



SHENZHEN PIPO TECHNOLOGY CO., LTD.,
Opposer,

-versus-

HUANG JIN YING,
Respondent-Applicant.

X-----X

IPC No. 14-2013-00193
Opposition to:
Application No.4-2012-011733
Date filed: 24 September 2012
TM: "PIPO"

NOTICE OF DECISION

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HUANG JIN YING
Respondent-Applicant
LEE Tower
921 Sabino Padilla Street
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GREETINGS:

Please be informed that Decision No. 2015 - 27 dated March 12, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, March 12, 2015.

For the Director:

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



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IPC No. 14-2013-00193
Opposition to Trademark
Appln. No. 4-2012-011733
Date Filed: 24 September 2012

Trademark: **"PIPO"**

Decision No. 2015- 27

DECISION

Shenzhen Pipo Technology Co., Ltd.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-011733. The contested application, filed by Huang Jin Ying² ("Respondent-Applicant"), covers the mark "PIPO" for use on *"computer, tablet pc, speaker, portable speaker, microphone, amplifier, radio, headphone, headset, television, digital speaker, dvd, vcd, mp3, mp4, digital player"* under Class 09 of the International Classification of Goods³.

The Opposer alleges that it is a Taiwanese company established in 2003 in Shenzhen, Guangdong Province, People's Republic of China, specializing in providing ODM/OEM manufacturing services to overseas customers. Initially, its key products bearing its trademark and trade name "PIPO" are MP3/MP4 players and digital photo frames and then it started manufacturing e-book readers and tablet personal computers (PCs) in 2009 and 2010, respectively. In 2011, it focused on tablet PCs claiming that it has become one of the world's leading companies in tablet PC business. It then began filing applications for the mark "PIPO" in numerous countries, the first of which was in People's Republic of China on 07 September 2004 by its predecessor-in-interest, Wu Rong. The said application was granted registration on 14 February 2007 under Certificate of Registration No. 4258161. On 02 January 2013, it became the owner of the said trademark registration pursuant to an assignment of trademark. Since 31 January 2013, it has filed applications for registration of "PIPO" in at least ten jurisdictions worldwide. In the Philippines, it alleges to have started using the said mark on 04 October 2011 when the first shipment of its products was sent and delivered.

According to the Opposer, the Respondent-Applicant's adoption of the mark "PIPO" is inconsistent with its right to register its own trademark and trade name. It

¹ A limited liability company incorporated under the laws of the People's Republic of China with principal place of business at Unit 2, 6B, Jiajiahao Building, Yiyuan Road, The North of Shennan Road, Nanshan District, Shenzhen, Guangdong Province, People's Republic of China.

² With known address at Lee Tower, 921 Sabino Padilla Street, Sta. Cruz, Manila.

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.

claims that the consumers will likely believe that Respondent-Applicant's goods originate from, are licensed or authorized or sponsored by it. It contends that any problem or complaint concerning the latter's goods are likely to reflect adversely to it. The Opposer believes that the Respondent-Applicant deliberately imitated its own mark as the latter uses a font/typeface, font size, color logo and a sequence or arrangement identical to its own "PIPO" mark.

In support of its Opposition, the Opposer submitted the affidavit-direct testimony of Mr. Lei Qingshui, with annexes.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon the Respondent-Applicant on 19 September 2013. The Respondent-Applicant did not file an Answer prompting the Hearing Officer to issue Order No. 2013-1661 on 11 December 2013 declaring it in default and the case submitted for decision.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "PIPO", which as shown below, is unquestionably identical to the Opposer's mark.

Opposer's mark

Respondent-Applicant's mark

Records reveal that the Respondent-Applicant filed the contested application on 24 September 2012. On the other hand, the Opposer has no pending application or existing registration in the Philippines. Regardless of this fact, the Opposer is still a proper party of the opposition proceedings in view of the provisions of Section 165.2 of Republic Act No. 8293, also known as the Intellectual property Code of the Philippines ("IP Code"), which states thus:

"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. (Emphasis supplied.)

⁴ Marked as Exhibit "A" to "J", inclusive.

Aptly, the Opposer disputes the right of the Respondent-Applicant to register the contested mark on the issue of ownership.

It is stressed that the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Article 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.**

Further, 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 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, Section 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademarks (Republic 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)"

Section 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 Section 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, Section 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.⁵ 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 **Shangri-la**

⁵ See Section 236 of the IP Code.

International Hotel Management, Ltd. vs. Developers Group of Companies⁶, the Supreme Court held:

"By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark applied for, he has no right to apply the registration off the same."

Corollarily, a registration obtained by a party who is not the owner of the mark may be cancelled. In **Berris v. Norvy Abyadang**⁷, the Supreme Court made the following pronouncement:

"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, 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 case, the Opposer substantially proved its ownership over the mark "PIPO". Aside from the Certificate of Registration No. 458161⁸ issued by the People's Republic of China, it presented a copies of airway bills dated 04 October 2011 and 26 May 2012⁹, showing that it shipped joypads and lithium ion batteries in the Philippines, as well as pictures of its products¹⁰ bearing the "PIPO" mark. Noteworthy, the mark is completely unique and distinct with respect to the goods it covers. As explained in the affidavit of Lei Qingshui¹¹, the term "PIPO" is a transliteration of the Chinese characters of the prominent part of its name in Chinese, pronounced as "PIN" and "BO". Thus, it is highly unlikely that Respondent-Registrant can come up of a mark for use of the same goods as that of the

⁶ G.R. No. 159938, 31 March 2006.

⁷ G.R. No. 183404, 13 October 2010.

⁸ Exhibit "D".

⁹ Exhibits "E" and "E-1".

¹⁰ Exhibits "F" to "J".

¹¹ Exhibit "A".

Opposer's's merely by coincidence. The Respondent-Applicant despite the opportunity given, failed to explain how she arrived at using the mark "PIPO" as it failed to file a Verified Answer.

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. To allow Respondent-Applicant to register the subject mark, despite its obvious bad faith, will trademark registration simply a contest as to who files an application first with the Office.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-011733 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, 12 March 2015.


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