



OTIS McALLISTER INC.,  
Petitioner,

-versus-

BRAINTREE TRI-MEDIA CORPORATION  
and FEDERATED DISTRIBUTORS INC.,  
Respondents.

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}  
} IPC No. 14-2011-00439  
} Cancellation of:  
} Registration No. 4-2011-000505  
} Date of Registration: 2 June 2011  
} TM: "LA SIRENA"  
}

### NOTICE OF DECISION

**FORTUN NARVASA & SALAZAR**  
Counsel for the Petitioner  
23<sup>rd</sup> Floor, Multinational Bancorporation Centre  
6805 Ayala Avenue, Makati City

**CRUZ MARCELO & TENEFRANCIA**  
Counsel for Respondents  
6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> Floors  
CVCLAW Center  
11<sup>th</sup> Avenue corner 39<sup>th</sup> Street  
Bonifacio Global City  
Taguig City

#### GREETINGS:

Please be informed that Decision No. 2014 - 106 dated April 07, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, April 07, 2014.

For the Director:

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



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} Decision No. 2014- 106

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**DECISION**

OTIS McALLISTER, INC. (Petitioner)<sup>1</sup> filed on 3 October 2011 a Petition for Cancellation of Registration No. 4-2011-000505. The registration, in the name of BRAIN TRI-MEDIA CORPORATION (Respondent-Registrant)<sup>2</sup>, covers the mark "LA SIRENA", for use on "canned meat, fruits, sausages, canned fish/sardines, frozen meat, vegetables" under Class 29 of the International Classification of Goods<sup>3</sup>. FEDERATED DISTRIBUTORS, INC. ("FDI")<sup>4</sup> is a related company of Respondent-Registrant (collectively "Respondents").

Petitioner anchors its petition for cancellation on the ground of fraud which can be filed at any time after registration. According to Petitioner, Respondent-Registrant fraudulently obtained its registration contrary to the provisions of Sections 123.1 (d) of Rep. Act. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), which provides that:

Sec. 123.1. Registrability. A mark cannot be registered if it:

- (d) is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
  - (i) the same goods or services; or

<sup>1</sup> A corporation duly organized under the laws of the United States of America with business address at 160 Pine Street, Suite 350, San Francisco, California 94111

<sup>2</sup> A corporation organized and existing under Philippine laws with principal office at KLG Building, Del Bros Avenue corner V. De Leon Street, Ibayo, Paranaque City

<sup>3</sup> The Nice Classification of Goods and Services is for registering trademarks and service marks based on multilateral treaty administered by the WIPO, called the Nice Agreement Concerning the International Classification of Goods and Services for Registration of Marks concluded in 1957.

<sup>4</sup> A corporation organized and existing under Philippine laws with address at KLG Building, Del Bros Avenue corner V. De Leon Street, Ibayo, Paranaque City

- (ii) closely related goods or services; or
- (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion.

The Petitioner also invokes Section 123.1 (e) of the IP Code, which states:

Sec. 123. Registrability. - 123.1. A mark cannot be registered if it:

x x x

(e) Is identical with, or confusingly similar to, or constitutes a translation of a mark with which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: *Provided*, That in determining whether a mark is well-known, account shall be taken of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;”

and Article 6bis of the Paris Convention, to wit:

Article 6bis  
Marks: *Well-known Marks*

(1) The countries of the Union Undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation considered by competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

The Petitioner also alleges the following facts:

“1. Otis McAllister, Inc. (‘OMI’) is the owner of the ‘LA SIRENA’ trademark, which mark was first used in commerce in 1918. On 28 May 1965, OMI applied for registration of ‘LA SIRENA’ with the United States Patent and Trademark Office (USPTO). On 4 October 1966, the USPTO issued a registration in favor of OMI for the ‘LA SIRENA’ trademark. The registration remains active in the name of OMI.

“2. The ‘LA SIRENA’ trademark is a well-known mark for packaged and canned seafood, meats, fruits, and vegetables. OMI sells and distributes goods bearing the ‘LA SIRENA’ mark all over the world as



they have offices in Guatemala, Hong Kong, Mexico, Thailand and Venezuela.

"3. OMI also maintains the trademark registration of said mark in more than a dozen jurisdictions.

"4. Sometime November 2010, OMI began exporting 'LA SIRENA' products to the Philippines through Value Duty Free, the latter transacting with a local entity, respondent Federal Distributors Inc. ('FDI') to distribute the 'LA SIRENA' products all over the country.

"5. On 9 August 2011, OMI requested the undersigned to file an application for its "LA SIRENA" trademark with the Intellectual Property Office (IPOPIL). While conducting an online search for said mark to determine its registrability under Class 29, the undersigned found that 'LA SIRENA' mark has apparently been applied for by respondent Braintree Tri-Media Corp ("BTC") on 17 January 2011 for the same classification and goods as the mark of OMI.

"6. On 10 August 2011, OMI, through the undersigned, asked for a certification from the Bureau of Trademarks ('BOT') regarding the status of application of the 'LA SIRENA' mark. The BOT issued a certification that the application is still pending.

"7. OMI secured a certified true copy of the Articles of Incorporation of respondent BTC from the Securities and Exchange Commission and found that BTC was only issued a Certificate of Incorporation only on 6 September 2007.

"8. OMI, through counsel, wrote respondent BTC asking the latter to desist from further prosecuting the 'LA SIRENA' trademark and to assign the application in favor of OMI.

"9. OMI, through undersigned, then verified the juridical existence of respondent FDI, the entity transacting with Value Duty Free in the distribution of OMI's 'LA SIRENA' products on the Philippines.

"10. After the lapse of the period given to respondent BTC without receiving a response, OMI, through the undersigned, checked the IPO website and found that the registration for the 'LA SIRENA' trademark had been granted in favor of respondent BTC."

To support its petition, the Petitioner submitted as evidence the following:

1. Original legalized and authenticated Special Power of Attorney;
2. Copy of print-out of registration status of "LA SIRENA" in the IPO Website;

3. Copy of print-out of "LA SIRENA" from the Trademark Electronic Search of USPTO;
4. Affidavit of Leo Mark B. Aguilar;
5. Advertising materials of "LA SIRENA" brand;
6. Copies of internet websites dealing with "LA SIRENA" products;
7. Copy of status of trademark registrations of Petitioner;
8. Order confirmation dated 15 November 2010 to Value Duty Free and Khan Le;
9. E-mail from Khan Le dated 19 September 2011;
10. Original certification from the Bureau of Trademarks regarding the status of the application for "LA SIRENA";
11. Certified true copy of Articles of Incorporation of respondent Braintree Tri-media Corporation (BTC);
12. Demand letter to BTC dated 15 August 2011;
13. Certified true copy of Amended Articles of Incorporation of Federated Distributors Inc. (FDI);
14. Certified true copy of General Information Sheet of FDI; and
15. Affidavit of Walter Robin C. Go dated 30 September 2011.<sup>5</sup>

The Respondents filed their Answer on 1 February 2012, alleging among other things the following:

"1. The marketing department of Respondent Braintree conceptualized the mark 'LA SIRENA' when it was decided that one of its related companies, not necessarily Respondent FDI, would deal in the manufacture and sale of canned fish products. Respondent Braintree came up with the idea to use the words 'LA SIRENA' to refer to the old Filipino belief predominant in seaside towns that mermaids exist – the word 'SIRENA' being the common colloquial term for 'mermaid'. Moreover, the use of the word 'SIRENA' was to identify that they dealt mainly in fish products. Such was the origin of the subject mark.

"2. Petitioner erroneously claims that the registration of the mark 'LA SIRENA' in the name of Respondent Braintree was procured through fraud since it is allegedly the owner of the subject mark. The claim is utterly without merit.

"3. Respondent Braintree is the true owner of the subject mark. Such ownership was derived from its inception of the same and through its valid registration with the IPO. Pursuant to 122 of the IP Code, the rights in a mark shall be acquired through registration made validly in accordance with its provisions.

"4. Respondent Braintree filed the subject trademark application in international Class 29 for the mark 'LA SIRENA' in international Class 29 with the IPO on 17 January 2011 and Certificate of Registration No. 4-

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<sup>5</sup> Exhibits "A" to "O"

2008-00505 for the said mark was issued in the name of Respondent Braintree on 6 June 2011.

"5. It must be emphasized that Respondent Braintree filed its application and was granted registration ahead of Petitioner. In fact, Petitioner admits in paragraph 9 of its Petition that Respondent Braintree filed for the registration of the subject mark approximately seven (7) months prior to the date the Petitioner intended to file its own application. Therefore, Respondent Braintree, as the first person to file its application for registration of the subject mark, benefits from the 'First-to-File' Rule under the IP Code.

"6. In fact, Respondent Braintree's application for the mark 'LA SIRENA' had actually been registered without any Registrability Report or objection from the Bureau of Trademarks. The Examiner in charge cited no marks as being confusingly similar to Respondent Braintree's mark 'LA SIRENA' in Class 29.

"7. Moreover, the IP Code no longer subscribes to 'doctrine of prior use' as the basis for priority of rights or registration of rights of a trademark or service mark. With the effectivity of the IP Code, it is the registration of the mark that is the operative act of ownership."

The Hearing Officer issued on 13 June 2012 a notice setting the Preliminary Conference on 30 July 2012. On 13 August 2011, the Preliminary Conference was terminated and the parties were directed to file their respective position papers.

The Respondents impugn the validity of the Director's Certificate<sup>6</sup> authorizing Atty. Bayani B. Loste to sign on behalf of the Petitioner, as there was no specific authority granted under its terms. Respondents further allege, that the supposed authority does not authorize Atty. Loste to sign the Certification against Forum Shopping. However, this Bureau finds the terms of the Director's Certificate sufficiently empower the lawyers of the firm, Fortun, Narvasa and Salazar, of which Atty. Loste is a member to represent the Petitioner. Thus, Atty. Loste can rightfully execute the Verification and Certification as representative of the Petitioner. As held by the Supreme Court, to wit:

Even assuming that the Secretary's Certificate was flawed, Atty. Barranda may still sign the Verification attached to the Petition at bar. A pleading is verified by an affidavit that the affiant has read the pleading and that the allegations therein are true and correct of his personal knowledge or based on authentic records. The party itself need not sign the verification. A party's representative, lawyer or any other person who personally knows the truth of the facts alleged in the pleading may sign the verification. Atty. Barranda, as petitioner's counsel, was in the position to verify the truth and correctness of the allegations of the present Petition. Hence, the Verification signed by Atty. Barranda substantially complies with the formal requirements for such.

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<sup>6</sup> Exhibit "A"



Moreover, the Court deems it proper not to focus on the supposed technical infirmities of Atty. Baranda's Verification. It must be borne in mind that the purpose of requiring a verification is to secure an assurance that the allegations of the petition has been made in good faith; or are true and correct, not merely speculative. This requirement is simply a condition affecting the form of pleadings, and non-compliance therewith does not necessarily render it fatally defective.<sup>7</sup>

Having resolved the foregoing issue, this Bureau now proceeds to rule on the issue of whether or not the Respondent-Registrant's trademark registration LA SIRENA be cancelled.

Section 151 of the IP Code provides:

Section 151. Cancellation – 151.1. A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

- (a) Within five (5) years from the date of registration of the mark under this Act.
- (b) At any time if the registered mark becomes the generic name for the goods or services or a portion thereof, for which it is registered or has been abandoned, or its registration obtained fraudulently, or contrary to the provisions of this Act, or if the registered mark is used by, or with the permission of the registrant so as to misrepresent the source of the goods or services or in connection with which the mark is used.

The competing marks, depicted below, are identical:



Petitioner's mark

LA SIRENA

Respondent-Registrant's mark

Succinctly, because the Respondent-Registrant uses its mark on goods that are similar or closely related to the Petitioner's it is likely that the consumers will have the impression that these goods originate from a single source or origin. The confusion or

<sup>7</sup> In-N-Out Burger, Inc. v. Sehwan G.R. 179127, 24 December 2008

mistake would subsist not only 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>8</sup>

The 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 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>9</sup>

In this regard, records show that the Respondent-Registrant filed its application for the mark LA SIRENA on 17 January 2011 for use on "canned meat, fruits, sausages, canned fish/sardines, frozen meat, vegetables". It was granted Certificate of Registration No. 4-2011-000505 on 2 June 2011.

This Bureau emphasizes, however, 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 on the Trade - Related Aspects of Intellectual Property ("TRIPS Agreement") when the IP Code took into force and effect on 1 January 1998.<sup>10</sup> In the TRIPS Agreement, it is stated:

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

<sup>8</sup> *Converse Rubber Corp. v. Universal Rubber Products, Inc., et. al.*, G. R. No. L-27906, 08 January 1987.

<sup>9</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>10</sup> See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter)



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 provision of this law.

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 the mark shall be acquired through registration, which must be made validly in accordance with the provision of the law.

Corollarily, Sec. 138 of the IP Code states:

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 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.

Aptly, even if a mark is already registered, the registration may still be cancelled pursuant to Sec. 151 of the IP Code.

In the instant case, the Petitioner proved that it is the originator and owner of the mark LA SIRENA. The Petitioner applied for registration of LA SIRENA with the USPTO in 28 May 1965 and was registered in 4 October 1966. The mark LA SIRENA is registered in various countries abroad and is advertised extensively<sup>11</sup>. The Petitioner began exporting its goods in the Philippines through Value Duty Free in 2010. In contrast, the Respondent-Registrant filed an application for registration of the mark LA SIRENA on 17 January 2011 and was registered only on 2 June 2011.

The Petitioner's mark is unique and highly distinctive. 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>

<sup>11</sup> Exhibits "F" and "G"

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

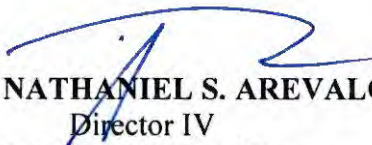
To show that the Respondent-Registrant was not in good faith in obtaining a trademark registration for the mark LA SIRENA, the Petitioner submitted/presented an e-mail thread showing communication between Mr. Khan Le/ Value Duty Free and Mr. James Kochheiser ([JKochhelsler@otismcallister.com](mailto:JKochhelsler@otismcallister.com)) wherein the former denied any knowledge of any affiliation with Braintree Tri-Media Corporation (Respondent-Registrant) but acknowledged working with their partner Federated Distributor, Inc. (Respondent) in bringing the products, LA SIRENA, in the duty paid sector or at local supermarkets. In this regard, the Petitioner points out a link between the Respondents as shown in the Amended Articles of Incorporation<sup>13</sup> of the Respondent-Registrant, Braintree Tri-Media Corporation, and the General Information Sheet<sup>14</sup> of the Respondent, Federated Distributors, Inc. wherein Charlene Tieng and Ronald Tieng are incorporators/directors of both juridical entities. The Petitioner further observes that the telephone number and business address of the Respondents are the same. This proves that the Respondent, in transacting with Value Duty Free, through which the products of the Petitioner were distributed in the Philippines, was aware of Petitioner's mark LA SIRENA covering canned fish.

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 Petition for Cancellation of Trademark Registration No. 4-2011-000505 is hereby **GRANTED**. Let the filewrapper of the subject trademark registration be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City, 7 April 2014.

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

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<sup>13</sup> Exhibit "J"

<sup>14</sup> Exhibit "N"