



DR. FRESH, INC.,
Opposer,

-versus-

ALBERT TAN,
Respondent- Applicant.

X-----X

} IPC No. 14-2010-00226
} Opposition to:
} Appln. Serial No. 4-2009-010752
} Date Filed: 21 October 2009
} TM: "DR. FRESH & DEVICE"
}
}
}
}

NOTICE OF DECISION

CRUZ MARCELO & TENEFRANCIA
Counsel for Opposer
6th, 7th, 8th and 10th Floors, CVCLAW Center
11th Avenue cor 39th St., Bonifacio Triangle
Bonifacio Global City
Taguig City

THE LAW FIRM OF (RET.) JUDGE JOB MADAYAG & ASSOCIATES
Counsel for the Respondent-Applicant
No. 35 Sandiko Street, BF Homes
Brgy. Holy Spirit, Quezon City

GREETINGS:

Please be informed that Decision No. 2014 - 154 dated June 11, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 11, 2014.

For the Director:


Atty. EDWIN DANILO A. DATING
Director III
Bureau of Legal Affairs



DR. FRESH, INC.,	}	IPC No. 14-2010-00226
Opposer, .	}	Opposition to:
	}	
- versus -	}	Application No. 4-2009-010752
	}	Date Filed: 21 October 2009
ALBERT TAN,	}	
Respondent-Applicant.	}	Trademark: DR. FRESH & DEVICE
x-----x		Decision No. 2014 - <u>154</u>

DECISION

DR. FRESH, INC.¹ ("Opposer") filed on 05 October 2010 a Verified Notice of Opposition to Trademark Application No. 4-2009-010752. The contested application, filed on 21 October 2009 by ALBERT TAN² ("Respondent-Applicant"), covers the mark DR. FRESH & DEVICE for use on "*bleaching preparations and other substances for laundry use, rinsing for laundry and tableware, spot removing agents, laundry starch, fabric softeners for laundry, cleaning, polishing, scouring and abrasive preparations; soaps, shampoo, liquid soap; preparations for the hair, namely permanent wave lotion, hair spray, setting lotions, creams rinse, dressing and conditioner, hair brightener and conditioner for colored hair, hair styling gel, hair shampoo and shampoo concentrate, cleaning products namely glass cleaners, floor cleaners, sink declogger, oven cleaner, carpet cleaners with deodorizer, dish detergents, dishwasher detergents, dishwashing detergents, floor cleaner, general purpose scouring liquid, spot remover and stain removers; and others namely baby oil, baby shampoo, baby lotions, baby powder, body oil, body powder, unmedicated foot powder, antiperspirant, facial scrub, cold crème, nail polish, remover, bubble bath, and after shave lotion, dental cream, non medicated oral care products, toothpaste, mouthwash, dental powder*" under Class 03, "*tooth whitening preparation, toothpaste, medicated oral care products, mouthwash, medicated dental floss*" under Class 05 and "*toothbrushes, dental floss, brushes, article for cleaning purposes*" under Class 21 of the International Classification of goods.³

The Opposer anchors its opposition on the following grounds:

"1. The subject application for the mark DR. FRESH & DEVICE should be denied because it is Opposer that is the true and rightful owner thereof.

"2. Opposer's mark DR. FRESH is a well-known mark that is protected against use and/or registration by third parties without Opposer's consent.

"3. Respondent-Applicant's application should be denied for having been filed in bad faith.

- 1 A corporation formed and existing under the laws of New York, U. S. A., with business address at 6645 Caballero Boulevard, Beuna Park, California, U. S. A.
- 2 A natural person with address at 35 Sandiko St., BF Homes, Brgy. Holy Spirit, Capitol Hills, Quezon City.
- 3 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 Puposos of the Registration of Marks concluded in 1957.

"4. The registration and/or use of the mark DR. FRESH & DEVICE by Respondent-Applicant will infringe Opposer's vested rights to its trade name."

In support thereof, the Opposer submitted the following pieces of evidence:

1. Page of the IPO e-Gazette where Respondent-Applicant's application for registration of the mark DR. FRESH & DEVICE was published;
2. True printouts of photographs of Opposer's DR. FRESH products displayed in U. S. retail chain stores;
3. True printout of the website of Target, www.target.com, offering for sale Opposer's DR. FRESH products;
4. Sample products of Opposer's DR. FRESH products featuring famous comic book and cartoon characters;
5. True printouts of photographs of samples of Opposer's DR. FRESH toothbrushes featuring famous comic book and cartoon characters;
6. True printouts of photographs of oral care travel kits where Opposer's DR. FRESH products are partnered with other popular brands;
7. Copy of the legalized Affidavit on Company Profile executed by Puneet Nanda, Opposer's founder and President, discussing Opposer's company history and its tie-ups with other popular companies;
8. Copies of representative samples of Opposer's invoices issued to distributors in the different countries;
9. Copy of the legalized Affidavit on Sales Officer executed by Daniel Enriquez, Opposer's International Sales Officer, showing that Opposer's products bearing the DR. FRESH mark have gained popularity in recent years as shown by the steady increase in Opposer's revenues;
10. True printouts of advertisements featuring Opposer's DR. FRESH products;
11. True printouts of blog articles discussing Opposer's DR. FRESH products;
12. True printouts of photographs of the Opposer's booths in trade shows which prominently display the DR. FRESH trademark;
13. Copy of the legalized Affidavit of Advertisements executed by Daniel Enriquez, Marketing Officer of Opposer, enumerating Opposer's marketing and promotional efforts in relation to its DR. FRESH products;
14. True printouts of the contents of Opposer's www.drffresh.com website showing a wide variety of Opposer's products bearing the mark DR. FRESH;
15. True printouts of the Google search results, proving that it is Opposer who is widely known to be the owner of the DR. FRESH mark and not Respondent-Applicant;
16. True printouts of photographs of Opposer's DR. FRESH products as displayed in Watson's and SM Department Stores;
17. Copies of Opposer's invoices issued to its distributors in the Philippines;
18. Original legalized Certification issued by Divya Aiyar, Opposer's Records Officer, attesting to Opposer's trademark registrations for the mark DR. FRESH;
19. Copy of the legalized Trademark Assignment dated 20 September 2010;
20. Printout of the bibliographic data of Opposer's trademark application for the mark DR. FRESH as found in the IPO's online database;
21. Printout of the bibliographic data of Trademark Application No. 4-2009-010753 for the mark FIREFLY (STYLIZED) as found in the IPO's online database; and

22. Copy of the legalized Secretary's Certificate dated 20 September 2010.⁴

The Respondent-Applicant filed his Verified Answer on 24 January 2011, denying the material allegations in the opposition. By way of special and affirmative defenses, the Respondent-Applicant argues that the Opposer has neither legal nor factual basis for its claim that it will be damaged by the registration of the subject mark in his name. According to the Respondent-Applicant, he filed his trademark application in good faith and was not aware of the Opposer's mark. He contends that he is the owner and prior adopter of the mark DR. FRESH & DEVICE, invoking his right under the so-called "first-to-file" rule of R. A. 8293. Furthermore, the Respondent-Applicant points out that the Opposer's evidence do not comply with Office Order No. 79, specifically Section 7.1 thereof.

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. In view thereof, the case was set for preliminary conference which was officially terminated on 13 September 2011. The Opposer filed its position paper on 22 September 2011 while the Respondent-Applicant did so on 23 September 2011.

Should the Respondent-Applicant be allowed to register the trademark DR. FRESH & DEVICE?

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 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.⁵ 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 Respondent-Applicant's mark, as shown below, is identical to the Opposer's:



Opposer's mark

⁴ Marked as Exhibits "A" to "V" with submarkings.

⁵ See *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.





Respondent-Applicant's mark

Also, the goods covered by the Respondent-Applicant's mark are similar or closely related to that of the Opposer's "mouthwash, breath fresheners, toothpaste" under Class 03 and "toothbrush and floss" under Class 21. Thus, making confusion or even deception among consumers, very 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:⁶

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, 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.

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's application for the mark DR. FRESH & DEVICE should be denied because it is Opposer that is the true and rightful 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:

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.

⁶ *Converse Rubber Corporation v. Universal Products, Inc. et. al.*, G. R. No. L-27906, 08 January 1987.

A handwritten signature in blue ink, consisting of stylized initials and a surname, is located in the bottom right corner of the page.

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 provisions 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, nor 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 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, 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.⁷ 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. Corollarily, in *E. Y. Industrial Sales, Inc. v. Shen Dar Electricity and Machinery Co., Ltd.*⁸, 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 R. A. 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

⁷ See Section 236 of the IP Code.

⁸ 634 SCRA 363 (2010).

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

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.

x x x

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 DR. FRESH 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 Puneet Nanda, the Opposer's founder and President, discussing Opposer's company history and tie-ups with other companies;
2. Affidavits on Sales and Advertisements executed by Daniel Enriquez, Opposer's Marketing Officer; and
3. Original authenticated Certification executed by Divya Aiyar, Opposer's Records Officer, attesting to Opposer's trademark registrations for the mark DR. FRESH.

Attached to or accompanying the affidavits and certification are:

1. various printouts of photographs of DR. FRESH products;
2. representative samples of invoices concerning the sale of Opposer's DR. FRESH products in various countries;
3. Sample product of Opposer's DR. FRESH;
4. pages of websites showing Opposer's ownership of the mark DR. FRESH; and
5. copies of certificates of registration for the mark DR. FRESH in numerous countries, the earliest of which was the Certificate of Registration (No. 2216427) issued by the

Trademarks Registry of Great Britain and Northern Ireland on 07 December 1999.

In contrast, the Respondent-Applicant has not explained how he adopted the mark DR. FRESH & DEVICE. 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. 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.⁹

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration systems 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, the instant opposition is hereby **SUSTAINED** on the grounds stated above. Let the filewrapper of Trademark Application Serial No. 4-2009-010752 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 11 June 2014.


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

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⁹ *American Wire and Cable Co. v. Director of Patents, et. al.*, G. R. No. L-26557, 18 February 1970.