

MERIDA INDUSTRY CO. LTD.,  
Opposer,

**-versus-**

GUO WEI HAO,  
Respondent- Applicant.

x-----x

}  
} **IPC No. 14-2012-00125**  
} Opposition to:  
} Appln. Serial No. 4-2011-002315  
} Date Filed: 02 March 2011  
} **TM: "MERIDA & LOGO"**

**NOTICE OF DECISION**

**VIRGILAW**  
(Virgilio M. Del Rosario & Partners)  
Counsel for Opposer  
The Peak, Unit 602, 107 L.P. Leviste Street  
Salcedo Village, Makati City

**CLARENCE CLIFFORD K. DE GUZMAN**  
Counsel for Respondent- Applicant  
146 Tenth Street, New Manila  
Quezon City

**GREETINGS:**

Please be informed that Decision No. 2016 - 232 dated June 30, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 01, 2016.

For the Director:

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

MERIDA INDUSTRY CO. LTD.,	}	IPC No. 14-2012-00125
Opposer,	}	Opposition to:
	}	
-versus-	}	App. Ser. No. 4-2011-002315
	}	Date Filed: 02 March 2011
GUO WEI HAO,	}	Trademark: "MERIDA & LOGO"
Respondent-Applicant.	}	
x-----x		Decision No. 2016 - <u>232</u>

**DECISION**

MERIDA INDUSTRY CO. LTD. ("Opposer")<sup>1</sup> filed an Opposition to Trademark Application Serial No. 4-2011-002315. The application file by GUO WEI HAO ("Respondent-Applicant")<sup>2</sup>, covers the mark "MERIDA & LOGO" for use on goods such as " *bicycle parts namely, bells, brakes, carriers for vehicles, chains, frames, handle bar grips, gears, kickstands, seatpost, pedals, wheels, seats, water bottle cages, rims, saddles, sprockets, pumps, drive chains, change speed gears, forks & front fork joints, disk wheels, tube and connectors for bicycle frames, bicycles and bicycle parts thereof*" under class 12<sup>3</sup>.

Opposer alleges the following:

"The Opposer is the owner, prior user and prior registrant of the mark MERIDA and DEVICE, the said mark being well-known internationally and in the Philippines.

"The mark MERIDA & LOGO of the Respondent is confusingly similar to the Opposer's well-known mark MERIDA and covers identical/related goods.

"The registration of the mark MERIDA & LOGO in the name of Respondent is proscribed under the IP Code because it is identical and/or confusingly similar to the Company/Opposer's well-known MERIDA mark and its family of marks covering identical/closely related goods.

"The registration of the mark MERIDA & LOGO in the name of Respondent is proscribed under the IP Code because it is likely to mislead the public that the

<sup>1</sup> A corporation organized and existing under the laws of Taiwan, R.O.C. with address at No. 116 Meei Gaang Rd. Meei Gaang Tsuen, Ta Tsuen, Chang Wa Hsien, Taiwan R.O.C.

<sup>2</sup> A Chinese citizen with address at Unit 19L No. 530 Santo Cristo Street, Binondo, Manila.

<sup>3</sup>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.

Respondent's business is affiliated with or is under the sponsorship of the Company/Opposer.

" The term MERIDA is a Trade Name of the Opposer which must be protected.

"Judicial and administrative decisions worldwide declaring the Opposer as the owner of the distinctive and well known 'MERIDA AND DEVICE' should be recognized in this jurisdiction."

The Opposer's of evidence consists of the following:

1. Printout from IPOPHL's Trademark Database of Respondent's Application for Registration of the mark MERIDA & LOGO;
2. Special Power of Attorney of VERALAW;
3. Photographs of Opposer's MERIDA bikes;
4. Photographs of MERIDA stores in China, Taiwan and United Kingdom;
5. Photos of exhibits of MERIDA products in China;
6. Copies of the worldwide advertisements for MERIDA bikes;
7. Brochures for MERIDA products;
8. Photos of an athlete in 2008 Olympics sponsored by MERIDA;
9. Copy of brochures of tournaments organized by Opposer;
10. Photo of Jose Antonio Hermida advertising the MERIDA mark;
11. Compact disc containing videos of various MERIDA advertisements, activities and exhibitions;
12. Copies of sales receipts in the Philippines;
13. Copies of invoices issued in different jurisdictions covering years 2008-2011;
14. Outline of the history of the MERIDA Company;
15. Photographs of trophies received by MERIDA Company;
16. Certified copy of certificates of registration for MERIDA AND DEVICE issued in Taiwan, United States of America and Australia;
17. Printout details of registrations for the mark MERIDA AND DEVICE issued in Singapore, European Union and Canada from online trademark database;
18. Copy of Grant of Opposition issued in Indonesia; and
19. Authenticated Affidavit -Direct Testimony of Song Chu TSENG.

This Bureau issued a Notice to Answer on 11 June 2012 and served the same to Respondent-Applicant on 18 June 2012. After two motions for extension, Respondent-Applicant filed the Answer on 06 September 2012 alleging the following Affirmative Allegations and Defenses:

"I. Respondent-Applicant is the first user and adopter if the mark 'MERIDA & LOGO';

"II. MERIDA is not an internationally well-known mark;

"III. The doctrine of nationality and territoriality applies to the trademark application of Respondent-Applicant."



Respondent-Applicant's evidence consists of the following:

1. Copy of Sales Invoice issued by Hong Ping Marketing dated 11 July 2004;
2. Copy of Sales Invoice issued by Hong Ping Marketing dated 15 July 2004; and
3. Merida sticker.

On 06 September 2012 , Opposer filed a Reply. Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation. On 11 November 2012, the Bureau's ADR Services submitted a report that the Opposer refused to submit the case to mediation. The preliminary conference was terminated on 05 February 2013 and the parties were directed to submit position papers. On 22 February 2013, Respondent-Applicant filed his Position Paper while Opposer did so on 01 March 2013.

Should the Respondent-Applicant be allowed to register the mar **MERIDA & LOGO**?

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

SECTION 123. Registrability. — 123.1. 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;

The parties marks are herein reproduced:



Opposer's Mark



Respondent-Applicant's Mark

Indubitably, the marks of the parties are confusingly similar because both marks contain the word MERIDA and a similar device. Although a slight difference can be observed in terms of the color used by Respondent-Applicant in the device of its mark, such difference is very trivial to get away from a finding of confusing similarity. In addition, Opposer's mark is used on goods such as " *bicycles, folding bicycles, electric bicycles and electric folding bicycles, and structural parts therefor; parts and accessories for bicycles, folding bicycles, electric bicycles and electric folding bicycles, including frames, handlebars, handlebar stems, headsets, derailleurs, gears, saddles, saddle*

*covers, saddlebags, seat posts, seat tubes, pedals, cranks, wheels, tubes, tires, rims, spokes, forks, carriers, mudguards, chains, chain guards, bells, hubs, brakes and levers, toe straps and clips; suspension systems for bicycles; motors for electric bicycles" under Class 12. On the other hand, Respondent-Applicant's mark is used on " bicycle parts namely, bells, brakes, carriers for vehicles, chains, frames, handle bar grips, gears, kickstands, seatpost, pedals, wheels, seats, water bottle cages, rims, saddles, sprockets, pumps, drive chains, change speed gears, forks & front fork joints, disk wheels, tube and connectors for bicycle frames, bicycles and bicycle parts thereof ". As such, the parties deal with similar and/or related goods.*

But who between Opposer and Respondent-Applicant has a better right over the mark MERIDA?

Records will show that at the time the Respondent-Applicant filed its trademark application on 02 March 2011, Opposer has no trademark registration or pending application for the mark MERIDA in the Philippines. Thus, it would seem that Respondent-Applicant has priority right under the first-to-file rule. However, a further scrutiny of the records of this case would show that Opposer has existing registrations of its mark MERIDA & DEVICE in Taiwan, R.O.C, U.S.A. and Australia dating back to 2000 and 2001 respectively.

What is more, the word "MERIDA" in Respondent-Applicant's trademark is Opposer's trade name since 1972 when the company was established in Taiwan. Thus, the registration of the Respondent-Applicant's MERIDA & LOGO mark, which is confusingly similar to Opposer's trade name, adopted and used prior its application for trademark, is contrary to the provisions of the IP Code and is damaging and prejudicial to the best interest of the Opposer.

Section 165 of the IP Code states that:

Sec. 165. Trade Names or Business Names. -

x x x

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.

Furthermore, The right to register trademarks, trade names and service marks by any person, corporation, partnership or association domiciled in the Philippines or in any foreign country, is based on ownership, and the burden is upon the applicant to prove such ownership.<sup>4</sup> While Republic Act No. 8293 espouses the first-to-file rule as stated under Sec. 123.1(d) which means that 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 R.A. No. 8293 removed the previous requirement of proof of

<sup>4</sup> *Marvex Commercial Co., Inc. vs. Petra Hawpia, G.R. No. L-19297, promulgated on December 22, 1966 citing Operators, Inc. vs. Director of Patents.*



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.<sup>5</sup>

In *E.Y. Industrial Sales, Inc. et. Al. v. Shendar Electricity and Machinery Co. Ltd.*, the Supreme Court held:

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.**

x x x x

Ownership of a mark or trade name may be acquired not necessarily by registration but by adoption and use in trade or commerce. As between actual use of a mark without registration, and registration of the mark without actual use thereof, the former prevails over the latter. For a rule widely accepted and firmly entrenched, because it has come down through the years, is that **actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership.**

x x x x

**By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same.** Registration merely creates a prima facie presumption of the validity of the registration, of the registrants ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

Clearly, it is not the application of the mark which confers ownership. A trademark is a creation of use and belongs to one who first used it in trade or commerce.<sup>6</sup> "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

<sup>5</sup> *Supra.*

<sup>6</sup> *Berris v. Norvy Abdayang, G.R. No. 183404, October 13, 2010.*

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."<sup>7</sup> Opposer has used in commerce the mark MERIDA AND DEVICE since 1972 and continuously using it up to the present. Thus, while Respondent-Applicant was first to file the application for registration of the trademark MERIDA & LOGO, the Opposer as the true owner of the mark has the right and can oppose the application of the mark filed by Respondent-Applicant.


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.<sup>8</sup>

Accordingly, this Bureau finds that the Respondent-Applicant's trademark application is proscribed by the IP Code.

**WHEREFORE**, premises considered, the instant opposition is hereby **SUSTAINED**. Let the filewrapper of Trademark Application Serial No. 4-2011-002315, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

**SO ORDERED.**

Taguig City **30 JUN 2016**

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

<sup>7</sup> See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 25 June 2016.

<sup>8</sup> *Supra*.