



GUBY FOOD PRODUCTS CORPORATION,
GREEN MANGO-ONG FOOD CORPORATION,
and BRIAN SEVILLA GUBAT doing business
under the name and style of Mango-ong Food
Enterprises,
Opposers,

-versus-

JESSIE APAAP CUTILLAS doing business
under the name and style of MANGO-ONG
FRUIT FOOD CART,
Respondent- Applicant.

IPC No. 14-2012-00100
Opposition to:
Appln. Serial No. 4-2011-014222
Date Filed: 28 November 2011

TM: "MANGO-ONG AND DEVICE"

X-----X

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 191 dated July 17, 2014 (copy enclosed)
was promulgated in the above entitled case.

Taguig City, July 17, 2014.

For the Director:


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



**GUBY FOOD PRODUCTS CORPORATION,
GREEN MANGO-ONG FOOD CORPORATION,
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Enterprises,**

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Trademark: **"MANGO-ONG AND
DEVICE"**

**JESSIE APAAP CUTILLAS doing business
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FRUIT FOOD CART,**

Respondent-Applicant.

Decision No. 2014 - 191

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DECISION

GUBY FOOD PRODUCTS CORPORATION¹, GREEN MANGO-ONG FOOD CORPORATION², and BRIAN SEVILLA GUBAT³ (Opposers³) filed an opposition to Trademark Application Serial No. 4-2011-014222. The application, filed by **JESSIE APAAP CUTILLAS** (Respondent-Applicant⁴) doing business under the name and style of Mango-ong Fruit food Cart, covers the mark **"MANGO-ONG AND DEVICE"** for use on fish, salt, preserve frozen, fruits and vegetables under class 29; and, advertising, business management franchising, business administration, office functions and management consultancy under class 30⁵.

The Opposers alleged:

"3.1. Co-oppositor Guby has been in the food stall business selling various kinds of chicharon and peanuts even before 2007. Guby was incorporated and has been doing business as of 2007. The President of Guby is co-oppositor Gubat.

"3.2. Since his successful foray in the food stall business, the President of Guby, co-oppositor Gubat, has always been trying to conceptualize and launch new products and innovations.

"3.3. One of these new products is the green mango, jicama (singkamas) and bagoong food stall business sometime in early 2010. Hence, the subject trademark of 'Mango-ong and Device' was created and conceptualized by Gubat.

¹ A corporation organized and existing under the laws of the Republic of the Philippines with address at Units 301-302 Yrreverre Square Building, 888 Mindanao avenue, Quezon City.

² A corporation organized and existing under the laws of the Republic of the Philippines with address at 6066 Tatalon St., Brgy. Ugong, Valenzuela City.

³ President of Guby and Green Mango-ong; sole proprietor of Mangoong Food Enterprise.

⁴ With address at CRS Tower, President Quirino Avenue, #1535 Perdigon St., Paco, Manila.

⁵ The Nice Classification of goods and services is for registering trademark and service marks, based on a 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.

“3.4. To begin their new venture in the green mango food stall business, Guby applied and was granted a lease over a commercial space for their first food cart in SM City Taytay. The lease contract was initially effective for three (3) months from October 1, 2010 or until December 31, 2010. Hence, the aforesaid food stall began their operations on October 1, 2010.

x x x

“3.5. Soon enough, the first food stall was able to sell their products and generate a loyal following using the subject trademark, x x x

“3.6. Co-oppositor Gubat thought of establishing and registering other business entities to sell the products under the subject trademark. Hence, he first caused the registration of a sole proprietorship called ‘Mangoong Food Enterprise’ with the Department of Trade and Industry on 13 December 2010. Subsequently, Gubat caused the incorporation of Green Mango-ong on 28 February 2011.

x x x

“3.7. In less than two (2) years from the establishment of its first food stall in SM Taytay, the Co-oppositors have managed to grow and expand their food cart business to eighteen (10) locations covered by various lease agreements in various shopping malls such as SM and Robinson’s not only in the Metro Manila area but also in the provinces of Pangasinan, Rizal, Pampanga and Tarlac, x x x

“3.8. Sometime in January 2012, complaints of a number of individuals reached the Co-oppositors that the Respondent-Applicant was misleading them to believe that he is the owner, or at the very least, owns part of the business of the Co-oppositors when in truth and in fact, he is and was never part of the business of the Co-oppositors. He is but a complete stranger to the business of the Co-oppositors.

“3.9. Hence, a monitoring of Respondent-Applicant’s supposed businesses resulted in the discovery of his unlawful and unfair trademark registration over the subject trademark distinguished only by the Chinese characters over the word ‘Ong’ in the mark ‘Mango-ong’

“The Grounds For Opposition:

“A. The Co-Oppositors are the prior and continuous users of the trademark ‘Mango-ong and Device.’ In fact, Guby has utilized the aforesaid trademark as a concept of an owner as early as October 1, 2010 and has gained business goodwill and reputation in and outside Metro Manila. In line with the case of E.Y. Industrial sales, inc. v. Shen Dar Electricity and Machinery Co., LTD 9G.R. No. 184850, October 20, 2010), Respondent-Applicant’s Trademark Application Over ‘Mango-ong and Device’ should not be given due course and not be allowed to be registered considering that he has belatedly utilized the trademark not earlier than November 17, 2011. The aforementioned case of E.Y. Industrial Sales, Inc has held that the 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. Hence, the Co-oppositors are the rightful owners of the subject trademark.

“B. Co-oppositors trade names of Mangoong Food Enterprises and Green Mango-ong Food Corporation are protected by law for being used and registered prior to the trademark application of the Respondent-applicant over the mark ‘Mango-ong and Device’. Hence, the Respondent-Applicant’s trademark application should be denied.”

The Opposers' evidence consists of the following:

1. Exhibit "A" - Print-out of the details of the trademark application of Co-oppositor Gubat;
2. Exhibit "B" - Print-out of the details of the trademark application of Respondent-Applicant;
3. Exhibit "C" - Certificate of Incorporation dated 15 January 2007;
4. Exhibit "D"- "D-2"- Lease Agreement between SM Prime Holdings, Inc. and Guby;
5. Exhibit "E" - Picture of first Mango-ong food stall in SM City-Taytay;
6. Exhibit "F"- "F-10"- Bureau of Internal Revenue cash invoices evidencing sale of "Mango-ong and Device";
7. Exhibit "G" - Certificate of Business Name Registration dated 13 December 2010;
8. Exhibit "H" - Certificate of Incorporation of Green Mango-ong dated 28 February 2011; and,
9. Exhibit "I"- "I-18" - Declaration of Actual Use with attachments: sample letterhead, listing and pictures of various food stalls and its products.

On 08 May 2012, Respondent-Applicant filed its Verified Answer, alleging the following:

"14. All told, opposer's main contention is that they are the prior and continuous users of the subject mark MANGO-ONG AND DEVICE. Respondent-applicant most respectfully begs to disagree.

"15. The Intellectual Property (IP) Code of the Philippines prohibits the registration of a trademark in favour of a party when there is an earlier application for the same mark. Section 123.1 (d) of the IP Code provides the definition for the First-to-File Rule. x x x

"16. In the case at bar, using the aforequoted First-to-File rule, it is respondent-applicant who has the better right to the registration of the subject mark MANGO-ONG AND DEVICE.

"17. Opposers filed their trademark application for MANGO-ONG AND DEVICE on 13 January 2012. Respondent-applicant, on the other hand, filed his application for the registration of MANGO-ONG AND DEVICE on 28 November 2011.

"18. Respondent-applicant was not only the first to file an application for registration of the subject mark, respondent-applicant is likewise the first to use the same.

"19. As early as January 2000, respondent-applicant and his wife (then business partner and friend), Ivy Jane M. Reyes, put up a small food cart business in Macabebe, Pampanga, called the Mango-ong Cart. For this small business, respondent-applicant's wife was able to secure a Barangay Clearance to secure a business permit for Mango-Ong cart. A clearly, legible, true copy of the Barangay Clearance dated 18 January 2000.

"20. Unfortunately, the business permit for Mango-Ong Cart was among the personal properties lost by respondent-applicant in the floods caused by the twin typhoons Pedring and Quiel which hit the country some time in October 2011. x x x

"21. It is therefore an incontrovertible truth that respondent-applicant is the prior user of the subject mark.

"22. Clearly, under the circumstances, respondent-applicant was the first to file and the first to use the subject mark there is no factual and legal basis for the opposition to the registration of the mark MANGO-ONG AND DEVICE in favour of respondent-applicant.

The Respondent-Applicant's evidence consists of the following:

1. Exhibit "1" - Barangay Clearance dated 18 January 2000; and,
2. Exhibit "2" - Joint Affidavit of Jessie Cutillas and Ivy Jane Reyes

Should the Respondent-Applicant be allowed to register the trademark MANGO-ONG AND DEVICE?

The contending marks are obviously identical without any substantial difference except for the addition of the Chinese characters above the word "ONG". Moreover, the goods covered by the contending marks are similar and closely related, falling under classification of goods, to include classes 29 and 35 The following marks are hereby reproduced for comparison:



Opposer's Trademark



Respondent-Applicant's Trademark

Thus, it is likely that the consumers will have the impression that these goods or products originate from a single source or origin. The confusion or mistake would subsist not only on the purchaser's perception of goods but on the origin 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. Hence, 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.

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

The public interest, therefore, requires that the 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 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.⁷

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.
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

⁷ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

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)

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.⁸ 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 *Berris v. Norvy Abyadang*⁹, the Supreme Court held:

The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means if its valid registration with the IPO. A certificate of registration of a mark,

⁸ See Section 236 of the IP Code.

⁹ G.R. No. 183404, 13 October 2010.

once issued, constitutes prima facie evidence of the validity of the registration, of 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. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. In other words, the prima facie presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, i.e., it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to one who first used it in trade or commerce.

In this instance, the Opposers proved that they are the owner of the contested mark. They submitted evidence relating to prior actual use of their trademark MANGO-ONG. Among the pieces of evidence are the Lease Agreement between SM Prime Holdings, Inc. and Guby¹⁰, cash invoices evidencing sale of "Mango-ong and Device"¹¹, Certificate of Business Name Registration dated 13 December 2010¹², and Declaration of Actual Use inclusive of sample letterhead, listing and pictures of various food stalls and its products¹³. On the other hand, the Opposer only presented a mere photocopy of Barangay Clearance¹⁴, which did not prove his actual, prior and continuous use of the subject trademark on food carts. The Respondent-Applicant offering the document which allegedly have been lost and destroyed, should prove its execution or existence and the cause of its unavailability without bad faith.¹⁵ Failure to comply to this rule renders the evidence inadmissible. Therefore, the fact that Respondent-Applicant filed its trademark application on 28 November 2011¹⁶, which is prior to Opposers' filing of its trademark application on 13 January 2012¹⁷, does not vest better right to the Respondent-Applicant who failed to substantiate claim of ownership over the mark MANGO-ONG and DEVICE.

Moreover, the Opposers claim of ownership over the contested mark is bolstered by the fact that it has been using the said trademark as part of its trade name "Mango-ong Food Enterprise" and "Mango-ong Food Corporation" prior to that of the Respondent-Applicant. The Opposers presented a Certificate of Business Name Registration showing that Mangoong Food Enterprise was issued the same on 13 December 2010¹⁸; and, Certificate of Incorporation issued by the Securities of Exchange Commission dated 28 February 2011 identifying Green Mango-Ong Foods Corp. as its incorporation name.¹⁹ In this regard, the law²⁰ provides:

¹⁰ Exhibits "D" to "D-2" of Opposers.

¹¹ Exhibits "F" to "F-10" of Opposers.

¹² Exhibit "G" of Opposers.

¹³ Exhibits "I" to "I-18" of Opposers.

¹⁴ Exhibit "1" of Respondent-Applicant.

¹⁵ Rule 130, Sec. 5 Revised Rules of Court in relation to Rule 2, Sec. 5 Office Order No. 99, Series of 2011 or the Amendments to the Rules and Regulations on Inter Partes Proceedings.

¹⁶ File wrapper records.

¹⁷ Exhibit "A" of Opposers.

¹⁸ Exhibit "G" of Opposers.

¹⁹ Exhibit "H" of Opposers.

²⁰ Sec. 165.2 (a) and (b), IP Code.

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.

Succinctly, it appears incredible for the Respondent-Applicant to have come up with a mark that is almost identical to that of the Opposers' mark and engaged in the same line of business, selling mango and bagoong in food carts. In fact, the subject mark is even the Opposers' trademark or business name which is publicly used prior to that of Respondent-Applicant.

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.²¹

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2011-014222 is hereby **SUSTAINED**. Let the filewrapper of the subject trademark application be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 17 July 2014.


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

²¹ American Wire and Cable Co. v. Director of Patents et. al. (SCRA 544), G.R. No. L-26557, 18 February 1970.