

ANHUI DELI HOUSEHOLD GLASS CO., LTD., }
 Petitioner, }
 }
 -versus- }
 }
 DANNY SY, }
 Respondent- Registrant. }
 X-----X

IPC No. 14-2015-00608
 Petition for Cancellation:
 Reg. No. 4-2011-007415
 Date Issued: 06 October 2011
**TM: GREEN APPLE QING
 PING GUO AND DEVICE**

NOTICE OF DECISION

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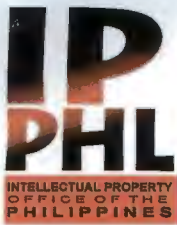
GREETINGS:

Please be informed that Decision No. 2017 - 150 dated April 27, 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, May 02, 2017.


MARILYN F. RETUTAL
 IPRS IV
 Bureau of Legal Affairs



ANHUI DELI HOUSEHOLD GLASS CO., LTD.,
Petitioner,

IPC No. 14-2015-00608

-versus-

DANNY SY,
Respondent-Registrant.

Petition for Cancellation
Reg. No. 4-2011-007415
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TM: "GREEN APPLE QING
PING GUO AND DEVICE"

X ----- X

Decision No. 2017- 150

DECISION

Anhui Deli Household Glass Co., Ltd.¹ ("Petitioner") filed a petition to cancel Trademark Registration No. 4-2011-007415. The registration issued on 06 October 2011 to Danny Sy² ("Respondent-Registrant") covers the mark "GREEN APPLE QING PUNG GUO AND DEVICE" for use on *"bowl, plates, tumbler, pitcher, casserole, sauce dishes, coaster, water set, salad bowl set, mixing bowl, oil pot, all made of glass/melamine/porcelain"* under Class 21 of the International Classification of Goods.³

The Petitioner alleges, among other things, that it is the true and lawful owner of the mark "GREEN APPLE" and variants thereof. Currently, it is a sole enterprise which owns more than three thousand (3,000) products and hotel and houseware series. Its products cover top, middle and low level in the market. To date, it has nine beneficiaries. It has five brands, namely: "GREEN APPLE", "AGLAIA", "DELI", "SPELE" and "IDELITA", covering various glass products. Among these marks, "GREEN APPLE" has been declared well-known in China. To protect its goodwill over "GREEN APPLE", it caused registration thereof worldwide. Also, it filed an application for the mark "QING PING GUO" via Madrid Protocol wherein the Philippines is one of the designated Trademark Offices. Its products are sold on a worldwide basis. In the Philippines, its products are distributed by Flex Chang with office address at Abundance Yield Corporation, Room 206-A Herald Building, Muralla Street, Intramuros, Manila.

¹ A company duly organized and existing under the laws of China with principal office at Mentaizi Industrial Park, Fengyang, Anhui, China.

² With given address at 105 Dangay St., Project 7, Quezon City.

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.

Republic of the Philippines
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In support of its petition, the Petitioner submitted the following as evidence:⁴

1. Certified true copy of the Special Power of Attorney ("SPA");
2. Certification that Shi Weidong is its legal representative;
3. Certificate dated 16 November 2015 authenticating its business license;
4. Affidavit-Direct Testimony of its Legal Representative, Shi Weidong, with annexes; and,
5. Affidavit-Direct Testimony of Janesa P. Calugay, with annexes.

The Respondent-Registrant submitted his Answer on 19 February 2016 alleging, among others, that he is engaged in importation and distribution of various dry goods. He has used the trademark "GREEN APPLE QING PING GUO AND DEVICE" since 2011. He has registered the said mark and timely filed the pertinent Declaration of Actual Use ("DAU"). On 26 August 2015, herein Petitioner, represented by Shi Weidong, filed a petition for cancellation docketed as IPC No.14-2015-004012. The Bureau issued an Order requiring the Petitioner to submit the original, legalized and authenticated Power of Attorney and/or Secretary's Certificate showing the authority of Shi Wei Dong. Instead of submitting the said document, the Petitioner filed a Notice to Withdraw Petition for Cancellation dated 21 October 2015. Thus, an Order dated 04 November 2015 was issued dismissing IPC No. 2015-00402. He learned later on in January 2016 of the instant petition.

The Respondent-Registrant contests the instant petition on the ground that the authority of Shi Weidong is insufficient. He also contends that the attached verification and certificate of non-forum shopping is not executed by a proper office or representative and is untruthful as the same does not mention IPC No. 14-2015-00402. He avers that the Petitioner has not registered "GREEN APPLE" in the Philippines nor is there any declaration that the same is well-known. He also believes that confusion is unlikely because glass products involved are high priced house items and are purchased by adults discerning enough to take part in the management of the household and finances.

The Respondent-Registrant's evidence consists of the following:⁵

1. Copy of the Notice of Allowance of the subject mark and the receipt thereof;
2. Printout of the subject registration;
3. Copy of the DAU, the corresponding receipt and grant thereof;
4. Copy of Order No. 2015-1474'

⁴ Marked as Exhibits "A" to "C", inclusive.

⁵

5. Copy of the Notice to Withdraw Petition for Cancellation;
6. Copy of Order No. 2015-208; and,
7. Printout of Petitioner's company profile.

Pursuant to Office Order No. 154, s. 2010, the Hearing Officer referred the case to mediation. This Bureau's Alternative Dispute Resolution Services, however, submitted a report that the parties refused to mediate. Accordingly, a Preliminary Conference was conducted on 12 January 2017. Upon termination thereof on even date, the Adjudication Officer directed the parties to submit their respective position papers within ten days therefrom. After which, the case is deemed submitted for decision.

Essentially, the issue to be resolved is whether Registration No. 4-2011-007415 should be cancelled.

Before delving on substantial issue of the case, this Adjudication Officer will resolve the procedural issues raised by the Respondent-Registrant.

Anent the authority of Shi Weidong, the Certification dated 28 October 2015 specifically states that Shi Weidong as legal representative has the power to authorize local counsels in various jurisdictions to represent the Petitioner.⁶ Also, the Petitioner presented a Business license stating that Shi Weidong is its legal representative.⁷ Taken together, this Adjudication Officer finds that these documents sufficiently establish the authority of Shi Weidong to execute the SPA.

The Respondent-Registrant also contests the verification and certificate of non-forum shopping signed by the Petitioner's counsel, Atty. Editha R. Hechanova. The Supreme Court has on occasion held that the party need not sign the verification; a party's representative, lawyer or any person who personally knows the truth of the facts alleged in the pleading may sign the verification.⁸ Similarly, the Supreme Court also ruled that if a petitioner is unable to sign a certification for reasonable or justifiable reasons, she must execute an SPA designating her counsel of record to sign on her behalf.⁹ In this case, the SPA executed by Shi Weidong specifically states that Atty. Hechanova has the power to execute, on behalf of the company, verifications and certifications against forum shopping.¹⁰ Therefore, the Petitioner's counsel is authorized to sign the verification and certificate of non-forum shopping.

⁶ Marked as Exhibit "A-1".

⁷ Marked as Exhibit "A-2".

⁸ Krizia Katrina Ty-De Zuzuarregui Vs. The Hon. Joselito C. Villarosa, G.R. No. 183788, 05 April 2010.

⁹ Mary Louise R. Anderson vs. Enrique Ho, G.R. No. 172590, 07 January 2013.

¹⁰ Marked as Exhibit "A-3".

Lastly, the Respondent-Registrant's assertion that the certificate of non-forum shopping is untruthful for failing to mention IPC No. 14-2015-00402, the same holds no water. The said case has been dismissed upon the Petitioner's filing of a voluntary withdrawal of the petition for cancellation before the filing of an Answer. In the Order dismissing the said case, this Bureau ruled that:¹¹

"In this regard, a dismissal or voluntary abandonment by the plaintiff of an action operates to annul all proceedings had in connection therewith and renders all pleadings ineffective. A dismissal or nonsuit leaves the situation as though no suit had ever been brought. Further proceedings in the action are arrested and what has been done therein is also annulled, so that the action is as if it had never been." (Emphasis supplied.)

Going now to the main issue, the competing marks are hereafter reproduced to determine whether they are indeed confusingly similar:



Petitioner's mark



Respondent-Registrant's mark

The competing marks appropriate the same apple device with an opening on the left side. Also, both use the words "GREEN APPLE" although positioned differently. Another obvious difference between the marks is the Respondent-Registrant's use of Chinese characters above the word "QING PING GUO". These dissimilarities notwithstanding, the marks are still confusingly similar visually, aurally and in connotation especially that they are used on similar products. After all, 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 persons as to cause him to purchase the one supposing it to be the other.¹²

¹¹ Order No. 2015-208 (D), 04 November 2015.

¹² Societe des Produits Nestle, S.A. vs. Court of Appeals, GR No. 112012, 04 April 2001.

Now, who has the better right to register the contested mark? Records reveal that the Respondent-Registrant was granted registration for the trademark "GREEN APPLE QING PING GUO AND DEVICE" on 06 October 2011. The Petitioner, on the other hand, does not have any pending application and/or existing registration in the Philippines at that time.

Aptly, the Petitioner, in this case, basically raises the issue of ownership. It imputes fraud and bad faith on Respondent-Registrant in procuring registration over the mark "GREEN APPLE QING PING GUO AND DEVICE" claiming that it is the lawful and rightful owner thereof. Succinctly, Section 151.1 of R.A. No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code"), provides in part that:

"Section 151. Cancellation. - 151.1. 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:

xxx

(b) At any time, if the registered mark becomes the 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. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used."

This provision allows any person to file a petition to cancel a trademark registration if that person believes that he will be damaged by the registration. Once filed, the cancellation proceeding becomes, basically, a review of the trademark registration in question if the legal requirements for registration have been satisfied and if the maintenance or continuance of Respondent-Registrant's trademark in the principal register would damage the Petitioner.¹³

¹³ Section 154 of the IP Code provides:

"Section 154. Cancellation of Registration. If the Bureau of Legal Affairs finds that a case of cancellation has been made out, it shall order the cancellation of registration. When the order or judgment becomes final, any right conferred upon the registrant or any person in interest of record shall terminate. Notice of cancellation shall be published in the IPO Gazette. (Section 19, R.A. No. 166a)

It is moreover 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, it is provided in Section 138 of the IP Code that:

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 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.

Clearly, it is not the registration that confers ownership of the mark but it is ownership that gives rise to a right to register the same. 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.¹⁴ The registration system shall not be used in committing or perpetrating an unjust and unfair claim. As all presumptions, the presumptive ownership conferred by registration may be questioned, attacked and proven otherwise by evidence to the contrary.

¹⁴ Shangri-la International Hotel Management Ltd. Vs. Developers Group of Companies, Inc. G.R. No. 159938, 31 March 2006.

Verily, the pronouncement by the Supreme Court in **Berris Agricultural Company, Inc. vs. Norvy Abyadang**¹⁵ is enlightening on this point, thus:

"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." (Emphasis supplied.)

The prima facie validity of Registration No. 4-2011-007415 has been successfully attacked by Petitioner warranting the cancellation thereof. The Petitioner has registered the mark "GREEN APPLE" in China as early as 21 December 2009.¹⁶ In 27 May 2011, it was able to secure a well-known status from the Trademark Office of State Administration for Industry and Commerce of the People's Republic of China. While such declaration is not binding the Philippines, the same is sufficient evidence of the Petitioner's prior adoption of the mark.

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 the Respondent-Registrant to maintain registration of the subject mark, despite bad faith, will trademark registration simply a contest as to who files an application first with the Office.

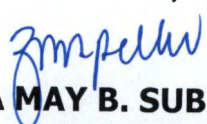
¹⁵ G.R. No. 183404, 13 October 2010.

¹⁶

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2011-007415 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **27 APR 2017**


Atty. Z'SA MAY B. SUBEJANO-PE LIM
Adjudication Officer
Bureau of Legal Affairs