



ASCOTT INTERNATIONAL
MANAGEMENT (2001) PTE, LTD.,
Complainant,

IPV No. 10-2011-00025

For: Trademark Infringement
(under R.A. No. 8293)

-versus-

DURAVILLE REALTY AND
DEVELOPMENT CORPORATION and
DURAVILLE MARKETING INC.,
Respondents.

x-----x

NOTICE OF ORDER

QUISUMBING TORRES LAW OFFICES

Counsel for Complainant
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Taguig City

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Counsel for Respondents
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GREETINGS:

Please be informed that Order No. 2012 – 03 (D) dated October 10, 2012 (copy enclosed) was promulgated in the above entitled case.

Taguig City, October 10, 2012.

For the Director:

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



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ORDER

ASCOTT INTERNATIONAL MANAGEMENT (2001) PTE. LTD. (“Complainant”) filed on 14 October 2011 a Complaint for Trademark Infringement against DURAVILLE REALTY AND DEVELOPMENT CORPORATION and DURAVILLE MARKETING, INC. (“Respondents”), alleging that Respondents, used and continue to use the SOMERSET trademark without Complainant’s consent, in connection with its real estate business and services in violation of Section 155, in relation to Section 156 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines (“IP Code”).

In compliance with the Notice to Answer, Respondent filed a Verified Answer on 14 November 2011. Respondent alleges, among others, that Complainant’s action is administratively barred by prescription pursuant to Section 1, Rule 2 of the Rules and Regulations on Administrative Complaints for Violation of Law Involving Intellectual Property Rights (“IPV Rules”).

On 22 November 2011, Respondent filed a Manifestation stating, among others, that:

“1. Complainant’s Complaint or action is administratively barred by the rules of the Intellectual Property Office (IPO) itself. Thus, Section 1, Rule 2 of the ‘Rules and Regulations on Administrative Complaints for Violation of Law Involving Intellectual Property Rights’ (“IPV Rules”) clearly provides:

x x x

The Complaint of herein complainant was filed more than four (4) years from the date of the alleged violation and more than four (4) years from the ‘date of discovery’ of the alleged violation. By complainant’s own allegation:

‘8.1. Complainant came across an advertisement of Respondents for a subdivision project (‘the Project’) named ‘Somerset Place’. To protect its interests, Complainant sent a cease and desist letter through undersigned counsel to Respondents informing them of Complainant Ascott’s existing SOMERSET Trademarks registered with the IPO and demanding that they immediately and permanently discontinue the use of said trademarks. xxx

As early as January 22, 2007, and in fact even before this date, complainant already discovered the alleged or claimed violation. Thus, the 'date of discovery' by the complainant was, at least, January 22, 2007, or even earlier. If the date of the alleged violation will be the reckoning date, then it would even be earlier than January 22, 2007.

Herein Complaint was filed on October 17, 2011. Clearly, this is more than four years from January 22, 2007. Section 1, Rule 2 of the IPV Rules clearly speak of 'Section 1. *Complaint, When..Filed*'. Hence, beyond the period provided in the IPV Rules, herein administrative complaint may no longer be filed. To allow otherwise would be trifling with the Rules of the Intellectual Property and a mockery of the IPV Rules.

2. The obvious objective of the rule is to encourage parties not to sleep on their rights, for administrative remedies cannot await the parties forever. It is indeed strange that complainant, in invoking his administrative remedies under the Intellectual Property Code, is at the same time trifling with it."

Meanwhile, Complainant filed its Reply to the Answer on 03 January 2012. On 12 January 2012, Complainant filed a Counter-Manifestation (To Respondents' MANIFESTATION dated 21 November 2011) contending that the Complaint was timely filed. Complainant further alleged, among others, that:

1. Complainant's rights have not prescribed, nor is it barred by laches, as the infringing act is continually taking place.
2. Even assuming that the period of initiating the present action commenced earlier, Complainant's right have not prescribed, as the period of prescription was continuously interrupted by both parties' acts.
3. The invocation of the equitable principle of laches has no leg to stand on.

On 27 January 2012, the Respondent filed a Counter-Manifestation (To Complainant's Counter-Manifestation).

The case should be dismissed outright. Pursuant to Sec. 11, Rule 2¹ of the IPV Rules which allows filing of a motion to dismiss on the ground of prescription, this Bureau will treat the Respondents' Manifestation filed on 22 November 2012 as a motion to dismiss.

Section 1, Rule 2 of the IPV Rules also provides, to wit:

Section 1. *Complaint, When and to Whom Filed* - All administrative complaints for violation of the IP Code or IP Laws shall be commenced by filing a verified complaint with the Bureau within four (4)

¹ Section 11. *Motion to Dismiss Not Allowed.* - No motion to dismiss on any of the grounds mentioned in the Rules of Court and in any other law shall be allowed except on the ground of prescription. Such grounds other than prescription shall instead be pleaded as affirmative defenses, the resolution of which shall be made in the decision on the merits. The Hearing Officer may, for good cause shown, conduct a preliminary hearing on any of the affirmative defenses if this will expedite the resolution of the case.

years from the date of commission of the violation, or if the date be unknown, from the date of discovery of the violation. A complaint is verified by an affidavit that the affiant has read the pleading and that the allegations therein are true and correct of his knowledge and belief. xxx (Emphasis supplied)

The reckoning point in counting the 4-year prescriptive period in filing administrative action with the Bureau of Legal Affairs (“BLA”) is from the date of commission of the violation or if such date cannot be ascertained, the period shall be counted from the date of discovery of the violation. It is very clear from the statement of ultimate facts in the complaint that Complainant came across an advertisement by Respondents for a subdivision project named “Somerset Place” which prompted it to send a cease and desist letter on 22 January 2007 to protect its interests.² The date of the alleged trademark infringement committed by Respondent when they used the “Somerset Place” in advertising their real estate project cannot be ascertained as no facts was alleged as to when Respondent started advertising, however, the time when Complainant discovered such advertisement of Respondent prior to or on 22 January 2007 is the date from which the 4-year period for filing of the complaint should be reckoned. Accordingly, when Complainant lodged the administrative case for trademark infringement against Respondent with the BLA on 14 October 2011, it is already more than four (4) years, and as such the Complainant was already barred from filing the complaint.

The running of the prescriptive period for filing administrative action in the BLA is not suspended by any parties’ act, such as writing demand letters or discussions for the settlement of the case. The running of the prescriptive period for filing an administrative action continues and any person whose intellectual property rights have been violated should file the case within the period prescribed, otherwise, the action is barred under the Rules.

It is worthy to note also that the exchange of letters between Complainant and Respondent was in 2007. In fact, according to Complainant, Respondent sent a letter on April 16, 2007, stating that it was willing to change the name of the Project from “Somerset Place” to “East Somerset Place”. From the time that said letter was received by Complainant in 2007 up to January 2011, Complainant had ample time to file the complaint with this Bureau, yet it waited until October 14, 2011 to file the same.

WHEREFORE, considering all of the foregoing, the Complaint is hereby **DISMISSED** for being barred by prescription pursuant to Section 1 and 11, Rule 2 of the Rules and Regulations on Administrative Complaints for Violation of Law Involving Intellectual Property Rights.

SO ORDERED.

Taguig City, 10 October 2012.


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

² See par. 8.1 of the Complaint