



JIBBITZ, LLC,  
Opposer,

-versus-

DSS PRODUCTMAKERS, INC.,  
Respondent-Applicant.

X-----X

}  
} IPC No. 14-2008-00165  
} Opposition to:  
} Appln. Serial No. 4-2007-007262  
} Date filed: 11 July 2007  
} TM: "KIBBITZ AND DESIGN"

**NOTICE OF DECISION**

**SALUDO AGPALO FERNANDEZ AQUINO  
& TALEON LAW OFFICES**

Counsel for the Opposer  
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**LUMANIOG & ASSOCIATES**

Counsel for Respondent-Applicant  
Room 204 Megastate Building  
737 Araneta Avenue, Quezon City

**GREETINGS:**

Please be informed that Decision No. 2012 – 149 dated August 24, 2012 ( copy enclosed) was promulgated in the above entitled case.

Taguig City, August 24, 2012.

For the Director:

**CERTIFIED TRUE COPY**

*Marilyn*  
**MARILYN**

**IPRS IV, Bureau of Legal Affairs, IPPHL**

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



JIBBITZ, LLC,	}	IPC No. 14-2008-00165
<i>Opposer,</i>	}	Opposition to:
	}	Appln. Serial No. 4-2007-007262
-versus-	}	Date Filed: 11 July 2007
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DSS PRODUCTMAKERS, INC.,	}	TM: KIBBITZ AND DESIGN
<i>Respondent-Applicant.</i>	}	
x-----x		Decision No. 2012- 149

**DECISION**

JIBBITZ, LLC ("Opposer")<sup>1</sup> filed on 28 July 2008 an Opposition to Trademark Application No. 4-2007-007262. The application, filed by DSS PRODUCTMAKERS, INC. ("Respondent-Applicant")<sup>2</sup>, covers the mark "KIBBITZ AND DESIGN" for use on "footwear accessories, namely, rubberized plastics that come in a variety of shapes, colors and sizes that are plug into the holes on top of noosa footwear" under Class 26 of the International Classification of goods<sup>3</sup>. The Opposer alleges among others, the following:

"1. Opposers are filing the present Opposition under the following laws:

a. Section 123 (d) of the Intellectual Property Code (Republic Act 8293) – which states that a mark cannot be registered if it:

x x x

b. Section 123 (e) of the Intellectual Property Code (Republic Act 8293) – which states that a mark cannot be registered if it:

x x x

c. Section 123 (f) of the Intellectual Property Code (Republic Act 8293) – which states that a mark cannot be registered if it:

x x x

d. Sections 3 and 160, et. Seq., of Republic Act 8293, which read:

x x x

"2. In the Philippines, Opposer has filed an application for the registration of its mark JIBBITZ on July 17, 2007 for Classes 18, 25 and 26.

<sup>1</sup> A corporation organized and existing under the laws of U.S.A. with principal address at 3052 Sterling Circle, Boulder, Colorado 80301. U.S.A.

<sup>2</sup> A corporation organized and existing under the laws of the Philippines with address at No. 246 Reparó St., Brgy. Baesa, Caloocan City.

<sup>3</sup> 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.

"3. Opposer has been using its mark for three (3) years now, having first used and adopted the same as early as 2005. In the Philippines, Opposer has first used the mark JIBBITZ on November 2006.

"4. Clearly, Opposer is the rightful owner of the mark JIBBITZ having used, adopted and applied the same in the Philippines and registered on several countries in the world much earlier than Respondent.

"5. Being the owner of the mark, Opposer has registered the same in various countries of the world, including Philippines, U.S.A., The Netherlands, Aruba, the Dominican Republic, Iceland, Lebanon, Mexico, Paraguay, Canada, Australia, the United Kingdom and the European Community.

"6. Opposer has developed goodwill and reputation for its mark JIBBITZ through extensive promotion, worldwide registration and use.

"7. Opposer has built, for its mark JIBBITZ, superior quality-image or reputation through its long use characterized by high standards.

"8. From the foregoing, it is apparent that Opposer's mark satisfies the criteria set by the Rules and Regulations Implementing RA 8297 to be considered as a well-known mark, entitled to protection under Section 123 (e) and (f) of RA 8293.

"9. In presentation, general appearance and pronunciation, Respondent-Applicant's mark KIBBITZ AND DESIGN and Opposer's JIBBITZ are confusingly similar, and hence, will cause confusion among their prospective market, considering that the goods are similar or related belonging in the same classes and sold in the same channels.

"10. Considering the above circumstances, registration is proscribed by R.A. 8293 Section 123 (d).

"11. If allowed contrary to existing laws and jurisprudence, Respondent's use of the mark KIBBITZ AND DESIGN, which is confusingly similar to Opposer's mark JIBBITZ, will indicate a connection between the latter's goods and those of Respondent's, and will likely mislead the buying public into believing that the goods of Respondent's are produced or originated from, or are under the sponsorship of Opposer, to the detriment and damage of Opposer's interests, considering the goods are the same and belong to the same class. Likewise, the use of Respondent of the mark KIBBITZ AND DESIGN will diminish or demean or dilute the superior quality image and reputation of Opposer's mark and products characterized by high standards which Opposer has carefully built through its long use.

"12. Opposer hereby alleges that the Respondent-Applicant's adoption of KIBBITZ AND DESIGN trademark which is confusingly similar to that of Opposer's JIBBITZ was clearly done with illegal intent of riding on the popularity and goodwill of Opposer's quality-built reputation and will cause great and irreparable damage and injury to the Opposer.

"13. Further, Respondent-Applicant is clearly in bad faith in so using and adopting the same trademark as that of Opposer's JIBBITZ, which Opposer has, because of its prior use and application, gained worldwide notoriety for said mark."

The Opposer's evidence consists of the legalized and duly authenticated verified notice of opposition, affidavit-testimony of Eric Rebich, duly authenticated and notarized special power of attorney ("SPA") issued by Opposer in favor of Saludo Agpalo Fernandez Aquino and Taleon Law Offices, copy of IPO trademark application for JIBBITZ, international trademark registrations of the mark JIBBITZ, sales invoices, and advertising and promotional materials.<sup>4</sup>

The Respondent-Applicant filed its Answer on 17 September 2008, alleging among other things the following:

#### AFFIRMATIVE DEFENSES

x x x

##### Opposer has no legal capacity to sue or file this instant action

"7. Opposer alleged that it is the rightful owner of the mark JIBBITZ having used, adopted and applied the same in the Philippines since November 2006. From such allegation, it seemingly appears that Opposer is doing business in the Philippines. Hence, it has no legal capacity to maintain this Notice for Opposition for it is a foreign corporation doing business in the Philippines without a license.

"8. A foreign corporation is one which owes its existence to the laws of another state, [Section 123, Corporation Code of the Philippines] and generally, has no legal existence within the state in which it is foreign. In *Marshall Wells Co. vs. Elser*, No. 22015, September 1, 1924, 46 Phil. 70, it was held that corporations have no legal status beyond the bounds of the sovereignty by which they are created. Nevertheless, it is widely accepted that foreign corporations are, by reason of state comity, allowed to transact business in other states and to sue in the courts of such for a. In the Philippines, foreign corporations are allowed such privileges, subject to certain restrictions, arising from the state's sovereign right of regulation. Before a foreign corporation can transact business in the country, it must first obtain a license to transact business here [Section 125, 126, Corporation Code of the Philippines] and secure the proper authorizations under existing law. **If a foreign corporation engages in business activities without the necessary requirements, it opens itself to court actions against it, but it shall not be allowed to maintain or intervene in an action, suit or proceeding for its own account in any court or tribunal or agency in the Philippines.** [Section 133, *id.*] (*emphasis supplied*)

Accordingly, Petitioner must have a license to do business in order for it to maintain this instant Notice for Opposition or any suit before this Honorable Office pursuant to Section 133 of The Corporation Code, which reads:

x x x

"9. The reason for the rule should not be disregarded. "The purpose of the rule requiring foreign corporations to secure a license to do business in the Philippines is to enable us to exercise jurisdiction over them for the regulation of their activities in this country. **If a foreign corporation operates in the Philippines without submitting to our laws, it is only just that it not be allowed to invoke them in our courts when it should need them later for its own protection.** While foreign

<sup>4</sup> Marked as Exhibits "A" to "X" of the Verified Notice of Opposition.



investors are always welcome in this land to collaborate with us for our mutual benefit, they must be prepared as an indispensable condition to respect and be bound by Philippine law in proper cases, as in the one at bar." (*Granger Associates vs. Microwave Systems, Inc.*)

*The Notice of Opposition Should Be Denied For Lack of Proper Verification*

"10. As discussed in the case of OSCAR G. SAPITAN, ET AL., VS. JB LINE BICOL EXPRESS, INC./LAO HUAN LING/JOSE BARITUA, [G.R. No. 163775, October 19, 2007.], the Supreme Court ruled as follows:

x x x

In *Fuentebella and Rolling Hills Memorial Park, Inc. v. Castro*, G.R. No. 150865, June 30, 2006, the Supreme Court likewise declared that a certification without the proper authorization is defective and constitutes a valid cause dismissal of the petition. The Supreme Court explained:

x x x

A certification without the proper authorization is defective and constitutes a valid cause for the dismissal of the petition (emphasis supplied).

Well established is the fact that a juridical person in an action must be represented by its director/officer or any of its authorized representative whose specific authority granted therein for purposes of filing an action should have been expressly provided in a Board Resolution. Likewise, the same rule shall apply in granting authority for the said representative to sign the verification and certification against forum shopping in filing an initiatory action.

By analogy, the above cited jurisprudence is very much applicable to the filing of this instant Notice of Opposition. It should bear emphasis that this Honorable Office required the Opposer to file a VERIFIED NOTICE OF OPPOSITION. To take a careful perusal of the attached Verification and Certification against non-forum shopping, the same was signed by MR. RICH SCHMELZER, the latter claiming to be the President of herein Opposer. However, the legal personality of Mr. Schmelzer to represent JIBBITZ, INC., likewise, authorizing SALUDO AGPALO FERNANDEZ AQUINO & TALEON LAW OFFICE, through a Special Power of Attorney signed by Mr. Rich Schmelzer, to prosecute this instant proceedings has NOT been duly established in the absence of a Board Resolution that would expressly provide the specific authority of Mr. Rich Schmelzer or of the said law office to represent the Opposer. Consequently, the absence of the said Board resolution would not warrant the regularity and validity of the Special Power of Attorney, as well as the Verification and Certification executed by Mr. Rich Schmelzer. Thus, the said documents are apparently defective and unverified that would render the legal personality of Mr. Rich Schmelzer and the said law office in representing JIBBITZ, INC. questionable and void.

For lack of proper authority granting Mr. Rich Schmelzer and/or the said law office to execute and sign the verification and certification, in effect this Opposition deserves an outright dismissal from the very start since the filing of the Notice of Opposition is required to be verified.

Opposer Has The Burden of Proof to Establish its Claim

Our Rules of Court captured the essence of the concept of "burden of proof" when it defined it as "the duty of a party to present evidence on the facts in issue necessary to establish his claims or defense by the amount of evidence required by law" (Rules of Court, Rule 131, Sec. 1). On the whole, the burden of proof, or the duty to present sufficient evidence, is upon the party who wants particular action from the fact-trier. The burden of proof is upon the party seeking to change the status quo, i.e. the prosecution in a criminal case, the plaintiff in a civil action, and the moving party in motion practice.

In the Notice of Opposition, it claimed the following: a) its trademark is a well known mark; b) it has been adopted and used in the Philippines prior to the application of KIBBITZ and Design; and c) registration of applicant's trademark is allegedly similar and confusing with the opposer that would mean detriment and damage to opposer's goodwill and interest.

However, other than mere allegations, nowhere in the Opposition would substantially show that the trademark JBBITZ has already been adopted or used in the Philippines commencing from its alleged date on November, 2006. Likewise, the notice of opposition did not duly establish that "in determining whether a trademark is well-known, account shall be taken of the knowledge of the relevant sector of the public rather than that of the public at large, *including knowledge in the Philippines* which has been obtained as a result of the promotion of the mark." In the absence of substantial proof that the Opposer's trademark has been duly adopted and used in the Philippines since year 2006, likewise, not sufficient to prove to be a well-known trademark, the Opposer clearly failed to establish its alleged goodwill or reputation as a result of the promotion of its trademark in the Philippines. More so, in the absence thereof, the registration of the trademark KIBBITZ AND DESIGN would not mean facing any future danger/damage or detriment to the interest or claimed goodwill of the Opposer.

In view thereof, the claims of the Opposer are *evidentiary in nature wherein to prove the same would necessitate the production of substantial evidence* in order to warrant the denial of the applicant's trademark. Further, considering that Opposer's trademark has not yet been duly registered in the Philippines, it has no right to be protected from its claim that its trademark has been infringed by the respondent-applicant. In fact, respondent-applicant's application for registration of its trademark has been filed PRIOR to the date of Opposer's application for registration of its trademark. Hence, failure of the Opposer to establish its material claims must mean approval of applicant's registration of trademark."

This Bureau noticed that Respondent-Applicant did not submit evidence in support of its allegations. The Opposer filed on 29 September 2008 a Reply while the Respondent-Applicant filed its Rejoinder on 28 October 2008. On 04 July 2011, the Preliminary Conference was terminated. Then after, the parties filed their respective Position Papers on 14 July 2011.

The Respondent-Applicant raised the issue that the instant opposition should be dismissed on the grounds that the Opposer has no legal capacity to sue or file the same because it is a foreign corporation doing business in the Philippines without a license and, that the Verification and Certification of Non-Forum Shopping attached to the Notice of Opposition is defective.

According to the Respondent-Applicant, the Opposer has been undertaking commercial dealings in the Philippines through its exclusive distributing agent, ALL CONDITION GEAR PHILIPPINES, INC., that acts in the name or for the account of the Opposer making it as a mere conduit or agent of the latter. Thus, the Opposer should have obtained the necessary license as a foreign corporation doing business in the Philippines to be able to have the capacity to file this suit.<sup>5</sup>

In this regard, contrary to the Respondent-Applicant's contention that the Opposer has no legal capacity to sue, the Opposer's right to sue is defined under Section 160 of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IPCode"), to wit:

Sec. 160. Right of Foreign Corporation to Sue in Trademark or Service Mark Enforcement Action. - Any Foreign national or juridical person who meets the requirements of Section 3 of this Act and does not engage in business in the Philippines may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation or origin and false description, whether or not it is licensed to do business in the Philippines under existing laws.

Corollarily, the right of a foreign corporation under Section 160 must meet the qualifications stated in Section 3 of the IP Code, which states:

Section 3. International Conventions and Reciprocity. Any person who is a national or who is domiciled or has a real or effective business establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to the benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.

According to the Opposer, it is filing the instant opposition under Sections 3 and 160 of the IP Code. The Opposer's country of origin or domicile, *i.e.* United States of America, is a member-nation of or a signatory to the Paris Convention on Protection of Industrial Property Rights and the World Trade Organization and the Agreement on Trade-Related Aspects of Intellectual Property Rights which grants to corporate and juristic persons of the Philippines the privilege of bringing similar actions for protection of industrial property rights in its country of origin or domicile.

But even if this Bureau holds that the Opposer has legal capacity to sue, the instant opposition should still be dismissed.

The records show that Rich Schmelzer, purportedly, the "Authorized Representative" of the Opposer, signed the Verification and Certification of Non-Forum

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<sup>5</sup> Respondent-Applicant's Rejoinder.



Shopping and executed and signed an SPA constituting and appointing as its attorney-in-fact, SALUDO AGPALO FERNANDEZ AQUINO & TALEON LAW OFFICES. However, no document was submitted showing Mr. Schmelzer's authority or legal personality to represent herein Opposer and to authorize the said law office through an SPA to prosecute the instant case.

In this regard, Rule 2, Section 7.3 of the Rules and Regulations on Inter Partes Cases, as amended, provides:

7.3. If the petition or opposition is in the required form and complies with the requirements including the certification of non-forum shopping, the Bureau shall docket the same by assigning the Inter Partes Case Number. Otherwise, the case shall be dismissed outright without prejudice. A second dismissal of this nature shall be with prejudice.

It is well settled that it is obligatory for the one signing the verification and certification against forum shopping on behalf of the principal party or the other petitioners that he/she has the authority to do the same.<sup>6</sup> If the real party-in-interest is a corporate body, an officer of the corporation can sign the certification against forum shopping so long as he has been duly authorized by a resolution of its board of directors.<sup>7</sup> If the certification against forum shopping signed by a person on behalf of a corporation, is unaccompanied by proof that said signatory is authorized to file a petition on behalf of the corporation, the same shall be sufficient ground to dismiss the case.<sup>8</sup>

WHEREFORE, premises considered, the instant Opposition is hereby DISMISSED. Let the filewrapper of Trademark Application Serial No. 4-2007-007262 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 24 August 2012.

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

<sup>6</sup> *Fuentabella vs. Rolling Hills Memorial Park*, G.R. No. 150865, 30 June 2006.

<sup>7</sup> *Supra*.

<sup>8</sup> *Mediserv, Inc. vs. Court of Appeals, et al.*, G.R. No. 161368, 05 April 2010.