

FOREST STEWARDSHIP COUNCIL, A.C.,
Opposer,

-versus-

VAN HAWK PAPER PHILS., INC.,
Respondent- Applicant.

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IPC No. 14-2015-00266
Opposition to:
Appln. Serial No. 4-2014-011034
Date Filed: 04 September 2014
**TM: "FSC-FORESTER
SUPER COPY"**

NOTICE OF DECISION

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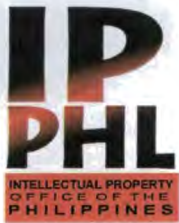
GREETINGS:

Please be informed that Decision No. 2016 - 255 dated July 14, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, July 14, 2016.

For the Director:


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



FOREST STEWARDSHIP COUNCIL, A.C.,
Opposers,

-versus-

IPC No. 14-2015-00266
Opposition to Trademark
Application No. 4-2014-011034
Date Filed: 04 September 2014

VAN HAWK PAPER PHILS., INC.,
Respondent-Applicant.

Trademark: **"FSC - FORESTER
SUPER COPY"**

X -----X

Decision No. 2016- 255

DECISION

Forest Stewardship Council, A.C.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2014-011034. The contested application, filed by Van Hawk Paper Phils., Inc.² ("Respondent-Applicant"), covers the mark "FSC – FORESTER SUPER COPY" for use on "*copy paper in ream*" under Class 16 of the International Classification of Goods³.

The Opposer anchors its opposition on Section 123.1 (d) and (f) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"). It alleges, among others, that the tradename "FOREST STEWARDSHIP COUNCIL" was first used in 1990 during the first meeting of a group of timber users, traders and representatives of environmental and human rights organizations in California. It was founded in February 1994 in Oaxaca, Mexico as a reaction to the non-consensus reached in the 1992 Earth Summit held in Rio de Janeiro, Brazil. It allows the use of its trademarks to those companies who manufacture their goods through sustainable practices and resources, thus providing a guarantee to consumers that the products they buy come from responsible resources. Its trademarks "FSC", "FOREST STEWARDSHIP COUNCIL" and the "CHECKMARK-AND-TREE" logo are, therefore essential to the whole FSC system. Its stringent processes and procedures ensure that when its trademark is used, customers will be confident that they are getting environmentally and socially responsible material or product.

According to the Opposer, it registered and/or applied for registration its marks in various jurisdictions. In the Philippines, its trademarks are also established and well-known through collaboration with its partners. On 11 September 2014, it filed in this Office applications for registration of "FOREST STEWARDSHIP COUNCIL", "FSC" and a composite mark consisting of "FSC" and a logo of a tree. It thus

¹A global non-profit organization existing under the laws of Mexico with address at Calle Margarita Maza de Juarez #422 Col. Centro, 68000 Oaxaca, Mexico.

²A domestic corporation with office address at 233 McArthur Highway, Karuhatan, Valenzuela City, Metro Manila.

³The 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.

contends that the Respondent-Applicant's mark should not be allowed registration as the same is identical or confusingly similar with its marks. In support of its opposition, the Opposer submitted the printout of the E-Gazette publication concerning the Respondent-Applicant's mark and the affidavit of its Director General, Mr. Kim Becker Carstensen, with annexes.⁴

A Notice to Answer was issued and served upon the Respondent-Applicant on 04 September 2015. The latter, however, did not file its Answer. Thus, on 07 March 2016, the Hearing Officer issued Order No. 2016-395 declaring Respondent-Applicant in default and the case submitted for resolution.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "FSC – FORESTER SUPER COPY".

To determine whether the marks are identical, the same are hereby reproduced as follows:

Opposer's marks:

FSC

FOREST STEWARDSHIP COUNCIL



⁴ Marked as Exhibits "B" and "C", inclusive.

Respondent-Applicant's mark:



The prevalent feature of the Opposer's marks is the letter combination "FSC", whether alone or with a tree device. The Respondent-Applicant's mark features the same elements. Despite the differences in presentation, the competing marks remain visually and aurally similar. After all, confusion cannot be avoided by merely adding, removing or changing some letters of a registered mark. Confusing similarity exists when there is such a close or 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.⁵ Since the Respondent-Applicant will use or uses the mark "FSC – FORESTER SUPER COPY" to paper products, which are similar and/or closely related to that of Opposer's mark, any slight differences in presentation will not diminish the likelihood of the occurrence of confusion, mistake and/or deception.

In this regard, Section 123.1 (d) of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code") provides that:

"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; x x x"***

As to who between the parties have the right to register the mark "FSC", records reveal that the Respondent-Applicant filed an application for registration of the mark "FSC – FORESTER SUPER COPY" on 04 September 2014. The Opposer, on the other hand, filed its trademark applications on 11 September 2014. Aply, the

⁵ Societe des Produits Nestle, S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

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 (Rep. 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.⁶ 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

⁶ See Section 236 of the IP Code.

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 International Hotel Management, Ltd. vs. Developers Group of Companies**⁷, 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**⁸, 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 of 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 clearly proved that it has used and appropriated the mark "FSC" even before the Respondent-Applicant filed the contested application. Its registrations of the marks in Mexico have submission dates as early as 11 September 1996. Its registrations in various other countries corroborate its claim of prior use. Thus, as owner, it has the exclusive right to register or authorize to register the said mark. Noteworthy, the Respondent-Applicant was given ample opportunity to explain how it came up with the mark "FSC – FORESTER SUPER COPY". However, it chose not to do so, bolstering the inference that it merely copied the mark from the Opposer.

⁷ G.R. No. 159938, 31 March 2006.

⁸ G.R. No. 183404, 13 October 2010.

Finally, 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 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. 4-2014-011034 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, 14 JUL 2016


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