



GALVAPHIL INCORPORATED,
Petitioner,

-versus-

PAN PLY MARKETING CORP.,
Respondent-Registrant.

} **IPC No. 14-2014-00204**
} **Cancellation of:**
} **Reg. No. 4-2013-00000218**
} **Date Issued: 16 May 2013**
} **TM: "TAMARAW"**

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NOTICE OF DECISION

ATTY. MONTINI FELICILDA/CILDA Law
Counsel for Petitioner
Unit 1902-A Philippine Stock Exchange
East Tower, Exchange Road, Ortigas Center
Pasig City

**ESCAÑO SARMIENTO & PARTNERS
LAW OFFICES**
Counsel for Respondent-Registrant
Suite 1605, 16/F, The Taipan Place
F. Ortigas Jr. Road, Ortigas Center
1605 Pasig City

GREETINGS:

Please be informed that Decision No. 2015 - 112 dated June 16, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 16, 2015.

For the Director:

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



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- versus -

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IPC No. 14-2014-00204

Cancellation of:

Reg. No. 4-2013-00000218

Date Issued: 16 May 2013

Trademark: **"TAMARAW"**

Decision No. 2015 - 112

DECISION

GALVAPHIL INCORPORATED ("Petitioner")¹ filed a petition for cancellation of Trademark Registration No. 4-2013-000000218. The registration, issued to PANPLY MARKETING CORP. (Respondent-Registrant)², covers the mark "TAMARAW" for use of goods under classes 06 namely: steel bar, angle bar, steel plate, GI sheet (plain and corrugated); and, 19 namely: plywood, plyboard, phenilic board, wood board, gypsum board, acoustic board, lawanit, MDF, particle board, fiberboard & cement board.³

The following are the pertinent allegations in the petition:

"6. Without legal right and title, Respondent was able to register the TAMARAW trademark for the following goods:

(6.a) Class 06: Steel bar, angle bar, steel plate, GI sheet (plain and corrugated);

(6.b) Class 19: Plywood, plyboard, phenilic board, wood board, gypsum board, acoustic board, lawanit, MDF, particle board, fiberboard & cement board.

"7. Respondent was issued by the Bureau of Trademarks-IPO (hereafter, the BOT-IPO) Certificate of Registration No. 4-2013-00000218 (issued on 16 May 2013) for the TAMARAW mark.

x x x

"9. Prior to the date of issuance and even the application date of the Respondent's TAMARAW mark, herein Petitioner GALVAPHIL INCORPORATED has adopted, used and continuously use the TAMARAW mark for galvanized iron sheets, plain and corrugated, and is in fact, the registered owner of the same TAMARAW mark under Certificate of Registration No. 4-2002-009694 with registration date of 05 December 2004, or around nine (9) years ahead of Respondent's mark filing date of 01 September 2013.

x x x

¹ A domestic corporation duly organized and existing under Philippine laws having principal place of business located at Unit 1903-B Philippine Stock Exchange-East Tower, Exchange Road, Ortigas Center, Pasig City.

² With address at Room 1401 Elcano Plaza, No. 622 Elcano Street, Binondo, Manila.

³ 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.

"14. Respondent's TAMARAW mark is identical/similar to Petitioner's TAMARAW mark for the same goods: Galvanized Iron (GI) sheets, plain and corrugated, under Class 06 of the Nice Classification and therefore, likely to deceive or cause confusion.

x x x

"16. Petitioner believes that it will be damaged (if not already damaged) by the registration and/or continued registration of Respondent's TAMARAW mark through loss of goodwill, reputation and loss of income.

"17. Herein Petitioner is the true owner, prior adopter/user/appropriator and registrant of the TAMARAW mark for GI sheets (plain and corrugated) under Certificate of Registration No. 4-2002-009694."

The Petitioner's evidence consists of the following:

1. Affidavit-Testimony of Michael Dave T. Uy;
2. Petitioner's Articles of Incorporation and By-laws;
3. Respondent-Registrant's Articles of Incorporation and By-laws;
4. Respondent's TAMARAW Certificate of Registration;
5. Petitioner's TAMARAW Certificate of Registration;
6. Davao Steel Corporation's (DASCO) letterhead showing TAMARAW mark/device;
7. Contract of Lease;
8. Deed of Absolute Sale;
9. Bureau of Product Standard-Department of Trade and Industry (BPS-DTI) Certification for TAMARAW;
10. BPS-DTI list of PS Quality Mark Licensees of LUVISMIN as registrant-owner of TAMARAW brand for GI sheets;
11. Request for Test filed with BPS-DTI;
12. TAMARAW trademark application;
13. Notice of Allowance and Payment of Publication Fee and Notice of Issuance and Publication Fee of TAMARAW
14. Registrability Report and Answer Re: Applicant's Change of Name from Juanilo Uy/Luvismin Industrial Marketing Corp. to Galvaphil Inc.;
15. Memorandum of Agreement on Bulk Sale of Assets between LUVISMIN and Galvaphil;
16. BPS-DTI listing of Philippine Standard Quality Certification Mark Certified Licensees showing Galvaphil as owner of TAMARAW mark;
17. Photographs of modern and updated facility and machinery of Galvaphil;
18. Step-by-step process of GI sheets production of GI sheets, plain and corrugated;
19. Representative samples of Sales Invoices, Delivery Orders and Bill of Ladings of TAMARAW branded GI sheets by Galvaphil to various commercial customers;
20. Earliest Delivery Order dated as early as 1995;
21. Certifications of commercial customers of Galvaphil as to the latter's ownership and source of TAMARAW products; and,
22. Print-outs of web pages of Respondent's website.

On 07 July 2014, Respondent-Registrant filed its Answer containing among others the following Affirmative Allegations:

"A. Petitioner failed to file Declarations of Actual use for its TAMARAW mark resulting in the abandonment and cancellation of its mark by operation of law.

"B. Respondent is the true and valid owner of the 'TAMARAW' mark under Registration No. 4-2013-000218.

"4.7 Respondent finds it necessary to clarify the matters in this case, as petitioner alleged irrelevant facts that may cloud the issue. As already clarified, petitioner's mark had already been cancelled by operation of law for its failure to file Declarations of Actual Use. It should also be clarified that respondent's Trademark Registration No. 4-2013-000218 cover a completely distinct mark from petitioner's cancelled mark. There is no basis to petitioner's allegation that respondent is a copycat. On page three of the petition, the undeniable distinction between the two marks is evident.

"4.8 Respondent is also not a mere distributor of the goods branded with its Tamaraw mark. Petitioner mislead this Honorable Office when it says that respondent is a mere middleman. Respondent, like any other business, sources its raw materials from different suppliers. This does not make it a middleman. Respondent owns its own line of goods that it branded 'Tamara'. Neither is respondent precluded from introducing its own brand of goods even if it is not the manufacturer, provided the mark and its goodwill are owned by it.

"4.9 It is also of no moment that respondent deals primarily in timber products. Its business extends to construction materials. Moreover, ownership of intellectual property does not depend on corporate papers, but on the fact that intellectual property was created and owned by the registrant. In this regard, respondent complied with the registrability requirements of Section 123 of the IP Code.

"4.10 What is significant from the evidence presented by petitioner is it does not even present evidence pertaining to its cancelled mark. While it claims ownership, petitioner's exhibits do not even correspond to the 'Tamaraw' mark design as indicated in the cancelled registration. What appears in the registration is a plain text of 'Tamaraw'. However, various unprotected logo designs distinct from the one registered appear in petitioner's exhibits. Petitioner presented invoices that does not bear the 'Tamaraw' mark.

Respondent-Registrant, on its part, submitted its lone evidence consisting of a Certification⁴ issued by Ana Maida J. Zamora of the Bureau of Trademarks,⁵ stating that Trademark Registration No. 4-2002-0096964 (Registrant: GALVAPHIL INC.) issued on 05 December 2004 was removed from registry on the ground of non-filing of 5th anniversary Declaration of Actual Use ("DAU").

Thereafter, the Preliminary Conference was held and terminated on 05 November 2014. The Petitioner and the Respondent-Registrant filed their position papers on 25 and 17 November 2014, respectively.

Should Respondent-Registrant's trademark TAMARAW and DEVICE be cancelled?

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 out into the market a superior 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.⁶

⁴ Dated 27 June 2014 at Taguig City, Philippines.

⁵ Administrative Officer V, Bureau of Trademarks, Intellectual Property Office.

⁶ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

Section 151.1, Republic Act No. 8293, also known as the Intellectual Property Code ("IP Code") provides:

x x x 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:

x x x

(b) At any time, if the registered mark becomes 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. x x x

In relation, Sec. 123.1 (d) of the IP Code provides:

A mark cannot be registered if it:

x x x

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

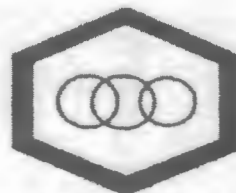
- (i) The same goods or services, or
- (ii) Closely related goods or services, or
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;

Records show that the Petitioner was issued on 05 December 2004 Certificate of Registration No. 4-2002-009694 for the mark TAMARAW.⁷ However, the trademark registration was removed from the Trademark Registry for failure of the Petitioner to file the required DAU. The Respondent-Registrant, on the other hand, filed its application for the registration of the mark TAMARAW on 09 January 2013. On 16 May 2013, Certificate of Reg. No. 4-2013-000218 was issued to the Respondent-Registrant.

The competing marks are hereby reproduced below for comparison:

TAMARAW

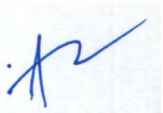
Petitioner's Mark



TAMARAW

Respondent-Registrant's Mark

⁷ Exhibit "G" of Petitioner.



The contending marks contain the identical word mark TAMARAW. While the Respondent-Registrant's mark also features a device above the word mark TAMARAW, this is not sufficient to distinguish the two marks. What defines both marks is the word TAMARAW. The device is inconsequential because the mark is unique. It has no relation to the kind, nature or purpose of the goods involved, and therefore is a highly distinctive mark.

Thus, the competing marks being used on goods that are similar or closely related to each other, and which cater to same cluster of purchasers and flow on the same channels of trade, particularly that falling under Classes 06 and 19. 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:⁸

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 which, in fact does not exist.

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.⁹

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 of trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Member 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).

⁸ Converse Rubber Corporation v. Universal Rubber Products Inc., et al., G.R. No. L-27906, 08 Jan. 1987.

⁹ Pribhdas J.Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999.

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 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 prescribed 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 Trademark (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguish 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 provision 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 validly in accordance with the provision 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.¹⁰ The registration system is not to be used in committing or perpetrating an unjust and unfair claim. A

¹⁰ See Sec. 236, IP Code.

trademark is an industrial property and the owner thereof has property right 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 Machinery Co. Ltd.*¹¹, the Supreme Court held:

RA 8293 espouses the "first-to-file" rule as stated under Sec. 123.1(d) which states:

x x x

Under this provision, 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 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, 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. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

In this instance, the Petitioner proved that it is the owner of the contested mark. It has submitted evidence relating to its ownership, from the creation of the instant mark up to its legal acquisition¹². The mark TAMARAW was originally created, adopted and used by Davao Steel Corporation in 1962¹³, was leased and later sold, including all its assets, to Luvismin Industrial Marketing Corporation in 1975¹⁴. Luvismin in turn, in bulk sale of assets, became the predecessor of the Petitioner.¹⁵ The Petitioner has likewise shown sufficient proof of its continued operation through improvements of its facilities and machinery¹⁶, detailed process of production¹⁷, documents on BPS product Certification Scheme¹⁸ and Philippine Standard Quality Certification Mark for its brand name TAMARAW by the Department of Trade and Industry¹⁹, prior and continuous commercial use, adoption and appropriation of the

¹¹ G.R. No. 184850, 20 October 2010.
¹² Exhibits "H", "I", "J", "W", "X" and "Y" of Petitioner.
¹³ Exhibit "H" of Petitioner.
¹⁴ Exhibits "I" and "J" of Petitioner.
¹⁵ Exhibits "W", "X" and "Y" of Petitioner.
¹⁶ Exhibits "AA" to "DD" of Petitioner.
¹⁷ Exhibits "EE" to "HHH" of Petitioner.
¹⁸ Exhibits "M" to "S" of Petitioner.
¹⁹ Exhibit "Z" of Petitioner.

TAMARAW mark for GI sheets, consisting of representative samples of sales invoices, delivery orders and bill of lading covering the sale and shipment of TAMARAW branded GI sheets to various commercial customers.²⁰

Thus, to allow the continued registration of Respondent-Registrant is to cause confusion to the public of the presence of identical marks on goods that are covered by Petitioner's mark or goods closely related thereto, it will also deprive the true and actual owner of the mark. It is of no moment that in the Trademark Registry, the contents of which this Bureau can take cognizance of via judicial notice, as well as in the Certification issued by the Administrative Officer of the Bureau of Trademarks²¹, the status of Reg. No.4-2002-009694 is "cancelled". The Petitioner proved that the Respondent-Registrant was not the actual owner and user of the subject mark long before the filing of the said mark. The Petitioner has never abandoned the use of the mark as shown by its continuous and actual use of the mark TAMARAW on its business.

In contrast, Respondent-Registrant did not give sufficient explanation in adopting and using the trademark TAMARAW. As discussed above, the mark is unique and highly distinctive with respect to the goods it is attached with. It is incredible for the Respondent-Registrant to have come up with the same mark practically for similar goods by pure coincidence. It did not even submit evidence that it has been using the mark even before and after it filed and the subject mark. Clearly, the Respondent-Registrant is not the owner of the mark.


Succinctly, the field from which a person may select a trademark is practically unlimited. As in all other cases of colorable imitations, the unanswered riddle is why, of the million of terms and combination of letters and designs available, the Respondent-Applicant had to 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.²²

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.

WHEREFORE, premises considered, the instant Petition to Trademark Registration No. 4-2013-00000218 is hereby **GRANTED**. 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, 16 June 2015.


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

²⁰ Exhibits "OOO" to "MMMM" of Petitioner

²¹ Exhibit "1" of Respondent-Registrant.

²² American Wire & Cable Company v. Director of Patents, G.R. No. L-26557, 18 February 1970.