



DR. FRESH, INC.,
Opposer,

-versus-

ALBERT TAN,
Respondent- Applicant.

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}
} IPC No. 14-2010-00223
} Opposition to:
} Appln. Serial No. 4-2009-010753
} (Filing Date: 21 October 2009)
} TM: "FIREFLY (STYLIZED)"
}

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 151 dated June 02, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 02, 2014.

For the Director:

Edwin A. Dating
Atty. EDWIN DANILLO A. DATING
Director III
Bureau of Legal Affairs



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IPC No. 14-2010-000223

Opposition:

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TM: "FIREFLY (STYLIZED)"

Decision No. 2014-151

DECISION

DR. FRESH, INC. ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2009-010753. The application, filed by ALBERT TAN ("Respondent-Applicant")², covers the mark "FIREFLY (STYLIZED)" for use on "toothbrush, dental floss, brushes, article for cleaning purposes" under Class 21 of the International Classification of Goods³.

The Opposer alleges that Trademark Application Serial No. 4-2009-010753 should be denied because it is the true and rightful owner of the mark. According to the Opposer, its mark is a well-known mark that is protected against use and/or registration by third parties without its consent. Also, the Opposer contends that the Respondent-Applicant's trademark application was filed in bad faith.

To support its opposition, the Opposer submitted as evidence the following:

1. Exh. "A" - page of the "IPO E-Gazette" where the Respondent-Applicant's application for registration of the mark FIREFLY (STYLIZED) was published;
2. Exhs. "B" to "B-31" - true printouts of photographs of the Opposer's FIREFLY products displayed in United States of America ("U.S.") retail chain store;
3. Exhs. "C" to "C-1" - true printouts of the website of Walgreens, www.walgreens.com, offering for sale the Opposer's FIREFLY toothbrushes;
4. Exhs. "D" to "D-1" - samples of the Opposer's FIREFLY products featuring famous comic book and cartoon characters;
5. Exhs. "E" to "E-6" - true printouts of photographs of samples of the Opposer's FIREFLY toothbrushes featuring famous comic book and cartoon characters;
6. Exhs. "F" to "F-2" - true printouts of photographs of oral care travel kits where the Opposer's products are partnered with other popular brands;
7. Exh. "G" - legalized Affidavit on Company Profile executed by Punnet Nanda, the Opposer's founder and President, discussing company history and tie-ups with other popular companies;
8. Exhs. "H" to "H-36" - copies of representative samples of the Opposer's invoices issued to distributors in different countries;

¹ A corporation formed and existing under the laws of New York, United States of America (U.S.A.), with business address at 6645 Caballero Blvd., Buena Park, California, U.S.A.

² With address at 35 Sandiko Street, BF Homes, Brgy. Holy Spirit, Capitol Hills, Quezon City.

³ The Nice Classification is a classification of goods and services for the purpose of registering trademark and services marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

9. Exh. "I" – legalized Affidavit on Sales executed by Daniel Enriquez, the Opposer's International Sales Officer, showing that FIREFLY products have gained popularity in recent years as shown by the steady increases in the Opposer's revenues;
10. Exhs. "J" to "J-14" – true printouts of advertisements featuring "DR. FRESH" products;
11. Exhs. "K" to "K-7" – true printouts of blog articles discussing the Opposer's FIREFLY products;
12. Exhs. "L" to "L-11" – true printouts of photographs of the Opposer's booths in tradeshows which prominently display the FIREFLY trademark;
13. Exh. "M" – legalized Affidavit of advertisements executed by Daniel Enriquez, Marketing Officer of Opposer, enumerating the Opposer's marketing and promotional efforts in relation to its FIREFLY products;
14. Exhs. "N" to "N-8" – true printouts of the contents of Opposer's www.drffresh.com and www.fireflytoothbrush.com websites showing a wide variety of the Opposer's FIREFLY products;
15. Exhs. "O" to "O-1" – true printouts of the Google search results, proving that it is the Opposer who is widely known to be the owner of the FIREFLY mark, not the Respondent-Applicant;
16. Exhs. "P" to "P-6" – true printouts of photographs of the Opposer's FIREFLY products as displayed in Watson's and SM Department Stores;
17. Exhs. "Q" to "Q-22" – copies of the Opposer's invoices issued to its distributors in the Philippines;
18. Exh. "R" – legalized Certification executed by Divya Aiyar, the Opposer's Records Officer, attesting to its trademark registrations for the mark FIREFLY;
19. Exh. "S" – legalized Trademark Assignment, dated 20 Sept. 2010;
20. Exh. "T" – true printout of the bibliographic data of the Opposer's trademark application for the mark "FIREFLY" as found in the "IPOPHL" online database; and
21. Exh. "V" – the legalized Secretary's Certificate, dated 20 Sept. 2010.

After this Bureau granted his motions for extension to file answer, the Respondent-Applicant finally filed his Answer on 24 January 2011, denying the material allegations in the opposition. As "special and affirmative defenses", the Respondent-Applicant argues that the Opposer has no legal or factual basis regarding its claim that it will be damaged by the registration of the mark in his name. According to the Respondent-Applicant, he filed his trademark application in good faith and was not aware at that time of the Opposer's mark. He contends that he is the owner and prior user of the contested mark, invoking the so-called "*first-to-file rule*". Furthermore, the Respondent-Applicant points that the Opposer's documentary evidence are just machine copies.

A copy of the Notice of Allowance of Trademark Application Serial No. 4-2009-010753 and this Bureau's "Notice to Answer" comprise the Respondent-Applicant's evidence.

The Opposer filed a Reply on 31 August 2011 refuting the allegations in the Answer. Then after, the case was referred to mediation pursuant to Office Order No. 154, s. 2010. The mediation, however, failed. The preliminary conference was terminated on 13 September 2011, followed by the filing by the Opposer of its position paper on 22 September 2011 and the Respondent-Applicant's the next day.

Should the mark FIREFLY be registered in favour of the Respondent-Applicant?

The essence of trademark registration is to give protection to the owners of trademarks. 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 out 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 article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.⁴ This purpose is not served by the co-existence in the market of the mark applied for registration by the Respondent-Applicant with the Opposer's.

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

Because the marks are used on similar goods, confusion among the consumers, or even deception, is likely. The likelihood of confusion would subsist not only with respect to the purchaser's perception of goods but on the origins thereof as held by the Supreme Court, to wit:⁵

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other. In which case, the 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 the belief that there is some connection between the plaintiff and defendant which, in fact does not exist.

The Respondent-Applicant points out that the filing of his trademark application preceded the Opposer's. But the Opposer has raised the issue of ownership of the contested mark. According to the Opposer, the Respondent-Applicant has no right to register the mark because the latter is not the owner thereof. It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 15 of the TRIPS Agreement reads:

⁴*Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91, of the Trade related Aspect of Intellectual Property (TRIPS Agreement).

⁵*Converse Rubber Corporation v. Universal Products Inc. et al.*, G.R. No. L-27906, 08 Jan. 1987.

Section 2: Trademarks
Article 15
Protectable subject Matter

1. Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible.
2. Paragraph 1 shall not be understood to prevent a Member from denying registration of a trademark on other grounds, provided that they do not derogate from the provision of the Paris Convention (1967).
3. Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
4. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to registration of the trademark.
5. Members shall publish each trademark either before it is registered or promptly after it is registered and shall afford a reasonable opportunity for petitions to cancel the registration. In addition, Members may afford an opportunity for the registration of a trademark to be opposed.

Article 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 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

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. (Emphasis supplied)

Thus, Sec. 134 of the IP Code provides that an opposition to a trademark application may be filed by "Any person who believes that he would be damaged by the registration of a mark". Moreover, even if a certificate of registration has already been issued, it may be cancelled pursuant to Sec. 151 of the IP Code.

Clearly, it is not the application or the registration that confers ownership of a mark. 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.⁶ 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 *Corollarily, in E.Y. Industrial Sales, Inc. v. Shen Dar Electricity and Machinery Co., Ltd.*⁷, the Supreme Court held:

Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

Sec. 134 of the IP Code provides that "any person who believes that he would be damaged by the registration of a mark x x x" may file an opposition to the application. The term "any person" encompasses the true owner of the mark the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*:

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a *prima facie* proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

X X X X

Ownership of a mark or trade name may be acquired not necessarily by registration but by adoption and use in trade or commerce. As between actual use of a mark without registration, and registration of the mark without actual use thereof, the former prevails over the latter. For a rule widely accepted and firmly entrenched, because it has come down through the years, is that actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership.

⁶ See Section 236 of the IP Code.

⁷ 634 SCRA 363 (2010).

By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. Registration merely creates a *prima facie* presumption of the validity of the registration, of the registrant's ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

Succinctly, the Opposer presented evidence that the mark FIREFLY is used by a party other than the Respondent-Applicant long before the latter filed his trademark application on 21 October 2009, including:

1. Affidavit on Company Profile executed by Punnet Nanda, the Opposer's founder and President, discussing company history and tie-ups with other popular companies;
2. Affidavits on sales and advertisements Daniel Enriquez, Marketing Officer; and
3. Certification executed by Divya Aiyar, the Opposer's Records Officer, attesting to its trademark registrations for the mark FIREFLY.

Attached to or accompanying the affidavits and certification are:

1. various printouts of photographs of FIREFLY products including those featuring comic book and cartoon characters and oral travel kits partnered with other brands;
2. pages of websites (www.walgreens.com, www.drfresh.com and www.fireflytoothbrush.com) and of "Google search", which show that the Opposer's ownership of the mark FIREFLY;
3. samples of FIREFLY products;
4. photocopies of certificates of registrations of the mark FIREFLY in numerous countries starting with the registration in the United States of America on 06 January 2004 under U.S. Patent and Trademark Office Reg. No. 2,802,169.

The affidavits, certification and attached documents were authenticated and legalized by the Philippine Consulate in Washington, D.C., U.S.A.

In contrast, the Respondent-Applicant has not explained how he adopted the mark. He merely argued that he filed the application ahead of the Opposer. It is difficult to believe that it was a mere coincidence that the Respondent-Applicant came up with a mark that is identical to the Opposer's and used exactly on the same goods. Because the parties are in the same line of business, it is not far fetched an inference that the Respondent-Applicant is aware of the brands and trademarks pertaining to goods or products in the industry. In fact, FIREFLY is a unique and highly distinctive name, brand or trademark for toothbrushes and related goods. Time and again, it is emphasized that the field from which a person may select a trademark is practically unlimited. As in all cases of colourable imitation, the unanswered riddle is why, of the millions of terms and combination of letters and designs available, the Respondent-Applicant had come up with a mark identical or so clearly similar to another's mark if there was no intent to take advantage of the goodwill generated by the other mark.⁸

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.

⁸ *American Wire and Cable Co. v. Director of Patents et. al.*, G.R. No. L-26557, 18 Feb. 1970.

WHEREFORE, the instant Opposition is hereby **SUSTAINED** on the grounds stated above. Let the file wrapper of Trademark Application No. 4-2009-010753 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 02 June 2014.



ATTY. NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs