



CESAR A, CHUA, doing business  
under the name and style  
Filipinas Agar-Agar Manufacturing,  
Opposer,

-versus-

JHONNY A. TAN,  
Respondent-Applicant.

x-----x

}  
} IPC No. 14-2008-00075  
} Opposition to:  
} Appln. Serial No. 4-2007-004541  
} Date filed: 04 May 2007  
} TM: "DON FRANK AND DESIGN"

**NOTICE OF DECISION**

**PADLAN SALVADOR COLOMA & ASSOCIATES**

Counsel for the Opposer  
Suite 307,3<sup>rd</sup> Floor, ITC Building  
337 Sen. Gil Puyat Avenue, Makati City

**ATTY. NAPOLEON S. VALENZUELA**

Counsel for Respondent-Applicant  
Lot 1, Blk. 1 Merry Homes Subdivision  
San Bartolome, Novaliches  
Quezon City

**GREETINGS:**

Please be informed that Decision No. 2012 – 133 dated July 31, 2012 ( copy enclosed)  
was promulgated in the above entitled case.

Taguig City, July 31, 2012.

For the Director:

*Edwin Danilo A. Dating*  
**Atty. EDWIN DANILO A. DATING**  
Director III, BLA



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**IPC No. 14-2008-00075**

Opposition to:

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Date Filed: 04 May 2007

Trademark: **DON FRANK AND  
DESIGN**

Decision No. 2012 - 133

## DECISION

CESAR A. CHUA, doing business under the name and style FILIPINAS AGAR-AGAR MANUFACTURING<sup>1</sup> ("Opposer") filed on 28 March 2008 a Verified Notice of Opposition to Trademark Application No. 4-2007-004541. The application, filed by JHONNY A. TAN<sup>2</sup> ("Respondent-Applicant"), covers the mark DON FRANK AND DESIGN for use on "*unflavored and unsweetened gelatins*" under Class 29 of the International Classification of Goods<sup>3</sup>.

The Opposer alleges that the mark sought to be registered by the Respondent-Applicant is perfectly identical with the mark "DON FRANK & DEVICE" which is much earlier adopted and used by the Opposer also for use on gelatin or "*gulaman*" food products. He claims that DON FRANK & DEVICE is a well-known trademark in the Philippines for gelatin food products with the ownership thereof having been long vested in his favor by virtue of his exclusive, extensive, open and continuous use of it since 02 May 1994. The Opposer thus posits that the Respondent-Applicant's trademark application was fraudulent and in bad faith as the latter is not the original and true owner of the subject mark, the approval of which will cause him great and irreparable damage and injury. According to the Opposer:

"1. The trademark DON FRANK & DEVICE of the Respondent-Applicant is identical with the DON FRANK & DEVICE of the herein Opposer that the use by the Respondent-Applicant of its DON FRANK & DEVICE for unflavored and unsweetened gelatin will cause confusion or mistake or deceive the purchasers; that the purchasers will tend to believe that Respondent-Applicant's goods are those of or sourced from the Opposer;

"2. The similarity of the Respondent-Applicant's trademark with the Opposer's trademark is so clear, obvious and unmistakable. A side by side comparison between the Opposer's trademark as actually used in commerce and Respondent-Applicant's trademark as applied for with the Intellectual Property Office, as illustrated below, show that they are identical, that buyers would certainly be made to believe that the gelatin

<sup>1</sup> With business address at Bo. Masagana, Pandi, Bulacan.

<sup>2</sup> With address at 4030-A Policarpio Street, Gen. T. De Leon, Valenzuela City, Metro Manila.

<sup>3</sup> The Nice Classification is a classification of goods and services for the purpose of registering trademarks and service marks, based on a multilateral administered by the World Intellectual Property Organization. This treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks concluded in 1957.

food products bearing the DON FRANK & DEVICE they are buying are manufactured and/or are sold or sourced from the same manufacturer or seller, which is not;

x x x

As shown above, the device in the Opposer's trademark which is a representation of a boy is perfectly copied in the Respondent-Applicant's trademark;

"3. The trademark DON FRANK & DEVICE was derived from the name FRANKLIN, the first name of Opposer's son named Franklin H. Chua who was born on January 18, 1993. The device in the trademark is a cartoon representation of Franklin's head when he was then one year old wearing a hat and a bowtie;

"4. Opposer, through its single proprietorship business named Filipinas Agar-Agar Manufacturing whose factory and office is located at Bo. Masagana, Pandi, Bulacan, started using the trademark DON FRANK & DEVICE for gelatin food products as early as May 2, 1994. Gelatin products bearing the trademark DON FRANK & DEVICE has been manufactured and sold by the Opposer not only in Bulacan province but also in Metro Manila and other places in the Philippines;

"5. Due to the long and extensive sale of the said brand of gelatin food products Opposer's trademark is now considered a well-known mark in the gelatin food industry for which Opposer is entitled to protection under Section 121.1(e) of Republic Act 8293, the Intellectual Property Code of the Philippines;

"6. Opposer from the time it started using the trademark in 1994 has continuously used the same in commerce exclusively, extensively and openly, thereby building in his favor an immense and valuable goodwill on the trademark. Hence, Opposer's business and goodwill will clearly be damaged and will suffer irreparable injury by the registration and use of the same trademark in favor of Respondent-Applicant;

"7. The ownership of trademark DON FRANK & DEVICE for gelatin food products has long been vested in favor of the Opposer. Opposer has been using the trademark DON FRANK & DEVICE for gelatin food products since 1994 when the law then, i.e. Republic Act 166, as amended, prescribed actual commercial use as the basis of acquiring ownership of trademark."

The Opposer's evidence consists of the Verified Notice of Opposition, Special Power of Attorney and his affidavit consisting of 4 pages; Certification of Business Name Registration, Mayor's Permit, Department of Environment and Natural Resources (DENR) Discharge Permit and Permit to Operate, and Bureau of Internal Revenue Registration, all in relation to Filipinas Agar-Agar Manufacturing; actual samples of packaging materials of DON FRANK & Device, "CRYSTAL", and "RAINBOW JELLY" brands of "gulaman"; 1994 Mayor's Permit of Filipinas Agar-Agar Manufacturing; certifications issued by the Licensing Officer and of the Office of the Barangay Masagana Chairman Pandi, Bulacan; lists of distributors of DON FRANK & Device brand; and original

duplicate copy of the Opposer's Trademark Application No. 4-2008-002926 for the mark DON FRANK & DEVICE consisting of 5 pages.<sup>4</sup>

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 29 May 2012. The said party, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark DON FRANK & DESIGN?

The mark applied for registration by the Respondent-Applicant is identical to the Opposer's, as shown below:



*Opposer's mark*



*Respondent-Applicant's mark*

Also, the Respondent-Applicant's application covers goods that are similar and/or closely related to the Opposer's, particularly, gelatin food products. Thus, it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin thereof as held by the Supreme Court, to wit:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, defendant's goods are then bought as the plaintiff's and the poorer quality of the former reflects adversely on the plaintiff's reputation. The other is the confusion of business. Here, though the goods of the parties are different, the defendant's product is such as might reasonably be assumed to originate with the plaintiff and the public would then be deceived either into that belief or into belief that there is some connection between the plaintiff and defendant which, in fact does not exist.<sup>5</sup>

Public interest therefore requires, that two marks, identical to or closely resembling each other and used on the same and closely related goods, but utilized by different proprietors should not be allowed to co-exist. Confusion, mistake, deception, and even fraud, should be prevented. It is emphasized that the function of a trademark is to point out distinctly the origin or ownership of the goods to which it is affixed; to secure to him, who has been instrumental in bringing into the market a superior article of merchandise, the fruit of his industry and skill; to assure the public that they are procuring the genuine

<sup>4</sup> Marked as Exhibits "A" to "O", inclusive.

<sup>5</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.



article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.<sup>6</sup>

The Respondent-Applicant's filing of his trademark application on 04 May 2007 preceded the Opposer's (12 March 2008). The Opposer however, raises the issues of trademark ownership, and fraud and bad faith on the part of the Respondent-Applicant.

In this regard, this Bureau emphasizes that it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. The Philippines implemented the World Trade Organization Agreement "TRIPS Agreement" when the IP Code took into force and effect on 01 January 1998.<sup>7</sup> Art. 16 (1) of the TRIPS Agreement states:

1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, not shall they affect the possibility of Members making rights available on the basis of use.

Significantly, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code also states:

Sec.122. How Marks are Acquired.- The rights in a mark shall be acquired through registration made validly in accordance with the provisions of this law. (Sec. 2-A, R. A. No. 166a)

There is nothing in Sec. 122 which says that registration confers ownership of the mark. What the provision speaks of is that the rights in a mark shall be acquired through registration, which must be made validly in accordance with the provisions of the law.

Corollarily, Sec. 138 of the IP Code provides:

Sec. 138. Certificates of Registration. - A certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant's ownership of the mark, and of the registrant's exclusive right to

<sup>6</sup> *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 November 1999, citing *Etepha v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

<sup>7</sup> See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter).

use the same in connection with the goods or services and those that are related thereto specified in the certificate. (Emphasis supplied)

Clearly, it is not the application or the registration that confers ownership of a mark, but it is ownership of the mark that confers the right to registration. While the country's legal regime on trademarks shifted to a registration system, it is not the intention of the legislators not to recognize the preservation of existing rights of trademark owners at the time the IP Code took into effect.<sup>8</sup> The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A trademark is an industrial property and the owner thereof has property rights over it. The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. The IP Code implements the TRIPS Agreement and therefore, the idea of "registered owner" does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced. In *Berris v. Norvy Abyadang*<sup>9</sup>, the Supreme Court held:

The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes *prima facie* evidence of the validity of the registration, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the *prima facie* presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce. (Emphasis supplied)

In this instance, the Opposer proved that he is the originator and owner of the contested mark. The mark DON FRANK was derived from the name of his eldest child FRANKLIN<sup>10</sup> and the caricature of a boy's head wearing a hat and a bow tie personifies his son which was personally drawn by his wife. The Opposer submitted evidence relating to the operation of his "gulaman" or gelatin business as early as 1994<sup>11</sup>. Moreover, he presented documents

<sup>8</sup> See Sec. 236 of the IP Code.

<sup>9</sup> G.R. No. 183404, 13 Oct. 2010.

<sup>10</sup> Exhibit "M".

<sup>11</sup> Exhibits "G" and "K".

pertaining to compliance to government regulations precisely to attest to the fact that he has been manufacturing gelatin food products under the mark DON FRANK since 1994. Furthermore, he submitted a list of distributors of his gelatin products under the DON FRANK brand or mark.

In contrast, the Respondent-Applicant despite the opportunity given, did not file an Answer to defend his trademark application and to explain how he arrived at using the mark DON FRANK AND DESIGN which is exactly the same as the Opposer's. The mark DON FRANK with the device of a boy head wearing a hat and a bow tie is unique and distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Applicant to have come up with exactly the same mark for use on similar goods by pure coincidence.

Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why of the millions of terms and combinations of letters and designs available, the Respondent-Applicant had to come up with a mark identical or so closely similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.<sup>12</sup>

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of such goods or services.

**WHEREFORE**, premises considered, the instant Opposition to Trademark Application No. 4-2007-004541 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 31 July 2012.

  
**Atty. NATHANIEL S. AREVALO**  
Director IV/Bureau of Legal Affairs

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<sup>12</sup> *American Wire & Cable Company v. Director of Patents*, G. R. No. L-26557, 18 Feb. 1970.