

# Trademarks

In 54 jurisdictions worldwide

*Contributing editor*  
**Michelle Mancino Marsh**



2015

GETTING THE  
DEAL THROUGH 

GETTING THE  
DEAL THROUGH 

# Trademarks 2015

*Contributing editor*  
**Michelle Mancino Marsh**  
**Kenyon & Kenyon LLP**

Publisher  
Gideon Robertson  
gideon.roberton@lbresearch.com

Subscriptions  
Sophie Pallier  
subscriptions@gettingthedealthrough.com

Business development managers  
George Ingledeu  
george.ingledew@lbresearch.com

Alan Lee  
alan.lee@lbresearch.com

Dan White  
dan.white@lbresearch.com

**Law**  
**Business**  
**Research**



Published by  
Law Business Research Ltd  
87 Lancaster Road  
London, W11 1QQ, UK  
Tel: +44 20 7908 1188  
Fax: +44 20 7229 6910

© Law Business Research Ltd 2014  
No photocopying: copyright licences do not apply.  
First published 2005  
Eleventh edition  
ISSN 1745-4638

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. Although the information provided is accurate as of September 2014, be advised that this is a developing area.

Printed and distributed by  
Encompass Print Solutions  
Tel: 0844 2480 112



## CONTENTS

<b>Overview</b>	<b>7</b>	<b>El Salvador</b>	<b>93</b>
Michelle Mancino Marsh Kenyon & Kenyon LLP		José Roberto Romero Romero Pineda & Asociados	
<b>The Community Trademark</b>	<b>8</b>	<b>Germany</b>	<b>99</b>
Mara Mondolfo Società Italiana Brevetti (SIB)		Claus M Eckhardt and Christine Fluhme Bardehle Pagenberg Partnerschaft	
<b>Angola</b>	<b>12</b>	<b>Greece</b>	<b>105</b>
Patricia Rodrigues Raul César Ferreira (Herd) SA		Alkisti-Irene Malamis and Lina Galanopoulou Malamis & Associates	
<b>Argentina</b>	<b>16</b>	<b>Guatemala</b>	<b>112</b>
Mariano Municoy and Diana Vera Caspary Moeller IP Advisors		Marco Antonio Palacios and Hilda Monterroso Palacios & Asociados	
<b>Australia</b>	<b>22</b>	<b>Honduras</b>	<b>117</b>
Marie Wong Wrays		Ricardo Anibal Mejia M Bufete Mejia & Asociados	
<b>Austria</b>	<b>30</b>	<b>India</b>	<b>123</b>
Peter Israiloff Barger, Piso & Partner		Swati Sharma and Safir Anand Anand and Anand	
<b>Bosnia and Herzegovina</b>	<b>35</b>	<b>Italy</b>	<b>129</b>
Tamara Bubalo Karanović & Nikolić Law Office		Fabrizio de Benedetti and Pier Luigi Roncaglia Società Italiana Brevetti (SIB) / Studio Legale SIB	
<b>Brazil</b>	<b>40</b>	<b>Japan</b>	<b>134</b>
Philippe Bhering and Mina Kaway Bhering Advogados		Yasufumi Shiroyama and Ai Nagaoka Anderson Mōri & Tomotsune	
<b>Cambodia</b>	<b>47</b>	<b>Kenya</b>	<b>139</b>
Nguyen Hoa Binh and Do Phuong Lan Daitin & Associates Co, Ltd		John Syekei and David Opijah Coulson Harney	
<b>Canada</b>	<b>52</b>	<b>Korea</b>	<b>143</b>
Paula Clancy Clancy PC + Brion Raffoul		Mi-Cheong Lee, So-Jung Bae and Michael M McDaniel Lee International IP & Law Group	
<b>Cape Verde</b>	<b>59</b>	<b>Kosovo</b>	<b>149</b>
Patricia Rodrigues Raul César Ferreira (Herd) SA		Tamara Bubalo Karanović & Nikolić Law Office	
<b>China</b>	<b>63</b>	<b>Kyrgyzstan</b>	<b>153</b>
Jay Sha Liu, Shen & Associates		Omurgul Balpanova and Aisulu Chubarova ARTE Law Firm	
<b>Colombia</b>	<b>71</b>	<b>Laos</b>	<b>157</b>
Juan Guillermo Moure, Juan Felipe Acosta and María Clara Calderón OlardeMoure		Nguyen Hoa Binh and Do Phuong Lan Daitin & Associates Co, Ltd	
<b>Croatia</b>	<b>76</b>	<b>Macao</b>	<b>161</b>
Tamara Bubalo Karanović & Nikolić Law Office		Patricia Rodrigues Raul César Ferreira (Herd) SA	
<b>Denmark</b>	<b>81</b>	<b>Macedonia</b>	<b>166</b>
Johnny Petersen Delacour		Tamara Bubalo Karanović & Nikolić Law Office	
<b>Ecuador</b>	<b>87</b>	<b>Malaysia</b>	<b>171</b>
María Rosa Fabara Vera Fabara & Compañía Abogados		Benjamin J Thompson, Haneeta Kaur Gill and Hannah Ariffin Thompson Associates	

<b>Mexico</b>	<b>177</b>	<b>São Tomé &amp; Príncipe</b>	<b>239</b>
Marcela Bolland Uhthoff, Gomez Vega & Uhthoff SC		Patrícia Rodrigues Raul César Ferreira (Herd) SA	
<b>Montenegro</b>	<b>182</b>	<b>Serbia</b>	<b>242</b>
Tamara Bubalo Karanović & Nikolić Law Office		Tamara Bubalo Karanović & Nikolić Law Office	
<b>Mozambique</b>	<b>187</b>	<b>Singapore</b>	<b>247</b>
Patrícia Rodrigues Raul César Ferreira (Herd) SA		Kevin Wong and Denise Loh Ella Cheong LLC	
<b>Myanmar</b>	<b>191</b>	<b>Slovenia</b>	<b>251</b>
Nguyen Hoa Binh and Do Phuong Lan Daitin & Associates Co, Ltd		Nina Drnovšek Law Office Drnovšek LLC	
<b>Nigeria</b>	<b>195</b>	<b>South Africa</b>	<b>256</b>
Tolushuwa Oyebokun Bloomfield Advocates & Solicitors		Debbie Marriott, Eugene Honey and Tiffany Conley Adams & Adams	
<b>Pakistan</b>	<b>201</b>	<b>Switzerland</b>	<b>261</b>
Ali Kabir Shah Ali & Associates		Brendan Bolli and Sandra Przewłoka E Blum & Co AG	
<b>Peru</b>	<b>207</b>	<b>Taiwan</b>	<b>266</b>
María del Carmen Arana Courrejolles Estudio Colmenares & Asociados		Fali Lin and Michael Zuck Formosa Transnational, Attorneys at Law	
<b>Philippines</b>	<b>213</b>	<b>Turkey</b>	<b>272</b>
Mila Federis Federis & Associates Law Offices		Işık Özdoğan and Ezgi Baklaci Moroğlu Arseven Law Firm	
<b>Poland</b>	<b>219</b>	<b>United Kingdom</b>	<b>278</b>
Dorota Rzażewska and Marta Krzyśków-Szymkowicz JWP Patent & Trademark Attorneys		Sarah Hadland, Holly Strube and Chloe Fernandez Boyes Turner	
<b>Portugal</b>	<b>225</b>	<b>United States</b>	<b>284</b>
Patrícia Rodrigues Raul César Ferreira (Herd) SA		Michelle Mancino Marsh Kenyon & Kenyon LLP	
<b>Russia</b>	<b>229</b>	<b>Venezuela</b>	<b>291</b>
Alexander Yurchik and Yuriy Korchuganov MGAP Attorneys at Law		María Nebreda Hoet Peláez Castillo & Duque	
<b>St Lucia</b>	<b>234</b>	<b>Vietnam</b>	<b>296</b>
Cheryl Charmaine Goddard-Dorville Floissac Fleming & Associates		Nguyen Hoa Binh and Do Phuong Lan Daitin & Associates Co, Ltd	

# Philippines

Mila Federis

Federis & Associates Law Offices

## 1 Ownership of marks

### Who may apply?

A natural or juridical person who is using or intends to use a mark in commerce in connection with goods or services may apply to register that mark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any visible word or device or any combination of word or device, any shape or configuration of product or container of a product that is capable of distinguishing the goods or services of one from that of another may be legally protected as a trademark. A 'stamped or marked container of goods' is also defined as a trademark under the Intellectual Property Code (the IP Code). Visibility and distinctiveness are the two essential requisites mentioned by the IP Code in its definition of protectable trademark. Non-traditional marks such as sound, smell or scent, taste, touch or motion are not protectable under the current law.

A trademark will not be protected if it has any of the following attributes:

- immoral, deceptive or scandalous, or tends to disparage or falsely suggest a connection with persons (living or dead), institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- flag or coat of arm or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;
- name, signature or portrait of a deceased Philippine president if there is no written consent of a living spouse, or, the name, portrait or signature identifying a particular living individual if there is no written consent from the individual;
- confusingly similar to a trademark owned by an unrelated party which has an earlier filing date for its application or an earlier issue date for its registration;
- confusingly similar with an earlier well-known trademark;
- misleading in terms of the nature, characteristics and geographical origin of the goods or services;
- descriptive of the goods or services or of the nature, quality or characteristics of the goods or services, or serves as generic term for the goods or services;
- mere shape that is functional in nature;
- mere colour without any form; and
- is contrary to public order or morals.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Before 1998 (effective date of the IP Code), rights to trademarks were acquired by mere use. Those rights are deemed preserved to this date in favour of owners of unregistered trademarks which were used in commerce prior to 1998. From 1998 onwards, ownership of marks can be acquired only by registration. The exception is with respect to well-known trademarks, which are given full protection in the Philippines without the need for registration if they qualify as well-known trademarks based on the standards prescribed by the IP Code. Owners of trademarks that are registered in countries which give Philippine citizens reciprocal rights

based on treaties but whose trademarks are not currently registered in the Philippines have the ability to oppose the registration of a confusingly similar trademark by an unrelated third party by asserting that the application of the latter has been filed in bad faith. However, this ability to oppose may not continue if their trademarks remain unregistered in the Philippines for a long time. Ultimately trademarks already registered in other countries must also be registered in the Philippines at some point if the owners are to be successful in preventing other parties from appropriating and registering confusingly similar trademarks in the Philippines.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If all application requirements are submitted upon filing, and there are no objections raised during substantive examination, an application covering a single class would typically register within eight to 10 months from the filing date. The cost to register is approximately US\$800.

Registration may take longer if objections are raised by the examiner. Objections may relate to incomplete documentation, lack of distinctiveness, confusing similarity with a third party's trademark having an earlier filing or priority date, and failure to submit proof of registration in the home country if the application is claiming convention priority.

A complete application must submit the following:

- name, address and nationality of the applicant;
- specification of goods or services;
- an image or drawing of the trademark subject of the application;
- details of foreign application if the application is claiming convention priority;
- power of attorney designating a local resident agent if the applicant is a foreign entity; and
- correct official fee. For the purposes of obtaining a filing date, the power of attorney is not required and may be submitted later at no cost to the applicant.

An applicant must submit a notarised declaration of actual use (DAU) within three years from filing of the application, failing which, his registration will be deemed automatically cancelled. If an application has not registered at the time the DAU falls due, and the applicant fails to file the DAU, the application is automatically considered as abandoned. The three-year deadline may be extended one time for period of six months. The cost to file a DAU is approximately US\$265.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The Philippines follows the Nice Classification of Goods and Services. Multi-class applications are permitted. There is an additional government fee of US\$65 for each additional class.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Applications go through substantive examination. Absolute and relative grounds for rejection are considered during a substantive examination. An application will be rejected if the trademark is confusingly similar to a trademark in an earlier issued registration or an application with an earlier filing or priority date. See question 2 for a discussion of the absolute and relative grounds for rejecting a trademark application.

An applicant has two months from the mailing date of an office action to respond to the examiner's objections. The response period can be extended for another two months.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

An application may be based on intent to use only. Use is not a requirement for the grant of the certificate of registration. However, for the registration to continue to be valid, the owner must submit a notarised DAU with proof of use within three years from the filing date of the application.

A trademark application filed in the name of a foreign entity who is a national or a domicile of a country which grants reciprocal rights to Philippine citizens may claim a priority filing date based on the filing date of the corresponding home application. If priority is claimed, the applicant will be required to submit a photocopy of the certificate of home registration before the application is granted. A registration where a priority claim has been granted is not exempted from the requirement of filing a DAU within three years from the filing date. The registration will be considered automatically cancelled if the owner fails to file the DAU in a timely manner, or, if the application is still pending when the DAU falls due, the application will be considered as automatically abandoned.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If an examiner issues a final rejection and applicant files an appeal contesting the rejection, the following events will take place in the appeal process:

- file with the director of the Bureau of Trademarks (BOT) a notice of appeal within two months from receipt of the final rejection and within two months from such filing, submit an appeal brief;
- the BOT director issues a formal Order requiring the Examiner to submit his answer to the applicant's brief within two months from receipt of the copy of the brief;
- applicant may file a reply brief within one month from receipt of a copy of the examiner's answer;
- the BOT director renders his or her decision on the appeal;
- the decision of the BOT director becomes final and executory 15 days from receipt of decision when applicant does not lodge a further appeal with the Director-General of the Intellectual Property Office;
- the decision of the Director-General may be further appealed with the Court of Appeals; and
- the decision of the Court of Appeals may be appealed finally to the Supreme Court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for opposition in the Philippine E-gazette. A third party may oppose an application or seek the cancellation of a

trademark registration. An opposition may be based on the following grounds:

- lack of distinctiveness;
- confusing similarity with an earlier filed application, or an earlier issued registration, or with a well-known trademark;
- application was filed in bad faith; and
- misrepresentation as to the real ownership of the trademark.

Cancellation may be based on the following grounds:

- The registered mark has become generic, has been abandoned, or was obtained fraudulently or contrary to the provisions of the IP Code;
- 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; and
- The registered owner, without legitimate reason, fails to use the mark in the Philippines or to license its use in the Philippines, for an uninterrupted period of three years or longer.

## Procedure

One initiates an opposition by lodging a verified notice of opposition with the Bureau of Legal Affairs (BLA) within 30 days from the publication of the application in the Philippine E-gazette. This deadline may be extended twice by filing a motion for extension of the opposition period. Each extension is for a maximum period of 30 days or a total of 90 days from the date of publication. A petition for cancellation, on the other hand, can be filed any time after registration. The petitioner can initiate the cancellation by filing a petition for cancellation with the BLA.

## Notice to answer

If the verified notice of opposition or the petition for cancellation complies with the prescribed formalities, the BLA will issue a notice to answer directing the respondent to file an answer within 30 days from receipt of said notice. The respondent is given 90 days to file its verified answer counted from receipt of the notice to answer, if motions for extension of the answer period are filed twice for 30 days each.

## Referral to mediation

If the verified answer is filed in a timely manner, the case will be referred to mediation where parties are encouraged to amicably settle the case with the help of a mediator.

## Issuance of order setting preliminary conference

If the parties fail to arrive at a settlement in mediation, a preliminary conference will be scheduled where parties can stipulate on facts, define the issues, and mark and/or compare documentary evidence.

## Position papers

Upon the termination of the preliminary conference, the hearing officer will require the parties to submit their respective position papers within 10 days from the termination of the preliminary conference.

## Decision

After the lapse of the period for submitting the position papers, the case is deemed submitted for decision.

## Appeal

A decision of the BLA may be appealed by either party to the Office of the Director-General (ODG). A decision of the latter may be appealed to the Court of Appeals, and the decision of the Court of Appeals may be finally appealed to the Supreme Court.

## Bad-faith application

Foreign trademarks are protected, especially if the third party's trademark application is identical to the foreign trademark. The rule often followed by the deciding authority in disputes involving identical trademarks is that there can be no coincidence. One must have copied from the other. The one who cannot explain the origin of the mark, or cannot demonstrate long and prior use or adoption of the mark, will be considered the infringer. Such party will be deemed to have copied the foreign trademark deliberately and in bad faith. This is true even if the foreign trademark owner does not conduct business in the Philippines. So long as the applicant had the opportunity to encounter the foreign trademark, such as in a posting or advertising in the internet, the applicant will be deemed to have a bad faith



prior knowledge of the foreign owner's mark. (Please see question 3 for a discussion on common law marks.)

**10 Duration and maintenance of registration**

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A registration is valid for a term of 10 years and may be renewed every 10 years. However, for registration to remain valid, the owner must file a DAU within one year following the fifth year from the registration date. A declaration of non-use may be filed in lieu of a DAU provided the owner is able to present valid reasons for non-use. A DAU must be accompanied by proofs of use of the trademark which can be any of the following:

- labels of the mark as these are used;
- downloaded pages from the website of the applicant or registrant clearly showing that the goods are being sold or the services are being rendered in the Philippines;
- photographs (including digital photographs printed on ordinary paper) of goods bearing the marks as these are actually used or of the stamped or marked container of goods and of the establishments where the services are being rendered;
- brochures or advertising materials showing the actual use of the mark on the goods being sold or services being rendered in the Philippines;
- for online sale, receipts of sale of the goods or services rendered or other similar evidence of use, showing that the goods are placed on the market or the services are available in the Philippines or that the transaction took place in the Philippines; or
- copies of contracts for services showing the use of the mark. Computer printouts of the drawing or reproduction of marks will not be accepted as evidence of use.

**11 The benefits of registration**

**What are the benefits of registration?**

The owner of a registered mark has the exclusive right to use the mark and prevent third parties from using confusingly similar marks. A certificate of registration is a prima facie evidence of the validity of 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 covered by the registration or those that are related thereto. The owner can initiate an action for trademark infringement against unauthorised users, ask for temporary restraining order, injunction and damages. Through criminal enforcement proceedings and on complaint initiated by the owner, counterfeit goods may be seized and destroyed. The owner may also request border control authorities to prevent the entry or importation of counterfeit products to the Philippines.

**12 Licences**

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licence agreement may be recorded with the Documentation, Information and Technology Transfer Bureau of the Intellectual Property Office. If not recorded the same may not bind third parties who had no notice of the existence of the licence agreement. The recordal of a trademark licence agreement provides the following advantages:

- it serves as a public notice of the existence and enforceability of the agreement;
- if royalty payment is stipulated in the agreement, registration gives the licensor the ability to avail of tax incentives under applicable tax treaties, and may facilitate sourcing from local banks of foreign currencies for remittance of royalties abroad;
- recordal insures that the terms and conditions of the agreement are enforceable between the parties;
- commercial use of the licensed trademark can serve as evidence supporting the filing of the DAU, which is a mandatory requirement to keep the registration valid; and
- in case of enforcement, the recorded licence agreement can serve as evidence of the existence of a cause of action and standing to bring suit on the part of the licensee.

**13 Assignment**

**What can be assigned?**

A trademark application or registration may be assigned or transferred with or without the transfer of the business or assets.

**14 Assignment documentation**

**What documents are required for assignment and what form must they take?**

To have a valid assignment, there must be a notarised deed of assignment. When recording the assignment, the local agent must submit power of attorney signed by the assignee.

**15 Validity of assignment**

**Must the assignment be recorded for purposes of its validity?**

Recordal of the assignment is not required for the validity of the assignment of the mark. But an unrecorded assignment shall have no effect against third parties.

**16 Security interests**

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Recordal is not required for the validity or enforceability of a security instrument. The IP Code is silent on security interest even while it expressly mentions assignment and transfers by mergers or other forms of succession to ownership or title of trademarks. In actual practice however, the initial public offering does accept requests to record security interests or other types of documents affecting title or ownership of trademark or other transactions involving trademarks.

**17 Markings**

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The registrant can indicate that its mark is registered by displaying with the mark the words 'Registered Mark' or the ® symbol. By the use of such marking, the public is deemed to have knowledge of the status of the trademark as being registered. Knowledge on the part of the offender about the fact that the trademark is registered can lead to an award of damages in case the trademark owner prevails in an infringement action. Knowledge is presumed if the mark is displayed with the words 'Registered Mark' or with the ® symbol.

**18 Trademark enforcement proceedings**

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

**Enforcement through the Bureau of Customs**

Registration and enforcement of intellectual property rights through the Bureau of Customs (BOC) is possible at the Intellectual Property Unit of the BOC. A trademark that is registered with the Bureau of Trademarks may also be registered with the BOC. Once registered, the BOC will send an alert to the trademark owner's local representative if there are suspected counterfeit products that are imported to the Philippines. Before processing the release of suspicious importations, the BOC will conduct an investigation in the presence of the trademark owner's representative and a representative of the owner or consignee of the products to determine if the goods are counterfeit or genuine. If they are counterfeit, the BOC will seize the goods and forfeit them in favour of the government.

Forfeited goods are eventually destroyed or disposed under the direction of the BOC.

Enforcement through the Intellectual Property Office. A trademark owner can enforce its rights administratively by filing a complaint with the intellectual property rights (IPR) enforcement office of the Intellectual Property Office. This type of enforcement is directed against any unauthorised manufacturing, production, importation, exportation, distribution, trading and offering for sale, including other preparatory steps necessary to carry out the sale of counterfeit or pirated goods. If warranted after investigation, the IPR enforcement office can issue a warning letter to the offender. It may visit the premises where the alleged counterfeiting activity is occurring, or refer the case to law enforcement agencies who handle the investigation and seize the goods by virtue of a search warrant issued by a judge. When counterfeit goods are seized by virtue of validly issued search warrants, the office of the prosecutor or the Department of Justice will conduct an investigation to determine if there is probable cause that will justify the filing of criminal information in court. Once an information is filed in court, the offender will be arrested and tried criminally by a court of proper jurisdiction.

In cases of trademark infringement or unfair competition the trademark owner may also file a complaint with the Bureau of Legal Affairs or with the regular courts. Criminal and civil actions are assigned to courts designated as special commercial courts.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

The format of proceedings is uniform for administrative, criminal and civil actions, which involves the presentation of evidence through trial, direct examination, cross-examination, re-direct and re-cross-examinations. Testimonial evidence will be in an affidavit form with supporting documents clearly marked and identified. The affidavit will be in a question-and-answer format. In administrative actions, the affidavit can be in a normal narrative format. The affidavit will contain the direct testimony of the witness and the same will be submitted with the witness affirming under oath the contents of the same. The adverse party may cross-examine the witness on his or her affidavit. Alternatively instead of a witness testifying on the stand, his or her testimony can be presented through deposition upon oral examination or written interrogatories before a Philippine consul in the country where he resides. The witness can be cross-examined also by oral deposition or written interrogatories.

Discovery is allowed. Either party may be served with written interrogatories and requests for admissions. Assuming each party has two witnesses, trial can take as long as one-and-a-half years. More witnesses mean longer trial period. The case is decided by a judge or in case of an administrative complaint, by a hearing officer.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

In administrative action, the burden of proof is substantial evidence. In criminal action, proof of guilt beyond reasonable doubt is required. And in civil action preponderance of evidence is sufficient.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

A civil complaint for trademark violation (infringement and/or unfair competition) may be brought in the name of the owner of an unregistered or a registered trademark. If the trademark is not yet registered the complaint may be brought in the name of the party who in good faith claims to be the first to file an application for registration, or who claims to have used in good faith the trademark subject of the litigation. The case may also be brought in the name of the licensee, distributor or agent who is authorised to bring an action for the owner of the trademark.

In a criminal action, the real party-in-interest is the people of the Philippines. The injured trademark owner participates as the people's witness. For purposes of recovery of damages arising from the criminal liability of the infringer, the trademark owner is deemed as private complainant.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Only acts of infringement committed within the territory of the Philippines are covered. Infringing goods intercepted at the customs border are acts within the Philippines and the infringing goods intercepted will support a charge of trademark infringement. Infringing goods entering a tax-free or economic zone for the purpose of preparing them for export to other countries are still goods within the Philippines and may be seized on warrants issued by the courts.

## 23 Discovery

### What discovery/disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The following modes of discovery are available:

- written interrogatories where the party upon whom the same was served is required to submit a sworn answer within 15 days;
- requests for admissions, where the party upon whom the same is served must, within 15 days, admit or deny the authenticity of documents or the truth of material and relevant matter of fact; and
- request for production or inspection of documents or items, where the party upon whom the same is served must produce and permit the copying or taking photographs of documents in his custody, possession or control; and he must permit the entry to the premises owned or under his control for inspection, survey or taking photographs of things or activities within the premises.

Discovery is useful, but the party served has the right to object and to wait for a resolution on his or her objection before complying with such requests. This can delay the proceedings. The party serving is better off gathering his or her own evidence to avoid delay.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

On average an application for a temporary restraining order and/or preliminary injunction can take about two weeks to two months, appeals not included. For the main action of infringement, unfair competition and false designation of goods, it can take about 10 months to one-and-a-half years. Criminal actions take one to two years.

An appeal to the Court of Appeals can take about a year before it is resolved. Appeals before Supreme Court can take about one-and-a-half years before a decision is issued.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Recordation of the IPR with the BOC costs approximately US\$350 per mark covering one product inclusive of disbursements.

Seizure and condemnation proceedings under the supervision of the BOC cost approximately US\$ 1,500 to US\$ 2,000 from receipt of alert up to seizure.

Enforcement through IPR enforcement of the IPO costs approximately anywhere from US\$2,500 to US\$12,500 depending on the circumstances surrounding the counterfeiting activity that is the target of the enforcement. Some situations may call for the participation of more police enforcement agencies.

Raid action or enforcement of a search warrant will cost approximately US\$8,000 to US\$12,500.

Criminal, Civil and Administrative Action for Infringement, Unfair Competition and False Designation of Goods will cost approximately US\$7,000 to US\$12,500.



**Update and trends**

The Intellectual Property Office is currently working on establishing a system of registration for geographic indications (GI). The Director-General of the Intellectual Property Office (IPO) has identified 13 potential geographic indications that need to be developed and protected. Groups producing products in different regions were invited to participate in a workshop on the drafting of the Code of Practice (CoP) to establish the rules for the GI. Four CoPs were submitted for review while the groups representing the other GIs are still discussing voluntary standards and developing their own CoPs.

On the enforcement side, Philippines has finally been removed from the USTR SPECIAL 301 WATCH LIST. It was first included in the list in 1994 and there it remained for 20 years, until recently. The IPO has been extremely proactive in assisting trademark owners in their campaign against trademark piracy in the Philippines. Congress enacted a law, Republic Act No. 10372, giving the IPO enforcement functions and visitorial powers which gave the IPO, in coordination with other law enforcement agencies, the ability to chase after infringers. Published data shows that following the successful seizure of counterfeit goods amounting to US\$175 million in 2013, the IPO has reported during the first quarter of 2014 the seizure counterfeit goods valued at US\$140 million.

**26 Appeals**

**What avenues of appeal are available?**

For administrative cases of infringement, unfair competition and false designation, the decision of the BLA is appealable to the ODG. Decisions of the ODG are appealable to the Court of Appeals. Decisions of the Court of Appeals may be appealed to the Supreme Court.

For civil and criminal actions, decisions of the Regional Trial Courts are appealable to the Court of Appeals. Decisions of the Court of Appeals may be appealed with finality to the Supreme Court.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

The available defences for a charge of infringement or dilution are as follows:

- the registered owner is not the true owner, or that he or she secured his registration in bad faith, which means he or she had prior knowledge that the mark belongs to another at the time that he or she applied for registration;
- the trademark is generic;
- the registered owner has no actual commercial use of the mark in the Philippines;
- the goods of defendant are not related or similar to, or not competing with the goods of plaintiff; or
- the goods involved are not everyday consumer goods and therefore purchasers are deemed to be familiar with the brand of their choice or intelligent enough not to be confused.

The defendant may also defend by proving any of the following:

- he or she is the first one in the world to use and register the mark and plaintiff cannot offer any reasonable explanation for his or her coinage of the mark;
- the plaintiff is a mere distributor of the defendant;
- the plaintiff actually transacted with the defendant using the mark;
- the plaintiff’s business is such that plaintiff should be familiar with the mark as belonging to another; and
- the defendant’s mark is well known.

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?**

The successful trademark owner is entitled to the recovery of damages consisting of:

- reasonable profit which he or she would have made, had the defendant not infringed his or her rights, or
- the profit which the defendant actually made out of the infringement; or
- in the event such measure of damages cannot be readily ascertained with reasonable certainty, a reasonable percentage based upon the amount of gross sales of the defendant or the value of the services.

In cases where actual intent to mislead the public or to defraud the complainant is shown, the court in its discretion can double the amount of damages.

On application of the plaintiff, the court may, while the case is still pending, impound sales invoices and other documents evidencing use of the trademark in dispute. The preliminary injunction in favour of the plaintiff may be made permanent.

The infringing goods can be ordered to be destroyed or disposed of outside the channels of commerce in such a manner as to avoid causing any harm to the trademark owner. The court may also order the destruction of labels, signs, prints, packages and other paraphernalia used by the infringer and order their destruction.

A temporary restraining order and preliminary injunction may be granted. Some courts will require presentation of proof of substantial injury being suffered by the registrant such that injunction becomes urgent. In such a case, there is a need to argue in court that one of the trademark rights arising from the fact of registration that are expressly granted by law is the right to exclude others from using the mark, and that the substantial injury or damage is the copying of the registered mark.

If there is a cloud on the certificate, such as when a cancellation action had been filed prior to the filing of the infringement suit, then an injunctive writ will not be issued.

Criminal remedies will refer to the application for search warrant, to effect the seizure of the infringing goods, and to use the seized items as evidence for the filing of criminal case against the infringer.



**Mila Federis**

**mfederis@federislaw.com.ph**

Suites 2004 and 2005  
 88 Corporate Center  
 141 Valero St, Salcedo Village  
 Makati City 1227  
 Philippines

Tel: +63 2 889 6197 / 8  
 Fax: +63 2 889 6132  
 www.federislaw.com.ph

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Parties are encouraged to go through mediation in order to settle the dispute amicably. Mediation is conducted in all actions of infringement, unfair competition and false designation of goods. Discussions during mediation conferences are confidential. Arbitration is also available but seldom used by the parties.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

It is possible for a foreign trademark which has been declared as well-known internationally and in the Philippines is afforded protection in the Philippines even if not yet used commercially in the Philippines. The scope of protection is as follows: If the well-known mark is not registered in the Philippines, then it is protected only on goods similar or related to the goods under the well-known mark; and if already registered in the Philippines, its protection extends even to unrelated goods.

The well-known trademark must famous both outside the Philippines and in the Philippines. The proof required for a well-known status includes one or a combination of the following criteria:

- the duration, extent and geographical area of any use of the mark, particularly, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, if the goods and/or services to which the mark applies;
- the market share, in the Philippines and in other countries, of the goods, and/or services to which the mark applies;
- the degree of the inherent or acquired distinction of the mark;
- the quality-image or reputation acquired by the mark;
- the extent to which the mark has been registered in the world;
- the exclusivity of registration attained by the mark in the world;
- the extent to which the mark has been used in the world;
- the exclusivity of use attained by the mark in the world;
- the commercial value attributed to the mark in the world;
- the record of successful protection of the rights in the mark;
- the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services owned by persons other than the person claiming that his mark is a well-known mark.

## Getting the Deal Through

Acquisition Finance	Dispute Resolution	Licensing	Public-Private Partnerships
Advertising & Marketing	Domains and Domain Names	Life Sciences	Public Procurement
Air Transport	Dominance	Mediation	Real Estate
Anti-Corruption Regulation	e-Commerce	Merger Control	Restructuring & Insolvency
Anti-Money Laundering	Electricity Regulation	Mergers & Acquisitions	Right of Publicity
Arbitration	Enforcement of Foreign Judgments	Mining	Securities Finance
Asset Recovery	Environment	Oil Regulation	Ship Finance
Aviation Finance & Leasing	Foreign Investment Review	Outsourcing	Shipbuilding
Banking Regulation	Franchise	Patents	Shipping
Cartel Regulation	Gas Regulation	Pensions & Retirement Plans	State Aid
Climate Regulation	Government Investigations	Pharmaceutical Antitrust	Tax Controversy
Construction	Insurance & Reinsurance	Private Antitrust Litigation	Tax on Inbound Investment
Copyright	Insurance Litigation	Private Client	Telecoms and Media
Corporate Governance	Intellectual Property & Antitrust	Private Equity	Trade & Customs
Corporate Immigration	Investment Treaty Arbitration	Product Liability	Trademarks
Data Protection & Privacy	Islamic Finance & Markets	Product Recall	Transfer Pricing
Debt Capital Markets	Labour & Employment	Project Finance	Vertical Agreements

Also available digitally



# Online

[www.gettingthedealthrough.com](http://www.gettingthedealthrough.com)



# iPad app

Available on iTunes



Trademarks  
ISSN 1745-4638



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
2012



Official Partner of the Latin American  
Corporate Counsel Association



Strategic Research Sponsor of the  
ABA Section of International Law