JENNIFER ANG,	}	**IPC No. 14-2011-00072**
Opposer,	}	Opposition to:
	}	Appln. Serial No. 4-2010-001861
	}	Date filed: 18 Feb. 2010
-versus-	}	**TM: "VERDON SERIES"**
	}	
	}	
MINXU XU,	}	
Respondent-Applicant.	}	
x----------	x	

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2012 - 101 dated June 25, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 25, 2012.

For the Director:

Atty. ADORACION U. ZARE
Hearing Officer, BLA

CERTIFIED TRUE COPY
SHARON S. ALCANTARA
Records Officer II
Bureau of Legal Affairs, IPO

JENNIFER ANG,
Opposer,

- versus -

MINXU XU,
Respondent-Applicant.
x----------x

Inter Partes Case No. 14-2011-00072

Opposition to:
Appln. Serial No. 4-2010-001861
(Filing Date: 18 Feb. 2010)
Applicant: Minxu Xu
Trademark: "VERDON SERIES"

Decision No. 2012-101

DECISION

JENNIFER ANG[1] ("Opposer") filed on 24 February 2011 an opposition to Trademark Application Serial No. 4-2010-001861. The application, filed by MINXU XU[2] ("Respondent-Applicant"), covers the mark "VERDON SERIES" for use on "*hair lotions, shampoos, hair treatment preparations, hair products perm lotions, hair colouring and conditioners*" falling under Class 3 of the International Classification of goods.[3]

The Opposer alleges, among other things, that it has widely used the mark VERDON SERIES on her products consisting of hair rebonding perm lotion and hair coloring cream which are sold in her stall and distributed throughout the Philippines, as a consequence of which, said mark has become famous and known and associated to belong exclusively to her. Because VERDON SERIES, the Opposer claims, is also internationally famous being distributed worldwide by its manufacturer in China, its registration in the name of the Respondent-Applicant is contrary to the "GATT-TRIPS Agreement" which is being enforced in this jurisdiction by virtue of Sec. 123 (e) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). According to the Opposer, the VERDON SERIES mark is inherently distinctive considering that its stylized letters is a work of art, a unique design, and its use on goods falling under Class 3 is arbitrary and fanciful. Thus, the Opposer argues, the Respondent-Applicant's mark being identical and confusingly similar to the Opposer's should not be given due course.

The Opposer's evidence consists of sample packaging materials bearing the VERDON SERIES mark, copy of her trademark application for the mark VERDON SERIES (with serial number 4-2009-0094505), her sworn statement executed on 18 September 2009, original of the Statement of Account issued to the Opposer in connection with her trademark application by the Intellectual Property Office of the Philippines but indicating a wrong address, sample of the Respondent-Applicant's packaging materials bearing the mark VERDON SERIES, and a promotional leaflet.[4]

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[1] With address at Stall #1C07-09 168 Shopping Mall, Sta. Elena St., Binondo, Manila.
[2] With address at 2E-12 & 14 #168 Shopping Mall, Sta. Elena St., Binondo, Manila.
[3] The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 purposes of the Registration of Marks concluded in 1957.
[4] Marked as Exhibits "A" to "H".

The Respondent-Applicant filed her Answer on 08 July 2011 alleging, among other things, that the Opposer has no legal standing to oppose her application considering that the latter is not the owner of the trademark nor is she the manufacturer of the goods subject thereof. According to the Respondent-Applicant, the Opposer is estopped/barred from opposing her application because the latter's trademark application for the same mark was already deemed abandoned. The Respondent-Applicant also contends that her mark is not similar to the Opposer's.

In defending her trademark application, the Respondent-Applicant submitted as evidence the authenticated certification dated 18 May 2011 of Ms. Qui Huilin of the Guangzhou Lanyuan Cosmetics Co., Ltd. which is a company located in Guangzhou, China, a certification issued by the Bureau of Trademarks of the Intellectual Property Office of the Philippines ("IPOPHL") stating that Trademark Application Serial No. 4-2009-009405 was abandoned with finality on 24 May 2010, printouts of the pages of IPOPHL website showing the parties' respective trademark applications for the mark VERDON SERIES.[5]

After the termination of the preliminary conference, the parties submitted their respective position papers. The Opposer submitted her position paper on 21 November 2011 while the Respondent did so on 29 November 2011.

Should the Respondent-Applicant be allowed to register the mark VERDON SERIES in her favor?

There is no doubt that the mark sought to be registered by the Respondent-Applicant is confusingly similar to the VERDON SERIES mark. In this regard, Sec. 134 of the IP Code states that "*any person who believes that he would be damaged by the registration of a mark, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application.* x x x".

The Opposer alleges that she deals with goods bearing the mark VERDON SERIES. She even filed a trademark application for the mark which even preceded the Respondent-Applicant's. But if the Respondent-Applicant is allowed to register the mark VERDON SERIES, she would have an exclusive right over the mark precluding other parties like the Opposer from using it for similar and closely related goods. It is clear therefore that the Opposer is a party that could be damaged by the registration of the mark in favor of the Respondent-Applicant.

It must be stressed, however, that an opposition proceeding is not limited to inquire as to who between the Opposer and the Respondent-Applicant possesses superior right over the mark. In essence, once an opposition is filed, the trademark application in question is reviewed for the purpose of determining whether the requirements for registration under the law are met, including the fundamental issue of whether the Respondent-Applicant is the owner of the mark.

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[5] Marked as Exhibits "1" to "4".

Precisely, the Opposer put into issue the ownership of the mark VERDON SERIES. She disputes the Respondent-Applicant's right to register the mark on the ground that the latter is not the owner of the mark.

The records and evidence indeed show that aside from the Respondent-Applicant there at least one other party in this jurisdiction (the Opposer) who has been dealing or using the mark VERDON SERIES and who even filed a trademark application earlier than the Respondent-Applicant. Also, the goods bearing the mark VERDON SERIES, whether dealt in by the Opposer or the Respondent-Applicant, originate from China. In fact, in the Registrability Report, denominated as Paper No. 03, the Trademark Examiner stated "*The submitted labels in the Declaration of Actual Use (DAU) show that the goods came from other entity in China not from the applicant. x x x*". The Respondent-Applicant's failure to respond to the issue prompted the Trademark Examiner to put in Paper No. 05 that "*The issue that the submitted labels in the Declaration of Actual Use (DAU) show that the goods came from other entity in China not from the applicant is hereby reiterated for failure of the applicant to comply*". Instead of responding squarely to the issue, the Respondent-Applicant in her submission to the Bureau of Trademarks on 05 November 2010, withdrew the DAU together with all the attachments including the labels, manifested that she will just submit a new set of DAU with complete attachments before the expiration of the prescribed three-year period, and requested the allowance and publication of the application.

The company in China where the goods bearing the mark VERDON SERIES originate turned out to be the Guangzhou Lanyuan Cosmetics Co., Ltd. And, because that company is the originator or the manufacturer of the goods, it is presumed to be the owner of the trademark attached to the goods. 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 article; to prevent fraud and imposition; and to protect the manufacturer against substitution and sale of an inferior and different article as his product.[6]

Aptly, because the Respondent-Applicant is not the actual manufacturer or originator of the goods bearing the VERDON SERIES mark, she has to show that she is actually the owner of the mark and therefore has the right to register it. This Bureau, however, finds that the Respondent-Applicant's evidence failed to establish that she owns the mark notwithstanding that the goods originate or manufactured in China. There is nothing in the certification issued by the Guangzhou Lanyuan Cosmetics Co., Ltd. that indicates the Respondent-Applicant's ownership of the mark VERDON SERIES. The certification simply states the Respondent-Applicant has, "*contracted us to produce and supplies the following:*

1. *VERDON SERIES PERM SOLUTION*
2. *VERDON SERIES MILK ION PERM*
3. *VERDON SERIES SHIHAIR*
4. *VERDON SERIES PER LUTION*
5. *VERDON SERIES HAIR COLORANT"*

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[6] ***Pribhdas J. Mirpuri** v. **Court of Appeals***, G.R. No. 114508, 19 Nov. 1999.

What the document corroborates is the Trademark Examiner's finding that the goods originated or are manufactured by another entity in China. This, and because of the Respondent-Applicant's failure to explain how she was able to come up with the highly distinctive mark VERDON SERIES – if she indeed is the owner thereof – leads to a fair inference and conclusion that she is merely an importer and distributor of the goods bearing the said mark. In *UNNO Commercial Enterprises, Inc. v. General Milling Corporation, et al.* the Supreme Court held:

> **The right to register trademark is based on ownership. 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. Under the Trademark Law only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same.**
>
> **The term owner does not include the importer of the goods bearing the trademark, trade name, service mark, or other mark of ownership, unless such importer is actually the owner thereof in the country from which the goods are imported. A local importer, however, may make application for the registration of a foreign trademark, trade name or service mark if he is duly authorized by the actual owner of the name or other mark of ownership.**
>
> **Thus, this Court, has on several occasions ruled that where the applicant's alleged ownership is not shown in any notarial document and the applicant appears to be merely an importer or distributor of the merchandise covered by said trademark, its application cannot be granted.**[7]

Being a mere importer or distributor of the goods bearing the mark VERDON SERIES, the Respondent-Applicant has no right to register the mark in her favour. Neither did the Respondent-Applicant submit proof that she is, at the least, authorized by the actual owner of the mark to register the mark in this jurisdiction.

WHEREFORE, the instant opposition is hereby **SUSTAINED** for the reasons stated above. Let the filewrapper of Trademark Application Serial No. 4-2010-001861 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 25 June 2012.

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

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[7] G.R. No. L-28554 28 Feb. 1983 citing *Lim Kiah v. The Kaynee Co., et al*, 25 SCRA 485; *Marvex Commercial Co., Inc. v. Petra Hawpia & Company*, 18 SCRA 1178; *Operators, Inc. v. Director of Patents*, 15 SCRA 147; and *Gabriel v. Perez*, 55 SCRA 406. See also *Superior Commercial Enterprises, Inc. v. Kunnan Enterprises Ltd. and Sports Concept & Distributor, Inc.*, G.R. No. 169974, 20 Apr. 2010.