

NAIL ALLIANCE, LLC,
Opposer,

-versus-

MICHELLE ANNE P. SY,
Respondent-Applicant.

IPC No. 14-2015-00465

Opposition to:

Appln. Serial No. 4-2015-02214

Date Filed: 02 March 2015

TM: GELILY

X-----X

NOTICE OF DECISION

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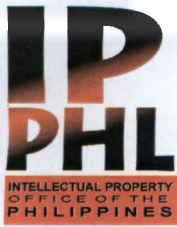
GREETINGS:

Please be informed that Decision No. 2017 - 311 dated 15 August 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, 15 August 2017.

MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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IPC No. 14-2015-00465
Opposition to:

Appln. No. 4-2015-02214
Date Filed: 02 March 2015
Trademark: "GELILY"

Decision No. 2017 - 311

DECISION

NAIL ALLIANCE, LLC. ("Opposer")¹, filed a verified opposition to Trademark Application Serial No. 4-2015-02214. The application, filed by MICHELLE ANNE P. SY ("Respondent-Applicant")², covers the mark "GELILY" for use on goods under the class 03³ namely, *gel polish*.

The Opposer alleges that Danny Haile created the brand GELISH. Haile, who made a name for himself on the nail competition circuit won over 60 awards in the U.S. and worldwide. In 2009, Haile established Hand and Nail Harmony, Inc. ("Harmony"), which creates, promotes, and sell the soak-off gel polish under the trademark GELISH, which Opposer exclusively licenses to Harmony for use on the latter's soak-off gel polish.

The Opposer also alleges that with a limited number of distributors, Harmony sells GELISH gel polish to salons and boutiques throughout the world. In the Philippines, GELISH gel polish is distributed at Mixexpert Manila, Inc. located at Pasig City, Philippines. Harmony and Opposer carefully monitor and police the use of the GELISH products and the GELISH trademark. They also aggressively promoted the product and brand through traditional and new media. It has a strong online presence with several product websites and media presence. GELISH is also popular among celebrities and has in fact, garnered many awards and registered positive sales volume. Thus, Opposer, on its own or through its predecessor-in-interest has registered, or applied for registration of GELISH marks in various countries, including the Philippines. In fact, as internationally well-known mark, Harmony and Opposer has vigorously asserted its right in several cases.

¹ A limited liability company organized and existing under the laws of Delaware, with office address at 6840 N. Oak, Gladstone, Missouri 64118.
² A natural person with address at #50 B. Shorthorn St., Brgy. Bahay Toro, Proj. 8, Quezon City, Metro Manila.
³ 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.

The Opposer further sets that the subject registration is contrary to the provision of Section 123.1 (e), which proscribes the registration of a prospective mark if it is confusingly similar to a well-known mark with respect to identical or similar goods. The similarities in the subject mark outweigh the minor differences such as to engender likelihood of confusion. The substitution of the letter SH with LY does not obviate confusion, but are merely small difference that are de minimis when compared to the similarities. Confusion is even more likely because Respondent-Applicant's goods are identical to Opposer's products covered by the GELISH mark.

The Opposer's evidence consists of the following:

1. Special Power of Attorney executed by Opposer;
2. Original print-out of the E-Gazette Publication of Respondent-Applicant's GELILY mark;
3. Affidavit of Gari-Dawn Tingler;
4. Original print-out of the web page <http://gelish.com/our-story/history>;
5. Original print-outs from online articles showing use, sale, and promotion of GELISH branded gel polish all over the world;
6. Original print-outs of web advertisements;
7. Original print-outs from online articles of celebrities using GELISH;
8. Original print-outs of online write-ups on the awards garnered by GELISH gel polish;
9. Certified true copies of certificates of registration for GELISH trademark issued in various countries; and,
10. Original print-outs of various court decisions.

On 18 March 2016, Respondent-Applicant filed an Answer. In the Affirmative Defenses, she raised both procedural and substantive issues. According to Respondent-Applicant, the representative of the Opposer has no legal capacity and personality to sue, object and oppose to the application of the mark GELILY. It appears that there is no sufficient allegation that the Special Power of Attorney granted to Opposer's counsel is authentic and genuine since there was no proof offered that Gari-Dawn Tingler is a bonafide member or a legitimate representative of Nail Alliance in Gladstone, Missouri, U.S.A..

Further, Respondent-Applicant avers that the searchable database of the trademark information from the Intellectual Property Office of the Philippines show that Opposer's application was made after the Respondent-Applicant had filed her registration of the mark GELILY on 02 March 2015. Respondent-Applicant points glaring dissimilarities between the two marks: (a) spelling; and, (b) Gel Polish is a generic name and that Gelily is a gel polish unlike the Gelish trademark of Harmony. In its entirety, the appearance, spelling, sight and sound of the marks GELISH and GELILY are not sufficiently close, hence, not identical or similar. More so, the products involved are different, Respondent-Applicant's is classified as nail polish and that of Opposer is classified as nail care preparations. In fact, reading the two marks alternatively will create a different sound and the hearer could distinguish the difference of the two marks easily.

Finally, Respondent-Applicant asserts that it is not by way of simple comparison to content the marks are similar, but the two marks in their entirety and the goods they cover should

be considered and carefully compared to determine whether the opposition to the registration is capricious or well-taken.

In this instant case, Respondent-Applicant's documentary or object evidence which were not attached in the Verified Answer, cannot be admitted as new evidence⁴ when submitted and/or presented in the preliminary conference. The rule further provides that only the attached photocopies or certified true copies can be presented and/or submitted in the said conference for comparison to its original form for purposes of admissibility. Thus, on 22 August 2016, the preliminary conference was held and terminated; and the parties submitted their respective position papers⁵. Hence, this decision.

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

The Respondent-Applicant raised the issue that the instant opposition should be dismissed on the ground that Gari-Dawn Tingler, Managing Member of the Opposer, has no legal capacity to institute the instant opposition because the Special Power of Attorney ("SPA") executed in favor of Opposer's counsel bears no proof that Tingler is a legitimate representative or had been authorized by the Opposer.

In this regard, the Opposer's right to sue is defined under Section 160, R.A. No. 8293, also known as the IP Code, to wit:

Sec. 160. Right of Foreign Corporation to Sue in Trademark or Service Mark Enforcement Action. – Any Foreign national or juridical person who meets the requirements of Section 3 of this Act and does not engage in business in the Philippines may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation or origin and false description, whether or not it is licensed to do business in the Philippines under existing laws.

Corollarily, the right of a foreign corporation under Section 160 must meet the qualifications stated in Section 3 of the IP Code, which states:

Section 3. International Conventions and Reciprocity. - Any person who is a national or who is domiciled or has a real or effective business establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to the benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.

This Bureau noted that the Opposer is filing the instant opposition under Section 123.1 (e) of the IP Code, Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade Related Aspects of Intellectual Property Rights. The Opposer's country of origin or

⁴ Sec. 9, Rules and Regulations on Inter Partes Proceedings, as amended by Office Order No. 9, series of 2011.

⁵ Opposer submitted its position paper on 17 November 2016; Respondent-Applicant submitted its position paper on 01 December 2016.

domicile, *i.e.* United States of America, is a member-nation of or a signatory to the Paris Convention on Protection of Industrial Property Rights and the World Trade Organization and the Agreement on Trade-Related Aspects of Intellectual Property Rights which grants to corporate and juristic persons of the Philippines the privilege of bringing similar actions for protection of industrial property rights in its country or origin or domicile.

However, it appears that if the alleged authorized signatory was not in fact duly certified by the Opposer's board of directors or authorized officials, then the verification, certification of non-forum shopping and SPA executed in favor of Opposer's counsel are invalid and has no legal effect.

The records show that Gari-Dawn Tingler, purportedly, the "Authorized Signatory" of the Opposer, executed and signed an SPA constituting and appointing as its Attorney-In-Fact, the law firm of Bengzon Negre Untalan Intellectual Property Attorneys and/or any of its lawyers. However, no document, specifically a Board Resolution or Secretary's Certificate, was submitted establishing his legal personality or authority to act on behalf of Opposer Company and to authorize the said law office and/or any of its lawyers, through an SPA to sign and execute the Verification and Certification of Non-Forum Shopping and to prosecute the instant case.

It is well settled that it is obligatory for the one signing the verification and certification against forum shopping on behalf of the principal party or the other petitioners that he/she has the authority to do the same.⁶ If the real party-in-interest is a corporate body, an officer of the corporation can sign the certification against forum shopping so long as he has been duly authorized by a resolution of its board of directors.⁷ If the certification against forum shopping signed by a person on behalf of a corporation, is unaccompanied by proof that said signatory is authorized to file a petition on behalf of the corporation, the same shall be sufficient ground to dismiss the case.⁸

The Opposer being a foreign corporation is bound to comply with the laws, rules and regulations applicable to domestic corporations of the same class. Its capacity to sue must be affirmatively alleged in its Notice of Opposition in order that it may proceed to effectively institute a case in the Philippine courts or administrative agencies.

Notwithstanding the finding that the instant opposition case is procedurally defective, thus dismissible, this Bureau proceeds to resolve the substantive issue jointly raised by parties. Records reveal that the Opposer has foreign registrations for the trademark GELISH. In the Philippines, it was issued certificate of registrations for the trademark GELISH on 03 March 2016 and 14 July 2016⁹. However, it appears that these applications were dated¹⁰ after Respondent-Applicant filed an application for registration of trademark GELILY on 02 March 2015.

⁶ Fuentabella vs. Rolling Hills Memorial Park, G.R. No. 150865, 30 June 2006.

⁷ *Supra*.

⁸ Mediserv, Inc. vs. Court of Appeals, et al., G.R. No. 161368, 05 April 2010.

⁹ Certificate of Registration Nos. 42015506964 and 42015505599, respectively. IPPhl Philippine Trademark Database, available at <http://www.wipo.int/branddb/ph/en/> (last accesses 14 August 2017).

¹⁰ Applications for trademark registration for GELISH are dated 09 December 2015 and 29 September 2015, respectively.

The competing marks are shown below for comparison:

GELISH 

GELILY

Opposer's Trademarks

Respondent-Applicant's Trademark

A practical approach to the problem of similarity or dissimilarity is to go into the whole of the two trademarks pictured in their manner of display. Inspection should be undertaken from the viewpoint of a prospective buyer. The trademark complained of should be compared and contrasted with the purchaser's memory (not in juxtaposition) of the trademark said to be infringed. Some such factors as "sound; appearance; form, style, shape, size or format; color; ideas connoted by marks; the meaning, spelling, and pronunciation, of words used; and the setting in which the words appear" may be considered.¹¹ Thus, confusion is likely between marks only if their over-all presentation, as to sound, appearance, or meaning, would make it possible for the consumers to believe that the goods or products, to which the marks are attached, emanate from the same source or are connected or associated with each other.

The eyes can easily see that the marks are different. The similarity between the marks manifests in the first three-letters "G", "E" and "L", which obviously, were derived from the word "GEL", and which describes the type of nail polish covered by both marks. Such resemblance, however, is not sufficient to conclude that confusion is likely to occur. The ending syllable/s "LISH" in "GELISH"; and "LILY" in "GELILY" make the mark easily distinguishable from each other.

The Opposer sets in the provisions of Section 123.1 (e) of the IP Code and Article 6bis of the Paris Convention, to declare "GELISH" as well-known mark. This Bureau however, cannot declare Opposer's mark as well-known. The evidence of Opposer's "GELISH" registration in the Philippines and in various countries, print-outs of online promotional materials and advertisements are not sufficient to meet the standards of a well-known mark¹². More particularly, it failed to show the vast extent, duration and geographical area of the actual use of its mark, and the market share in the Philippines and in other countries, of the goods to which the mark applies.

Finally, it is emphasized that the essence of trademark registration is to give protection to the owners of trademarks. 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

¹¹ Etepha A.G. vs. Director of Patents, G.R. No. L-20635, 31 March 1966.

¹² Rule 102. Rules and Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers.

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.¹³ This Bureau finds that the Respondent-Applicant's mark meets this function.

WHEREFORE, premises considered, the instant opposition is hereby **DISMISSED**. Let the filewrapper of Trademark Application Serial No. 4-2015-02214 be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City. 15 AUG 2017



Atty. GINALYN S. BADIOLA, LL.M.
Adjudication Officer, Bureau of Legal Affairs

¹³ Pribhdas J. Mirpuri vs. Court of Appeals, G.R. No. 114508, 19 November 1999.