



ZHU QUPING,
Opposer,

-versus-

GREAT BLUE SKY INTERNATIONAL
COMPANY LIMITED,
Respondent-Applicant.

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IPC No. 14-2011-00393
Opposition to:
Appln. Serial No. 4-2008-014762
Filing Date : 08 December 2008
TM: "MABA AND REPRESENTATION
OF TOBACCO LEAVES"

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2014 - 209 dated August 13, 2014 (copy enclosed) was promulgated in the above entitled case.

Taguig City, August 13, 2014.

For the Director:

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



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IPC No. 14-2011-00393

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**TM: "MABA AND REPRESENTATION
OF TOBACCO LEAVES"**

Decision No. 2014- 209

DECISION

ZHU QUPING ("Opposer")¹ filed an opposition to Trademark Application Serial No. 4-2008-014762. The application, filed by GREAT BLUE SKY INTERNATIONAL COMPANY LIMITED ("Respondent-Applicant")², covers the mark "MABA & REPRESENTATION OF TOBACCO LEAVES" for use on "*tobacco, cigar, cigarette; tobacco substitute, smokers articles; matches*" under Class 34 of the International Classification of goods.³

The Opposer alleges, among other things, that MABA & REPRESENTATION OF TOBACCO LEAVES is identical to its registered mark "MABA AND LEAF DEVICE LABEL", both marks being used on identical goods. To support its opposition, the Opposer submitted the following:

1. Exh. "A" – certified true copy Certificate of Reg. No. 4-2008-015199;
2. Exh. "B" – Opposer's Statutory Declaration, dated 02 September 2011;
3. Exh. "C" – copy of "Agencia lek Seng" ("AIS") Certificate of Commercial Registration and its English translation;
4. Exh. "D" to "D-3" – copies of AIS' Import Licenses together along with English translation of representative pages;
5. Exh. "E" – copy of the Respondent-Applicant's Certificate of Commercial Registration and its English translation;
6. Exh. "F" – copies of samples of artwork approved by the Opposer;
7. Exh. "G" – copy of the account overview, dated 31 May 2005, from Promodyne;
8. Exh. "H" – certified true copies of Invoice No. 0510691 and the Import License, dated 31 October 2005;
9. Exh. "K", "K-1", "K-2" and "K-3" – original photographs of promotional matches and lighters which contain the mark "MABA";
10. Exh. "L" - copy of the statement of AIS' client Ouyang Shida of Yong Shun Trading Co., dated 01 Sept., 2011;

1 A Chinese national and resident of the Administrative Region of Macau, People's Republic of China, where he owns and operates a single proprietorship in the name of "Agencia Lek Seng" (AIS), located at Rua dos Hortalaños, r/c "AG". San Pau Garden, No. 83, Macau.

2 A foreign corporation duly organized and existing under the laws of the Special Administrative Region of Macau, People's Republic of China, with address at 10 Andar V Keck Seng Industrial Centre, BL. 3. No. 41 Av. Do Almt. Mag. Corceia, Macau.

3 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.

11. Exh. "M" - copy of the Opposer's Macau Trademark Reg. No. N/020489;
12. Exh. "N" - true printout of its online word from the website of the Intellectual Property Department of Macau Economic Service;
13. Exh. "O" - copy of the Opposer's Benelux Reg. No. 0856170;
14. Exh. "P" - true printout of its online record;
15. Exh. "Q" - copy of the Opposer's demand letter, dated 29 Sept. 2008.
16. Exh. "R" - copy of Decision dated 29 April 2011 rendered by the Court of First Instance of the Civil Court of Macau and its English translation;
17. Exh. "S" - certified true copy of the Trademarks Application Form for Application No. 04-2008-014762;
18. Exh. "T" - certified true copy of the Registrability Report in connection with Trademark Application No. 4-2008-014762;
19. Exh. "U" - certified true copy of the Respondent-Applicant's response to the Registrability Report, dated 30 March 2009;
20. Exh. "V" and "W" - certified true copy of papers Nos. 04 and 05;
21. Exh. "X" - certified true copy of the Notice of Abandonment;
22. Exh. "Y" and "Z" - certified true copies of Respondent-Applicant's request for revival, dated 05 Oct. 2010, and Order, dated 26 Oct. 2010;
23. Exh. "AA" - certified true copy of Respondent-Applicant's response to the Order of 26 Oct. 2010, dated 07 Dec. 2010;
24. Exh. "BB" - certified true copies of Paper No. 10 and Respondent-Applicant's letter, dated 17 Mar. 2011; and
25. Exh. "DD" and "EE" - certified true copies of Papers No. 12 and 14.

On 22 November 2011, the Respondent-Applicant filed its Answer arguing, among other things, that its trademark application has an earlier filing or priority, citing Sec. 123.1(d) of Rep. Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") and Rule 202 of the Trademark Regulations. It also claims that the Opposer failed to comply with the rules on *inter partes* cases pointing out that the verification and the certification of non-forum shopping accompanying the Notice of Opposition was signed by the Opposer's counsel and not by the party herself.

The case was referred to mediation pursuant to Office Order No. 154, s. 2010 (Rules on Mediation). The parties, however, refused to mediate their dispute. Accordingly, the preliminary conference was conducted and terminated on 12 April 2012. Then after, this Bureau received the parties' respective position papers on 24 April 2012. This Bureau noticed that the Opposer in its position paper alleges that during the preliminary conference, it pointed out defects in the verification and certification of non-forum shopping.

The records show that the Opposer issued on 02 September 2011 a Special Power of Attorney ("SPA"), stating among other things that its counsel and/or any of its lawyers has the authority "*to cause the preparation of, and to verify and sign for and on my behalf the Notice of Opposition and the Certificate of Non-Forum-Shopping*". The Philippine consular office in "Macau SAR" authenticated the SPA on 06 September 2011. This proves that the SPA was issued and authenticated prior to the filing of the opposition on 17 October 2011. In contrast, the Respondent-Applicant's answer was not properly verified. This Bureau agrees with the Opposer's arguments in its position paper, to wit:

"Under Rule 2, Section 9(d)(2)(ii) of the Inter Partes Rules, 'the verification and the document showing the authority of the signatory thereto, the affidavits and other pertinent documents, if executed and notarized abroad, must be authenticated by the appropriate Philippine diplomatic or consular office. The execution and authentication of these documents must have

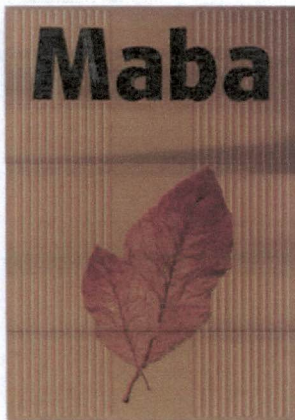
been done before the filing of the answer. (emphasis and underscoring supplied). This rule, which likewise applies to the filing of a Notice of Opposition, guarantees that the agents/signatories who act on behalf of the parties are specifically empowered to perform the act of filing an Opposition or Answer.

“In the Honorable Bureau’s Order dated 06 December 2011, it is stated that Respondent-Applicant filed its Answer dated 22 November 2011 on the same date. However, the Secretary’s Certificate attached to Respondent-Applicant’s Compliance dated 20 December 2011, allegedly showing the authority of affiant Amelia A. Calangi to verify the Answer, was executed only on 30 November 2011 or eight (8) days after the Answer was filed. Furthermore, the Secretary’s Certificate was authenticated by the Philippine Consulate in Hong Kong only on 05 December 2011, or thirteen (13) days after the Answer was filed.

“Since the Secretary’s Certificate evidencing the affiant’s authority to prepare, file and verify the Answer was executed only after the Answer had been filed, the affiant had no authority to verify the Answer at the time it was filed. The Answer must therefore be treated as not being verified, and the Respondent-Applicant declared in default.”

But even if the Respondent-Applicant’s Answer was properly verified, the opposition must still be given due course.

The mark the Respondent-Applicant sought to register is identical to the Opposer’s, as shown below:



Opposer's mark



Respondent-Applicant's mark

Because the marks cover the same goods – cigarettes and tobacco – it is likely that the consumers will have the impression that these goods originate from a single source. 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:⁴

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

⁴ *Converse Rubber Corporation v. Universal Rubber Products Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

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.

The competing marks as belonging to two different and competing proprietors should not be allowed to co-exist. It is emphasized that 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.⁵

The Respondent-Applicant byeat the Opposer in filing an application for the registration of the contested mark. The Opposer, however, was granted the trademark registration ahead of the Respondent-Applicant. But the primordial issue before this Bureau is the ownership of the mark. Succinctly, that the marks are identical and used on the same goods cannot be of mere coincidence. The mark is unique and distinctive. One of the parties is a copycat.

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 provisions 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.

Art. 16 (1) of the TRIPS Agreement states:

⁵ *Pribidas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 Nov. 1999.

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 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, 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 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 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. (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.⁶ 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 *E.Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity and Machinery Co., Ltd.*⁷, the Supreme Court held:

"x x x the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is

⁶ See Sec. 236 of the IP Code.

⁷ G.R.No. 184850, 20October2010,

necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

“Sec. 134 of the IP Code provides that “any person who believes that he would be damaged by the registration of a mark x x x” may file an opposition to the application. The term “any person” encompasses the true owner of the mark^{3/4}the prior and continuous user.

“Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. x x x”.

That the inference that one of the parties is merely a copycat is bolstered by the fact that the both parties reside or located in the People's Republic of China. In this regard, evidence shows that the Opposer's first use of the mark “MABA & LEAF DEVICE” was in the year 2005. It was the same year when the Opposer made first shipment of cigarettes under the contested mark in the Netherlands.⁸ It was also during this period that the Opposer obtained a license from the Government in Macau to import cigarettes under the mark “MABA & LEAF DEVICE”⁹. Records show that the Opposer registered his mark “MABA & DEVICE” with the Intellectual Property Department of the Macau Economic Service on 08 May 2006 (Registration No. N/020489)¹⁰ and in the Philippines on 20 April 2009 (Registration No. 4-2008-015199).¹¹ Furthermore, the Opposer has been granted trademark registration by the Benelux Office of the Intellectual Property for the mark “MABA & LEAF DEVICE” under Registration No. 0856170, issued on 11 March 2009¹².

On the other hand, what the Respondent-Applicant can show is a trademark application for the mark “MABA & REPRESENTATION OF TOBACCO LEAVES” filed on 08 December 2008 claiming priority date of 01 August 2008 base on Application No. 301172853 filed with the Trademarks Registry, Intellectual Property Department, Hong Kong Special Administrative Region. There is no evidence that this foreign trademark application matured to registration.

Definitely, records and evidence point to the Opposer as the owner of the contested mark. To allow the Respondent-Applicant to register “MABA & REPRESENTATION OF TOBACCO LEAF” in its favor would unjustly deprive the Opposer of his ownership of the mark or of his right to exercise acts of ownership thereof.

The law of trademarks and tradenames is based on the principle of business integrity and common justice. This law, both in letter and spirit is laid upon the premise that, while it encourages fair trade in every way and aims to foster, and not to hamper competition, no one especially a trader, is justified in damaging or jeopardizing others business by fraud, deceit, trickery or unfair methods of any sort. This necessarily precludes the trading by one dealer upon the good name and reputation built by another.¹³

The field from which a person may select a trademark is practically unlimited. As in all cases of colorable imitation, the unanswered riddle is why, of the millions of terms and combination of letters available, the Respondent-Applicant had 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.¹⁴

8 Exhibit “ZQ-5”.

9 Exhibit “ZQ-11”.

10 Exhibit “M”.

11 Exhibit “A”.

12 Exhibit “O”.


13 *La Chemis Lacoste versus Judge Oscar C. Fernandez, et al.* (G.R. No. L-63796 02 May 1984) and *Sujaji versus Ongpin, et al.*, (G.R. No. L-65659 02 May 1984) *Ating Baltimore versus Moses*, 182 Md. 229, 34A (2d) 338.

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

WHEREFORE, premises considered, the opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2008-014762 together with a copy of this Decision be returned to the Bureau of Trademark (BOT) for information and appropriate action.

SO ORDERED.

Taguig City, 13 August 2014.


NATHANIEL S. AREVALO
Director IV, Bureau of Legal Affairs