



OFFICE OF THE DIRECTOR GENERAL

UNITED HOUSEWARE MARKETING, INC.,  
Petitioner-Appellant,

Appeal No. 14-2010-0047  
IPC No. 14-2009-00194  
Petition for Cancellation  
Cert. of Reg. No. 4-2009-00464  
Date Issued: 20 April 2009

- versus -

JABIN LIM JUSAYAN,  
Respondent-Appellee.

Trademark: "UTD (Stylized)"

X-----X

NOTICE


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NATHANIEL S. AREVALO  
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Intellectual Property Office, Taguig City


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GREETINGS:

Please be informed that on 09 September 2014, the Office of the Director General rendered a Decision in the above-titled case (copy attached).

Taguig City, 10 September 2014.

Very truly yours,

  
ROBERT NEREO B. SAMSON  
Attorney V



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Office of the Director General



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Petitioner-Appellant,

-versus-

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DECISION

United Houseware Marketing, Inc. ("Appellant") appeals the decision<sup>1</sup> of the Director of the Bureau of Legal Affairs ("Director") dismissing the Appellant's petition to cancel the registration of the mark "UTD (Stylized)" issued in favor of Jabin Lim Jusayan ("Appellee").

Records show that on 04 August 2009, the Appellant filed a "PETITION FOR CANCELLATION" alleging the following:

1. It has used UTD (Stylized) since December 2008;
2. On 24 June 2009, it filed Trademark Application No. 04-2009-006222 for "UTD UNITED GLASS & DESIGN";
3. While checking the status of its trademark application, it discovered that the Appellee has registered UTD (Stylized) on 20 April 2009;
4. The Appellee is a former employee of Lucky Glass Enterprises Corporation, a sister company, who resigned on 09 October 2008 due to huge debts from the corporation;
5. It and Lucky Glass Enterprises Corporation have discussed the registration of the marks of the products they are selling and about to sell in January 2009;
6. The Appellee had a "mole" inside the office of the Appellant who monitors the Appellant's movements including the conduct of the meeting by the Appellant in its conference

Decision No. 2010-69 dated 12 October 2010.

Republic of the Philippines  
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table which has no enclosure or partition; the "mole" purposely listened or overheard matters relative to the registration of the Appellant's marks with different government agencies;

7. After gathering all the facts and information needed by the Appellee, the "mole" resigned from Lucky Glass Enterprises Corporation and is now an employee of the Appellee;
8. The Appellee simultaneously filed the trademark applications for "Lucky Glass" and UTD (Stylized);
9. The Appellee employed fraud and made fraudulent representation in the application for registration of UTD (Stylized) to the damage and prejudice of the Appellant;
10. The Appellee's application for registration of UTD (Stylized) was not accompanied by a Declaration of Actual Use since the Appellee has prior knowledge that it was the Appellant who has prior use over this mark;
11. Even prior to the Appellee's resignation from Lucky Glass Enterprises Corporation, where the Appellee is the general manager, the Appellee has prior knowledge of all business dealings of the Appellant and Lucky Glass Enterprises Corporation; and
12. The Appellee, should be held liable for making fraudulent representation in registering UTD (Stylized) knowing fully well that the Appellant is in actual possession and has used this mark since December 2008.

The Appellant submitted the following evidence to support the petition:

1. Certificate of Incorporation of the Appellant;<sup>2</sup>
2. Certificate of Registration issued by the Bureau of Internal Revenue;<sup>3</sup>
3. Certificate of Compensation Payment/Tax Withheld of the Appellee;<sup>4</sup>
4. Trademark Application No. 04-2009-00222 for UTD UNITED GLASS & DESIGN;<sup>5</sup> and
5. Sales Invoices;<sup>6</sup>

<sup>2</sup> Annex "A".

<sup>3</sup> Annex "B".

<sup>4</sup> Annex "C".

<sup>5</sup> Annex "D".


<sup>6</sup> Annexes "E", "E-1" to "E-5".

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The Appellee filed a "VERIFIED ANSWER" dated 16 November 2009 alleging the following:

1. He is in the business of creating, developing, manufacturing, buying, selling, importing, exporting and dealing in glassware products;
2. He saw significant business opportunities in using a stylized form of the letters "UTD" and in order to protect his interests, he filed an application with this Office to register this mark;
3. The trademark application was examined by the Bureau of Trademarks and was found to have satisfied all the criteria of a registrable mark; the trademark application was published and no opposition to the registration of this mark was filed; a certificate of registration was issued in his favor;
4. The Appellant tried to register a derivative of his mark but the trademark application was denied because it is confusingly similar to his registered mark;
5. He was the first to file for the registration of UTD (Stylized) which has satisfied all the requirements for registration;
6. The Appellant has no right to have the registration of UTD (Stylized) cancelled as the Appellant did not create or develop this mark; it does not own this mark and does not have the exclusive right to use this mark;
7. A certificate of registration is the presumptive proof that a trademark registrant has obtained a valid registration and may enjoy all the rights emanating from such registration;
8. The Appellant's petition does not indicate how the registration of the mark damages the Appellant; at most, the only damage that may be inferred is that the lawful registration of UTD (Stylized) bars the registration of the Appellant's mark;
9. There is no allegation that states the means by which the registration of UTD (Stylized) was fraudulently obtained; there is no statement pertaining to any falsehood or

  
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willful inaccuracy made by the Appellee in obtaining the registration of this mark; and

10. The Appellant invokes a fanciful tale built on moles and insinuations of industrial espionage but fails to present any proof or concrete statement to support and substantiate these allegations.

The Appellee submitted a copy of Cert. of Reg. No. 4-2009-000464 for UTD (Stylized) issued in his favor to support his arguments.

After the appropriate proceedings, the Director issued a decision dismissing the Appellant's petition. The Director held that the Appellant failed to substantiate the petition for cancellation. According to the Director, the Appellant failed to prove ownership of the mark UTD (Stylized) or the claim that the Appellee fraudulently registered this mark. The Director ruled that the Appellant failed to overcome the presumption of the validity of the Appellee's certificate of registration and ownership of UTD (Stylized).

Not satisfied, the Appellant filed on 12 November 2010 an "APPEAL MEMORANDUM" contending that the Director erred in ruling that it failed to substantiate its petition for cancellation and that it failed to prove ownership of UTD (Stylized). According to the Appellant, it submitted as evidence its trademark application for UTD UNITED GLASS & DESIGN showing its logo or mark that is similar to the Appellee's registered mark. The Appellant also cites its sales invoices that show the use of "UTD". The Appellant argues that the Director erred in ruling that it failed to prove that the Appellee obtained the registration of UTD (Stylized) through fraud. The Appellant reiterates its position that the Appellee employed fraud in applying for the registration of UTD (Stylized) because the Appellee was a former employee of the Appellant's sister company. The Appellant maintains that the Appellee has a "mole" in the Appellant's office who resigned after gathering all the facts and information needed by the Appellee.

The Appellee filed his "COMMENT" on 21 December 2010 contending that the Appellant failed to show sufficient and substantial reason to cancel the registration of UTD (Stylized). The Appellee claims that the Appellant specifies no rights by which the Appellant can claim dominion over this mark. The Appellee maintains that the Appellant failed to advance any indicia of the manner of creation or development of UTD (Stylized) and that the documents submitted by the Appellant did not show that the Appellant is the owner of this mark. The Appellee argues that aside from unsubstantiated allegations of moles and industrial espionage, the Appellant offers no support to bolster the claims of fraudulent misrepresentation in the registration of UTD (Stylized).

Pursuant to Office Order No. 197, Series of 2010, Mechanics for IPO-Mediation and Settlement Period declaring 31 January 2011 to 28 February

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2011 as the Settlement Period, this case was referred to mediation. Subsequently, on 01 April 2011, this Office received a copy of the "Mediator's Report" stating the unsuccessful mediation of this case.

The issue in this case is whether the Director was correct in dismissing the Appellant's petition to cancel the registration of UTD (Stylized) issued in favor of the Appellee.

Sec. 151 of the Intellectual Property Code of the Philippines ("IP Code") provides that:

SEC. 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 the 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 was obtained fraudulently or contrary to the provisions of this Act, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services or in connection with which it has been used.

(c) At any time, if the registered owner of the mark without legitimate reason fails to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a license during an uninterrupted period of three (3) years or longer.

Accordingly, any person claiming to be damaged by the continuous registration of a mark must show the existence of a ground for the cancellation of the mark. In this case, however, the Appellant not only failed to show that it will be damaged by the registration of UTD (Stylized) in favor of the Appellee, but it also failed to substantiate the allegations of fraudulent registration of UTD (Stylized).

The Appellant claims that it filed an application for the registration of UTD UNITED GLASS & DESIGN which it maintains to be similar with UTD (Stylized). This Office verified the status of this mark and found that the Appellant's Trademark Application No. 4-2009-006222 for UTD UNITED

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GLASS & DESIGN was abandoned with finality on 05 August 2011.<sup>7</sup> The Appellant, therefore, cannot use this abandoned trademark application as a basis to claim that it is being damaged by the continuous registration of UTD (Stylized).

Regarding the ground for cancellation of UTD (Stylized), the Appellant claims that the registration of this mark was obtained fraudulently. The Appellant, however, failed to adduce substantial evidence to support this allegation. As correctly pointed out by the Director:

The Petitioner alleges that the Respondent-Registrant obtained the assailed trademark registration by making fraudulent representations, knowing fully well that the Petitioner is in actual possession and prior use of the contested mark before the filing of the Respondent-Registrant's trademark application. The Petitioner claimed that the Respondent-Registrant had a "mole" inside the office or premises of the Petitioner who gathered information regarding the mark and other business transactions. The Petitioner, however, did not present evidence to back up or prove these allegations. It is a settled rule that one who alleges a fact has the burden of proving it, and mere allegation is not evidence.<sup>8</sup>

Similarly, the alleged prior use by the Appellant of "UTD" is not conclusive that the Appellee has fraudulently secured the registration of this mark. Mere unsubstantiated allegations of prior use are not sufficient to claim dominion over an already registered mark.<sup>9</sup> A certificate of registration of 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.<sup>10</sup>

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.<sup>11</sup>

Significantly, the proceeding before the examiner of the Bureau of Trademarks is *ex-parte*. It is prosecuted *ex parte* by the applicant, that is, the proceedings are like a lawsuit in which there is a plaintiff (the applicant) but no

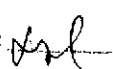
<sup>7</sup> Search Results File No. PH/4/2009/6222 available at <http://onlineservices.ipophil.gov.ph/ipophilsearch/trademarks.aspx> (last accessed 15 April 2013).


<sup>8</sup> Decision No. 2010-69, dated 12 October 2010, page 5.

<sup>9</sup> COMMENT, dated 20 December 2010, page 8.

<sup>10</sup> IP Code, Sec. 138.

<sup>11</sup> Ribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999.

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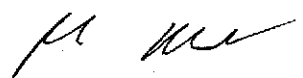

defendant, the court itself (the Examiner) acting as the adverse party.<sup>12</sup> The Intellectual Property Office represented by the Examiner is not supposed to look after the interest of an applicant. The law imposes that duty upon the applicant himself. The Examiner is charged with the protection of the interests of the public and, hence, must be vigilant to see that no registration issues for a mark contrary to law and the Trademark Regulations.<sup>13</sup> The Examiner will look if the trademark can be registered or not.



In this instance, the Appellee has satisfied the requirements for the registration of UTD (Stylized). This mark has undergone substantive examination and was found to have complied with the requirements in the Trademark Regulations. The Appellant, therefore, has the burden to prove the invalidity of the registration of UTD (Stylized). However, there is nothing in the records that would indicate or prove any of the grounds enumerated in Sec. 151 of the IP Code to effect the cancellation of the registration of UTD (Stylized) issued in favor of the Appellee. Accordingly, this Office is constrained to uphold the validity of the registration of UTD (Stylized).

WHEREFORE, premises considered, the appeal is hereby DISMISSED. Let a copy of this Decision as well as the records be furnished and returned to the Director of the Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

09 SEP 2014 Taguig City

  
RICARDO R. BLANCAFLOR  
Director General 

  
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<sup>12</sup> Trademark Regulations, Rule 600.  
<sup>13</sup> Trademark Regulations, Rule 602.

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