



OFFICE OF THE DIRECTOR GENERAL

THE MANGO FARM CORPORATION,  
Doing business under the name and style of  
TEA-RRIFIC ENTERPRISES AND  
COCKTAILS DESSERT LIKE NO OTHER,  
Respondent-Appellant,

Appeal No. 14-2013-0034

IPC No. 14-2013-00038

Opposition to:

Application No. 4-2011-010929

Date Filed: 13 September 2011

-versus-

Trademark: TEA-RRIFIC LOGO

TEARRIFIC CORPORATION,  
Opposer-Appellee.

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DECISION

The Mango Farm Corporation (“Appellant”) appeals the decision<sup>1</sup> of the Director of Bureau of Legal Affairs (“Director”) sustaining the opposition filed by Tearrific Corporation (“Appellee”) to the registration of the Appellant’s mark “TEA-RRIFIC LOGO”.

Records show that the Appellant filed on 13 September 2011 an application to register TEA-RRIFIC LOGO for use on milk tea, special-tea mix, fruit smooth-tea, yin & yang (tea & coffee). On 09 January 2013, the trademark application was published in the Intellectual Property Office Electronics Gazette for Trademarks. Subsequently, the Appellee filed an opposition alleging that it was incorporated on 25 February 2011 and is engaged in the business of serving quality brewed tea products. The Appellee maintained that the Appellant’s trademark application should be denied as it has acquired a prior right to the use of this mark. According to the Appellee, “TEA-RRIFIC” and “TEARRIFIC” are confusingly similar that an ordinary purchaser can conclude an association or relation between the two.

On 18 March 2013, the Bureau of Legal Affairs (“BLA”) directed the Appellant to file a verified answer to the opposition within thirty (30) days from notice. The Appellant did not file the answer within the required period. Subsequently, the BLA issued an Order<sup>2</sup> declaring the Appellant in default and requiring the Appellee to submit the originals or certified true copies of the affidavits, documentary and/or object evidence attached to its opposition. Consequently, the Director ruled that the Appellant’s mark is identical and/or confusingly similar to the Appellee’s trade name and, thus, the application for the registration of this mark should not be allowed.

<sup>1</sup> Decision No. 2013-127 dated 12 July 2013.

<sup>2</sup> Order No. 2013-788 dated 24 May 2013.

On 12 August 2013, the Appellant filed an “APPEAL MEMORANDUM” citing the following errors:

#### ASSIGNMENT OF ERRORS

##### I

THE DECISION OF THE BUREAU OF LEGAL AFFAIRS IS NULL AND VOID BECAUSE THERE IS NO VALID SERVICE OF NOTICE TO ANSWER ON THE RESPONDENT-APPELLANT.

##### II

THE BUREAU OF LEGAL AFFAIRS ERRED IN DECIDING THE CASE ON THE BASIS OF TECHNICALITIES AND NOT ON ITS MERITS.

##### III

THE BUREAU OF LEGAL AFFAIRS ERRED IN NOT HOLDING THAT THE RESPONDENT-APPELLANT IS ENTITLED TO THE REGISTRATION OF THE TRADEMARK AND LOGO APPLYING THE PRIOR USER RULE AND THE FIRST TO REGISTER RULE.

##### IV

THE BUREAU OF LEGAL AFFAIRS ERRED IN HOLDING THAT THE TRADEMARK APPLIED FOR IS CONFUSINGLY SIMILAR TO THE TRADE NAME OF THE OPPOSITOR-APPELLEE.

The Appellant argues that the decision of the Director is null and void because there is no valid service of notice to answer. According to the Appellant, the notice to answer was served to a security guard of the Appellant. The Appellant claims that the Director decided the case on technicalities and did not consider its defenses to the opposition. The Appellant avers that the Director did not resolve its pending motion to lift the order of default and contends that it should be afforded the benefit of the “First to File Rule” being the first to file the trademark application while the Appellee did not register its mark. The Appellant asserts that its mark is not confusingly similar to the Appellee’s trade name and has distinctive features such as the design of tea cup, colors and lettering styles which negate the possibility of confusion.

The Appellee filed its comment on the appeal<sup>3</sup> maintaining that the Director did not err in declaring the Appellant in default. According to the Appellee, even if the notice to answer was received by the Appellant’s guard and only subsequently served to the Appellant, the Appellant still had ample time to file its answer. The Appellee asserts that the Appellant’s mark infringes on its trade name and that “TEARRIFIC” and “TEA-RRIFIC” are confusingly similar.

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<sup>3</sup> “COMMENT Opposition to the Appeal Memorandum dated 12 July 2013” dated 04 October 2013.

The main issue in this appeal is whether the Director correctly sustained the Appellee's opposition to the registration of the mark TEA-RRIFIC LOGO in favor of the Appellant.

Before resolving this issue, this Office noted the points of the Appellant that the Director decided this case on technicalities and that the Director did not rule on the Appellant's motion to set aside the order of default. While it is true that the decision did not contain reference to the motion to set aside the order of default, the Director decided this case not merely on technicalities. A perusal of the decision by the Director shows that he ruled that the Appellant's mark is confusingly similar with the Appellee's trade name which indicates that the Director took into account the Appellant's arguments that the Appellee's trade name and the Appellant's mark are not confusingly similar.

This Office will now resolve the main issue of this case.

Sec. 134 of the Intellectual Property Code of the Philippines ("IP Code") provides in part that:

SEC. 134. Opposition.- Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Subsection 133.2, file with the Office an opposition to the application. x x x

The relevant question, therefore, is whether the Appellee would be damaged by the registration of TEA-RRIFIC LOGO in the name of the Appellant.

The Appellee's trade name is "TEARRIFIC CORPORATION" while the Appellee's mark is reproduced below:



*Appellant's mark*

A trade name means the name or designation identifying or distinguishing an enterprise<sup>4</sup> while a mark means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or

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<sup>4</sup> IP Code, Sec. 121.3.

marked container of goods.<sup>5</sup> In this regard, the Appellee, as the owner of the trade name TEARRIFIC CORPORATION, has a property right over this name, a right *in rem*, which it may assert and protect against the world in the same manner as it may protect its tangible property, real or personal, against trespass or conversion. A trade name is regarded, to a certain extent, as a property right and one which cannot be impaired or defeated by subsequent appropriation by another corporation in the same field.<sup>6</sup>

Thus, Section 165 of the IP Code provided the protection of trade names or business names as follows:

SEC. 165. Trade Names or Business Names.- 165.1. A name or designation may not be used as a trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles of the public as to the nature of the enterprise identified by that name.

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade name, 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.

x x x

In this case, the Appellee has established that it secured the registration of the trade name TEARRIFIC on 25 February 2011. On the other hand, the Appellant filed on 13 September 2011 an application to register TEA-RRIFIC LOGO. Under Sec. 165 of the IP Code, specifically, Sec. 165.2(b), a subsequent use of a trade name by a third party whether as a trade name or a mark that is likely to mislead the public is unlawful. The Director correctly discussed the similarity of TEA-RRIFIC LOGO to the Appellee's trade name.

Practically, the Respondent-Applicant's mark is identical and/or confusingly similar to the Opposer's trade name such that confusion or even deception is likely to occur. The trade name TEARRIFIC and the mark TEA-RRIFIC are exactly the same in spelling and sound alike. The only difference between the two is the use of a hyphen in the Respondent-Applicant's mark which is insignificant. The changes did little in conferring upon the Respondent-Applicant's mark a character that would make it clearly distinct from the Opposer's trade name. Confusing similarity exists when there is such a close ingenuous imitation as to be calculated to deceive ordinary persons, or such resemblance to the original as to deceive ordinary purchasers as to cause him to purchase the one supposing it to be the other. In the instant proceedings, what is being sold by both parties is a beverage product brewed tea which is for immediate consumption, so that a buyer may easily be confused or deceived into thinking that the TEA-RRIFIC brewed tea is a product of the Opposer.<sup>7</sup>

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<sup>5</sup> IP Code, Sec. 121.1.

<sup>6</sup> Philips Export B. V. v. Court of Appeals, G. R. No. 96161, 21 February 1992.

<sup>7</sup> Decision No. 2013-127 dated 12 July 2013 page 3.

The Appellant's subsequent use of the mark TEA-RRIFIC LOGO which is similar to the trade name TEARRIFIC is an unlawful use under the provisions of the IP Code. Significantly, the registration of the Appellants' mark would damage the interests of the Appellee over its trade name and business enterprise. The registration of TEA-RRIFIC LOGO in favor of the Appellant would give it the right to exclude others from using a similar mark or trade name like TEARRIFIC. Allowing the Appellant to register TEA-RRIFIC LOGO means that the Appellant would have the exclusive right to use this mark on the goods and services and those related thereto specified in the certificate of registration. This means that the Appellee would be barred from using a trade name that is similar to the Appellant's mark.

In addition, because of the similarity between the Appellant's mark and the Appellee's trade name, it is likely that the goods and services covered by TEA-RRIFIC LOGO would be associated with the Appellee. There would be a likelihood of confusion as to the source or origin of the products covered by this mark. The way the mark TEA-RRIFIC LOGO is presented gives the impression that the products covered by this mark originated or are sourced from the Appellee.


Regarding the Appellant's claim that "tearrific" is a generic word that everybody can use it and is not subject to exclusive appropriation, this argument only weakens the merit of registering the mark TEARRIFIC LOGO. If "tearrific" is a generic word, then it cannot be registered as a trademark.

Wherefore, premises considered, the appeal is hereby dismissed.

Let a copy of this Decision be furnished to the Director of Bureau of Legal Affairs and the Director of Bureau of Trademarks for their appropriate action and information. Further, let a copy of this Decision be furnished to the library of the Documentation, Information and Technology Transfer Bureau for records purposes.

SO ORDERED.

18 SEP 2014 , Taguig City.

  
RICARDO R. BLANCAFLOR  
Director General