trademarks, both contained the word "YUNNANBAIYAO". It cannot be denied that the said word is the dominant feature in the Opposer's trademark, as it is the said component which easily attracts the eyes of the buying public. Considering therefore that the competing trademarks are confusingly similar to each other, the question now to be asked is:

"WHO BETWEEN THE PARTIES HAS A BETTER RIGHT OVER
THE MARK "YUNNANBAIYAO"?"

As stated in the Verified Notice of Opposition, the mark "YUNNAN BAIYAO & Chinese Characters & Device" was invented by the founder of Opposer, "Mr. Qu Huanzhang" a practitioner of Chinese medicine, and was used in China since 1956 with respect to Chinese traditional medicines, pharmaceutical products.

Records will show that Opposer's trademark was applied for registration in China in the name of the Opposer on September 9, 2002 covering the goods under class 5 of the international classification of goods and was issued a Trademark Certificate of Registration on February 7, 2004 (Exhibits "B-6" to "B-8").

On February 8, 2002, the mark "YUNNAN BAIYAO" in the name of the Opposer was recognized as a well-known trademark in China in respect of the goods "*Chinese traditional medicines*" in class 5 (Exhibits "B-9" to "B-13").

It is likewise noted that Opposer's trademark "YUNNAN BAIYAO & Chinese Characters & Device" has been filed for its registration with the Intellectual Property Office of the Philippines bearing Application No. 4-2008-007697 on June 27, 2008 for goods under class 5 (Exhibits "C" to "C-4").

Evidence on hand clearly shows that Opposer is the prior user and adopter of the mark "YUNNAN BAIYAO & Chinese Characters & Device" since 1956 and having been registered in China on February 7, 2004, while the Respondent-Applicant filed the registration of his mark "YUNNANBAIYAO" with the Intellectual Property Office on December 27, 2007, almost three (3) years later when Opposer's trademark registration was issued.

There is no denying that the competing trademarks are confusingly similar. they are both exactly the same in *spelling* and *pronunciation* and likewise the goods covered are identical or the same under class 5.

In the case at bar, it is unthinkable and very difficult to understand why the Respondent-Applicant's mark "YUNNANBAIYAO" is an exact replica of the Opposer's mark pertaining to word portion "YUNNAN BAIYAO". If the situation is coincidental, this must be properly and clearly explained by the Respondent-Applicant, however, this was not done as Respondent-Applicant did not file her answer.

In connection with the use of a confusingly similar or identical mark, it has been ruled thus:

"Those who desire to distinguish their goods from the goods of another have a broad field from which to select a trademark for their wares and there is no such poverty in symbols, numerals etc., as to justify one who really wishes to distinguish his products from those of all others entering the twilight zone of a field already appropriated by another." (Weco Products Co., vs. Milton Ray Co., 143 F 2d, 985, 32 C.C.P.A. Patents 1214)

"Why of all the million of terms and combinations of letters and designs available, the appellee had to choose those so closely similar to another's trademark if there was no intent to take advantage of the goodwill generated by the other mark." (American Wire and Cable Co., vs. Director of Patents 13 SCRA 544)

When one applies for the registration of a trademark or label which is almost the same or very closely resembles one already used and registered by another, the application should be rejected and dismissed outright, even without any opposition on the part of the owner and user of a previously registered label or trademark, this not only to avoid confusion on the part of the public, but also to protect an already *used* and *registered* trademark and as established goodwill. (Chuanchow Soy & Canning Co., vs. The Director of Patents and Rosario Villapanta [G.R. No. L-13947, June 30, 1960])

Another point to be taken into consideration is that the term "YUNNAN BAIYAO" is part of Opposer's corporate name. The Paris Convention mandates that a trade name shall be protected without the need of registration and whether or not it forms part of a trademark. The ownership of a trademark or trade name is a property right which the owner is entitled to protect since there is damage to him from confusion of reputation or goodwill in the mind of the public as well as from confusion of goods.

The law on trademarks and trade names is based on the principle of business integrity and common justice. This law, both in letter and spirit, is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing others business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another (Baltimore vs. Moses, 182 2nd 229, 34A (2d) 338).

Finally, the right to register trademarks, trade names and service marks is based on *ownership*. Only the owner of the mark may apply for its registration (Bert R. Baganio vs. Director of Patents, et. al., G.R. NO. L-20170, August 10, 1965).

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. (Unno Commercial enterprises Inc., vs. General Milling Corporation, 120 SCRA 804)

WITH ALL THE FOREGOING, the opposition is, as it is hereby SUSTAINED. Consequently, Application No. 4-2007-500878 filed on December 27, 2007 by Respondent-Applicant "PING NA L. DE PAZ" for the mark "YUNNANBAIYAO" is, as it is hereby REJECTED.

Let the filewrapper of the trademark "YUNNANBAIYAO" subject matter 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, 29 May 2009.

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