



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

QUINWOOD LIMITED,
Opposer,

-versus-

CHITO LU and CRISTINA YAO,
Respondent- Applicant.

x-----x

}
} IPC No. 14-2009-00245
} Opposition to:
} Appln. Serial No. 4-2008-013003
} Date Filed: 22 October 2008
} TM: "PO CHAI PILLS and
} CHINESE CHARACTERS"

NOTICE OF DECISION

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For Respondent-Applicant
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Makati City

GREETINGS:

Please be informed that Decision No. 2017 - 428 dated December 15, 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, December 22, 2017.


MARILYN F. RETUTAL
IPRS IV
Bureau of Legal Affairs

QUINWOOD LIMITED,
Opposer,
-versus-

IPC NO. 14-2009-00245
Opposition to:
Appln. Serial No. : 4-2008-013003
Filing Date: 22 October 2008

CHITO LU and CRISTINA YAO,
Respondents.

TM: "PO CHAI PILLS and
CHINESE CHARACTERS"

X-----X

Decision No. 2017- 428

DECISION

QUINWOOD LIMITED¹ filed a Verified Opposition to Trademark Application Serial No. 4-2008-013003. The application, filed by CHITO LU and CRISTINA YAO (Respondents)², covers the mark "PO CHAI PILLS AND CHINESE CHARACTERS" for use on "dietary food supplement for slimming/fat reducing (tablet), Chinese medicine or Chinese medicinal capsule for purpose of eliminating fats, simple obesity and expelling toxins" under Class 5 of the International Classification of Goods³.

The Opposer relies on the following grounds to support its opposition:

"1. Opposer is the originator and true owner of the PO CHAI PILLS marks" that are used on various goods in Class 5 which are manufactured and sold by Opposer, and Opposer has caused the registration in over twenty-five (25) countries.

"2. Respondents-Applicant's mark "PO CHAI PILL AND CHINESE CHARACTERS" which is identical with the well-known "PO CHAI PILLS Marks," and is used on identical, similar or closely related goods as that of Opposer's, cannot be registered by virtue of Section 123.1 (e) of the IP Code.

"3. Actual good faith use of the "PO CHAI PILLS Marks" by Opposer preceded by more than a hundred years Respondents-Applicants' application for

¹ A company organized and existing under the laws of Channel Islands, with a registered office address at Normandy House, Greenville Street, St. Helier, Jersey JE4 8PP, Channel Islands

² Chinese citizens with address at 137 Malaya Street, Tondo, Manila

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.

"3. Actual good faith use of the "PO CHAI PILLS Marks" by Opposer preceded by more than a hundred years Respondents-Applicants' application for registration of the mark "PO CHAI PILL AND CHINESE CHARACTERS", and such use vested in Opposer exclusive rights over the "PO CHAI PILL Marks".

"4. Opposer's "PO CHAI PILLS Marks" are well-known marks and are entitled to protection under Section 123.1 (e) of the IP Code.

The Opposer's evidence consists of the following:

1. Exhibit "A" – Position of the Channel islands and Isle of Man in Relation to Treaties and International Agreements
2. Exhibit "B"- Samples of Po Chai Pill marks in use in packaging
3. Exhibit "C" – Certified annexed documents (Exhibit "A" Statutory Declaration signed by LAI KIT NGAN and its annexes dated 12 May 2009 attached to the Verified Notice of Opposition filed by Opposer on 08 June 2009) are copies from the original on file with the records of this office which form part of the records of IPC No. 14-2009-00149 an opposition to Trademark Application Serial No. 4-2008-011238 for the mark "JIN LING BAO JI PILL" package label mark entitled Quinwood Limited (Opposer) versus Lee Biao Ling a.k.a. Grace Lee (Respondent-Applicant);
4. Exhibit "D" – Certified true copy of Exhibit "LKN-D" of Exhibit "A": of IPC No. 14-2009-00148 consisting of Hong Kong Certificates of Registration
5. Exhibit "E"- Certified true copy of Exhibit "LKN-D" of Exhibit "A": of IPC No. 14-2009-00149 containing list of applications filed and registrations obtained worldwide.
6. Exhibit "D"- Certified true copies of Hong Kong registrations which are copies from the original on file with the records of this office which form part of the records of IPC No. 14-2009-00149 an opposition to Trademark Application Serial No. 4-2008-011238 for the mark "JIN LING BAO JI PILL" package label mark entitled Quinwood Limited (Opposer) versus Lee Biao Ling a.k.a. Grace Lee (Respondent-Applicant)
7. Exhibit "E" – Certified true copy from IPC No. 14-2009-00149 consisting of list of worldwide applications and registrations of PO CHAI PILL

8. Exhibit "F"- Certified true copy from IPC No. 14-2009-00149 of U.S. Trademark Reg. No. 3282365 with application date of 21 August 2007;
9. Exhibit "G" – Print-out copy of the Canadian Cert. of Reg. No. TMA311444 dated 02 June 2009;
10. Exhibit "H" – certified true copy from IPC No. 14-2009-00149 of CTM registration;
11. Exhibit "I" – Copy of Certified true copy of Singaporean Reg. No. T58-23876D with date of 06 September 1958;
12. Exhibit "J" – Affidavit of William Cabidog Chua with receipts evidencing purchase of PO CHAI PILLS marked from "A" to "J";
13. Exhibit "K"- certified true copy from IPC No. 14-2009-00149 of sample sales invoices issued abroad;
14. Exhibits "L", "M", "N", "O", "P" - Sales Invoices, photographs, advertising materials and sample packaging obtained abroad;
15. Exhibit "R"- certified true copy from statutory declaration of Lai Kit Ngan from IPC No. 14-2009-00149 consisting of pages from book on history of of Po Chai Pills;
16. Exhibit "S"- print out of website on treatment of stomach disorders with mention of Po Chai Pills
17. Exhibits "T"- "Z", "AA"- "HH"- Print out of Opposer's websites and other internet sources referring to Po Chai Pills.
18. Exhibit "II"- Certified true copy from IPC No. 14-2009-00149 of Australian certificate of Registration of Trademark Reg. No. 397009 with registration date of 15 September 1983
19. Exhibit "JJ"- "KK" Certified true copy from IPC No. 14-2009-00149 of U.S. Trademark Reg. No. 3282365 with registration date of 21 August 2007.

This Bureau served upon the Respondents a "Notice to Answer" on 26 November 2009. The Respondents however did not file an Answer.

Should the Respondents' trademark application be allowed?

Records and evidence show that the Opposer has the right to oppose the subject trademark application under Sec. 134 of the IP Code which provides:

Sec. 134. Opposition. Any person who believes that he would be damaged by the registration of a mark may, upon payment of the required fee and within thirty (30) days after the publication referred to in Sec. 133.2 file with the Office an opposition to the application xxx

The parties' marks are reproduced below for perusal.

OPPOSER'S MARK

RESPONDENTS' MARK

PO CHAI PILLS

保
濟
丸

PO CHAI PILL
保濟丸

In the instant case, the subject mark of the Opposer consists of three (3) Chinese characters, and each has a specific individual meaning. The first two Chinese characters means (1) to keep, maintain in good condition, to guarantee (2) to help, aid, relieve. The third (3) Chinese character is translated as "Pill" in English, indicative of the nature of the goods under which it is sought to be registered such as a medicinal preparation. Opposer's marks also include the words PO CHAI PILLS. The words "PO CHAI" are the transliteration of Chinese characters meaning "TO HELP" and "TO MAINTAIN". Opposer's mark is identical with that of Respondents.

The Opposer has established that it is the owner and originator of the mark PO CHAI PILLS. The Respondents filed their trademark application on 22 October 2008 for goods under Class 05, namely: "dietary food supplement for slimming/fat reducing (tablet), Chinese medicine or Chinese medical capsule for purpose of eliminating fats, simple obesity and expelling toxins." In the Philippines, Opposer filed its application for the PO CHAI PILL mark and its variations on 20 March 2009. The law provides:

Sec. 123.1 (d) of the IP Code provides that a mark cannot be registered if it:

- (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.

With that, this Bureau will delve on the claim of the Opposer that it is the rightful owner of the mark.

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 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.⁴ In this regard, the Philippines implemented the TRIPS Agreement when the IP Code took into force and effect on 01 January 1998. Art. 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

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 November 1999, citing Etepha v. Director of Patents, supra. Gabriel v. Perez, 55 SCRA 406 (1974). See also 15, par. (1), Art. 16, par. (1), of the Trade Related Aspects of Intellectual Property (TRIPS Agreement).

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 provisions 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.

Significantly, 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)

Sec. 122 of the IP Code also 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 Sec. 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. Significantly, Sec. 122 refers to Sec. 2-A of R. A. 166, as amended (the old Law on Trademarks), which states:

Sec. 2-A. Ownership of Trademarks, Tradenames and Service Marks; How Acquired. - Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful business, or who renders any lawful service in commerce, by actual use thereof in manufacture or trade, in business, and in the service rendered, may appropriate to his exclusive use a trademark, a trade name, or a service mark not so appropriated by another, to distinguish his merchandise, business or service from the merchandise, business or services of others. The ownership or possession of a trademark, trade name, service mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner and to the same extent as are other property rights known to the law.

The privilege of being issued a registration for its exclusive use, therefore, should be based on the concept of ownership. RA 8293 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 the instant case, while it is true that the Respondents have prior application in the Philippines than the Opposer, it does not mean that they have acquired superior right over the subject mark. On the contrary, the Opposer was able to prove that it owns the mark and has actually used the mark in commerce long before the filing of the Respondents' trademark application.

In support thereof, the Opposer submitted proof that its marks have been registered in various Chinese-speaking countries such as China, Hong Kong, Macau, Singapore and Taiwan and to numerous other countries of the World.⁵ In the United States of America, where the Philippine Trademark Law is patterned and/or basically taken, the Opposer's mark have been registered bearing Reg. No. 3,282,365 dated 21 August 2007 under Class 5⁶.

In addition, Opposer's mark PO CHAI PILLS have been extensively advertised and/or promoted internationally and in the Philippines, the products bearing the PO CHAI PILLS marks have been available in local Chinese drugstore as early as in 1950's.⁷

⁵ Exhibits "D"- "I", "II" and "JJ"

⁶ Exhibit "KK"

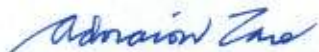
⁷ Exhibits "O"- "HH"

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.

WHEREFORE, premises considered, the instant Opposition to Trademark Application No. 4-2008-013003 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, 15 DEC 2017


ATTY. ADORACION U. ZARE, LL.M.
Adjudication Officer
Bureau of Legal Affairs