

PLANTERS ENVIRONMENTAL SOLUTIONS, INC.,
Opposer,

-versus-

MICHAEL C. ASUNCION,
Respondent- Applicant.

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IPC No. 14-2013-00108
Opposition to:
Appln. No. 4-2012-007278
Date Filed: 18 June 2012
TM: "PUFF"

NOTICE OF DECISION

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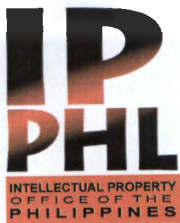
GREETINGS:

Please be informed that Decision No. 2017 - 86 dated March 20, 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOP HL 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, March 20, 2017.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs



PLANTERS ENVIRONMENTAL SOLUTIONS, INC.,

Opposer,

-versus-

IPC No. 14-2013-00108

Opposition to Trademark

Application No. 4-2012-007278

Date Filed: 18 June 2012

MICHAEL C. ASUNCION,
Respondent-Applicant.

Trademark: **"PUFF"**

x -----x Decision No. 2017- 86

DECISION

Planters Environmental Solutions, Inc.¹ ("Opposer") filed an opposition to Trademark Application Serial No. 4-2012-007278. The contested application, filed by Michael C. Asuncion² ("Respondent-Applicant"), covers the mark "PUFF" for use on "home deodorizer spray" under Class 05 of the International Classification of Goods³.

According to the Opposer, the Respondent-Applicant is an incorporator, shareholder and member of the Board of Directors as well as the operations manager of its company. Its company was incorporated on 15 April 2010 as a joint venture of Planters Products, Inc. and Compliant Solutions Corporation. The Respondent-Applicant was the president of Compliant Solutions Corporation and the signatory of the Joint Venture of Agreement in behalf of the latter corporation. In 2010, it developed an organic odor neutralizer "PUFF", which was coined by its president and chief executive officer, Atty. John Paolo Roberto Calleja. To help the Respondent-Applicant as operations manager, it hired Ruel M. Obasa as product manager. In order to assess the market viability of "PUFF", it engaged the services of a market research company, Trade Dynamics Consulting Services, Inc.. It also engaged the services of Ideya Lokal Company to create the advertising materials for "PUFF".

The Opposer thus imputes bad faith on the part of the Respondent-Applicant in filing the contested application for the mark "PUFF". In support of its Opposition, the Opposer submitted the affidavit of Atty. John Paolo Roberto Calleja, with annexes.⁴

¹A domestic corporation with address at 109 PPI Building, Esteban Street, Legaspi Village, Makati City.

²With known address at 113 Bernabe Street, Annex 18 Better Living Subdivision, Parañaque 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.

⁴Marked as Exhibits "B", inclusive.

A Notice to Answer was issued and served upon the Respondent-Applicant. The latter, however, did not file an Answer. Consequently, the latter is considered in default and the case submitted for decision.

The issue to be resolved is whether Respondent-Applicant should be allowed to register the trademark "PUFF".

The marks are unquestionably identical. 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"

But who has the better right to register the mark? The Respondent-Applicant filed the contested application on 18 June 2012. The Opposer, on the other hand, has no pending application and/or existing registration for the mark "PUFF". Aptly, the Opposer anchors its opposition 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, nor 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.⁵ 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 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**⁶, 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**⁷, 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

⁵ See Section 236 of the IP Code.

⁶ G.R. No. 159938, 31 March 2006.

⁷ G.R. No. 183404, 13 October 2010.

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 substantially proved that it first adopted the mark "PUFF". The Memorandum of Agreement⁸ shows that the Opposer engaged the services of Trade Dynamics Consulting International, Inc. to conduct market research of its "PUFF" product on 01 February 2011, even before the filing of the contested application. The pictures of "PUFF" products as featured in the magazines⁹ reveal that the Opposer's "PUFF" products are home deodorizer sprays, which the Respondent-Applicant's trademark application also pertains. More importantly, the Opposer has shown that the Respondent-Applicant has knowledge of its "PUFF" products as he is even a stockholder of the corporation as shown in the General Information Sheet¹⁰ and a signatory of the Joint Venture Agreement of Compliant Solutions Corporation and Planters Products, Inc.¹¹ The Respondent-Applicant was given ample opportunity to defend his right to register the contested mark but he did not file an Answer.

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, despite his bad faith, makes trademark registration simply a contest as to who files an application first with the Office.

⁸ Annex "C" of the Calleja affidavit.

⁹ Annex "E" to "F", inclusive,


¹⁰ Annex "A" of the Calleja affidavit.

¹¹ Annex "B" of the Calleja affidavit.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2012-007278 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, 20 MAR 2017


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