

**ASIA'S UNIQUE RESORTS ALLIANCE
MANAGEMENT INC., doing business as
AURA HOTELS AND RESORTS,**
Opposer,

-versus-

RACHER SNV INC.,
Respondent -Applicant.

X-----X

} **IPC No. 14-2015-00261**
} Opposition to:
} Appln. Serial No. 4-2015-002647
} Date Filed: 11 March 2015
} **TM: "AURA"**

NOTICE OF DECISION

BETITA CABILAO CASUELA SARMIENTO
Counsel for Opposer
Suite 1104, Page One Building
1215 Acacia Avenue
Madrigal Business Park
Ayala Alabang, Muntinlupa City

MARILYN P. MENCHAVEZ
Respondent-Applicant's Agent on Record
7000 Santol Street, Mon-El Subdivision
Dr. A. Santos Avenue, Paranaque City
Metro Manila

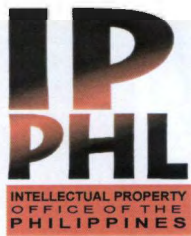
GREETINGS:

Please be informed that Decision No. 2016 - 161 dated May 31, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, May 31, 2016.

For the Director:


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



ASIA'S UNIQUE RESORTS ALLIANCE }
 MANAGEMENT INC., doing business as }
 AURA HOTELS AND RESORTS }
 }
 } *Opposer,* }
 }
 } *-versus-* }
 }
 }
 }
 } RACHER SNV INC., }
 }
 } *Respondent-Applicant.* }
 }
 x-----x

IPC No. 14-2015-00261
 Case Filed: 10 July 2015
 Opposition to:
 Application No. 4-2015-002647
 Date Filed: 11 March 2015
 Trademark: "AURA"

Decision No. 2016- 161

DECISION

ASIA'S UNIQUE RESORTS ALLIANCE MANAGEMENT INC.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2015-002647. The application, filed by Racher SNV Inc.² ("Respondent-Applicant"), covers the mark "AURA" for use on "hotel, motel, restaurant, bar and catering services" under Class 05 of the International Classification of Goods and Services.³

The Opposer alleges:

x x x

"I. The grounds for the opposition are as follows:

"1. The registration of the AURA mark is contrary to the provisions of Section 123.1 (g) and Sections 165.2 (a) and (b) of Republic Act No. 8293 otherwise known as the Intellectual Property Code of the Philippines ('IP Code'), as amended, which prohibit the registration of a mark that:

x x x

"2. The Opposer is the owner of the business name AURA HOTELS AND RESORTS, which business name is registered with the Securities and Exchange Commission. The Opposer is widely known to be behind the success of leading hotels and resorts all over the Philippines particularly in Manila, Boracay and Busuanga.

"3. Respondent's AURA mark will make it appear that Respondent is affiliated to the Opposer, thereby falsely suggesting a connection, association or affiliation with the Opposer when in fact there is none.

"4. Confusion is all more likely considering that Respondent's AURA mark is applied for registration for services in class 43, the same and/or related services in

¹A corporation duly organized and existing under the laws of the Philippines with business address at Unit 809 Peninsula Court Building, 8735 Paseo De Roxas corner Makati Avenue, Makati City, Metro Manila, Philippines 1200.
²With address at 7000 Santol St., Mon-El Subd., Dr. A. Santos Avenue, Paranaque City, Metro Manila, Philippines.
³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on a 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 Purposes of the Registration of Marks concluded in 1957.

which the Opposer is engaged in using its business name AURA HOTELS AND RESORTS.

"5. The exclusive right given to the Opposer for its trade name AURA HOTELS AND RESORTS would be negated by the registration of Respondent's AURA mark. 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 rights to use the same in connection with the services and those that are related thereto specified in the certificate.

"6. Respondent's use of the AURA mark will deceive consumers by suggesting a connection, association or affiliation with the Opposer, thereby causing substantial damage to the goodwill and reputation associated with the Opposer's AURA HOTELS AND RESORTS trade name. The Respondent intends to exploit the goodwill associated with the trade name AURA HOTELS AND RESORTS. Hence, the registration of the Respondent's AURA mark will be contrary to Section 123.1 (g) and Sections 165.2 (a) and (b) of the IP Code.

"7. Section 155 of the IP Code provides for the legal remedies against trademark infringement. Thus:

x x x

"8. In *Coffee Partners, Inc. vs. San Francisco Coffee and Roastery, Inc.*, the Honorable Supreme Court ruled that the IP Code dispensed with registration of a trade name with the IPO as a requirement for the filing of an action for infringement. All that is required is that the trade name was previously used in trade or commerce in the Philippines. The Honorable Supreme Court further ruled that:

x x x

"9. This Honorable Office has recognized the superior right of the owner of the trade name in its decision in *Tearrific Corporation vs. The Mango Farm Corporation*, ruled that:

x x x

"10. Opposer has used the trade name AURA HOTELS AND RESORTS as early as November 2010. The use of this trade name commenced way prior to the filing date of the application of the subject of this opposition. At present, Opposer continues to use AURA HOTELS AND RESORTS in the Philippines. As the Director General stated in the case of *Tearrific Corporation vs. The Mango Farm Corporation*, it is highly improbable for another person to come up with an identical or nearly identical mark for use on the same or related services purely by coincidence.

"11. Opposer has extensively used and promoted its trade name in the Philippines. Over the years, Opposer has obtained significant exposure for the services upon which AURA HOTELS AND RESORTS are used in various media and other promotional events. Opposer also maintains the website www.aurahotelsandresorts.com.

"12. Opposer has not consented to the Respondent's use and registration of the AURA mark or any other mark identical or similar to the Opposer's trade name.

"13. Respondent's use of the AURA mark would deceive consumers into believing that the services rendered by Respondent originate from or are under the sponsorship or affiliated with the Opposer. Therefore, potential damage to the Opposer will be caused as a result of the Opposer's inability to control the quality of the service that will be rendered by the Respondent.

"14. The denial of the Respondent's application for the AURA mark under Trademark Application No. 4-2015-002647 by this Honorable Office is authorized and warranted under the provisions of IP Code.

The Opposer's evidence consists of the Notice of Opposition; the affidavit of Etienne Bernard La'Brooy; the Special Power of Attorney signed by Etienne Bernard La'Brooy and the Secretary's Certificate of Mary Rose Melo Paggabao, the Corporate Secretary of Opposer.⁴

This Bureau issued a Notice to Answer and served a copy thereof upon Respondent-Applicant on 07 August 2015. Said Respondent-Applicant, however, did not file an Answer.

Should the Respondent-Applicant be allowed to register the trademark AURA?

The Opposer anchors its opposition on Sections 123.1, paragraph (6), 165.2 (a) and (b) of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), to wit:

Sec. 123.Registrability. - 123.1. A mark cannot be registered if it:

x x x

(g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

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.

Hence, the question, does AURA resemble Opposer's trade name AURA HOTELS & RESORTS such that confusion or deception is likely to occur? The competing trade name and mark are shown below:

⁴Marked as Exhibits "A" to "D".



AURA

Opposer's trade name

Respondent-Applicant's mark

The mark sought to be registered by Respondent-Applicant is identical and used on similar and/or closely related services, particularly, in the operation of hotels, resorts and restaurants. Thus, it is likely that the consumers will have the impression that these services and facilities originate from a single proprietor or party. 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:

Callman notes two types of confusion. The first is the confusion of goods in which event the ordinary 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. 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.⁵

It is emphasized that 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.⁶ This Bureau finds that the Respondent-Applicant's mark does not meet this function.

Also, Opposer has been using AURA as trade name or business name since November 2010. As a trade name, AURA is protected under Section 165 of the IP Code, to wit:

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 or the public as to the nature of the enterprise identified by that name.

⁵ Converse Rubber Corp. v. Universal Rubber Products, Inc. et. al., G.R. No. L-27906, 08 Jan. 1987.

⁶ *Pribhdas J. Mirpuri v. Court of Appeals*, G.R. No. 114508, 19 November 1999, citing *Eihepa v. Director of Patents, supra, Gabriel v. Perez*, 55 SCRA 406 (1974). See also Article 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

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.

165.3. The remedies provided for in Sections 153 to 156 and Sections 166 and 167 shall apply mutatis mutandis.

165.4. Any change in the ownership of a trade name shall be made with the transfer of the enterprise or part thereof identified by that name. The provisions of Subsections 149.2 to 149.4 shall apply mutatis mutandis.


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 millions of terms and combinations 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.⁷ In this regard, a trade name can also earn or generate goodwill.

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 Opposition to Trademark Application No. 4-2015-002647 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, 31 MAY 2016.


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

⁷ *American Wire & Cable Company v. Director of Patents*, G.R. No. L-26557, 18 Feb. 1970.