



CEFERINO ANACLETO FRANCISCO, JR.,
Petitioner,

-versus-

SONNY EMMANUEL V. FRANCISCO,
Respondent-Registrant.

x-----x

} **IPC No. 14-2009-00127**
}
} Cancellation of:
} Reg. No. 4-2006-008948
} Date Issued: 11 June 2007
} **TM: "FERINO'S"**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2015 - 125 dated June 24, 2015 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 24, 2015.

For the Director:


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



CEFERINO ANACLETO FRANCISCO, JR.,
Petitioner,

- versus -

SONNY EMMANUEL V. FRANCISCO
Respondent-Registrant.

X ----- X

IPC No. 14-2009-000127

Cancellation of:

Reg. No. 4-2006-008948

Date Issued: 11 June 2007

Trademark: "FERINO'S"

Decision No. 2015 - 125

DECISION

CEFERINO ANACLETO FRANCISCO, JR. ("Petitioner"),¹ filed a petition for cancellation of Trademark Registration No. 4-2006-008948. The registration, issued to SONNY EMMANUEL V. FRANCISCO (Respondent-Registrant)², covers the mark "FERINO'S" for use on goods under the following classes,³ namely: "30 - rice cakes, bibingka, puto-bumbong, liquid bibingka mixture (galapong), powdered bibingka mix, frozen/microwaveable bibingka; 35 - retail delicatessen specialty food) services; and 43 - restaurant services; carry-out and take-out restaurant services."

The Petitioner alleged the following grounds for the instant petition:

"4. Respondent-Registrant obtained Registration No. 4-2006-008948 fraudulently and otherwise, in contravention of the provisions of the IP Code, and consequently, its cancellation is justified under Section 151.1 (b) of the IP Code.

"5. The cancellation of Registration No. 4-2006-008948 is justified under Section 165 of the IP Code.

"6. Respondent-Registrant is not entitled to the registration of the trademark/tradename 'FERINO'S' in his favor as the same is in violation of Section 168.2 of the IP Code.

"7. The issuance and continued existence of Registration No. 4-2006-008948 has damaged and will continue to damage Petitioner."

According to the Petitioner, he is the legitimate son of spouses Ceferino F. Francisco, Sr. and Cristina Anacleto Francisco. In 1938, Petitioner's parents started their business of making and selling rice cakes (bibingka) and puto bumbong under the business name/trade name "FERINO'S BIBINGKA" at their residence at Ricafort Street, Tondo, Manila, and later on, at 1666 Juan Luna Street, Tondo, Manila. As soon as he was old enough, Petitioner helped his parents in the business of making and selling bibingka and puto bumbong under the business name/trade name "FERINO'S BIBINGKA". In November 1970, Petitioner's parents opened a 'FERINO'S BIBINGKA' store at Fiesta Carnival, Cubao, Quezon City. On 21 August 1975, Petitioner's father, Ceferino F. Francisco, Sr. died. After the death of Petitioner's father, his mother and siblings, including Petitioner.

¹ A Filipino citizen with business and postal address at 58 Visayas Avenue, Quezon City.

² A Filipino citizen with residence at 35-C Malinis Street, UP Village, Quezon City.

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 Petitioner claims that he continued with "FERINO'S BIBINGKA" at Fiesta Carnival, Cubao, Quezon City. On 23 March 1993, upon insistence of his mother and with the conformity of his siblings and to continue with and perpetuate the "FERINO'S BIBINGKA" left by Ceferino F. Francisco Sr., Petitioner opened up his first "FERINO'S BIBINGKA" store at No. 58 Visayas Avenue, Quezon City. On 02 May 1994, Petitioner opened two "FERINO'S BIBINGKA" stores, one at 12 President Avenue, Teovillee Subdivision, Paranaque City, and another at Unit 1 Winston Street, Fairview Park, Quezon City. Last 28 February 2002, Petitioner's mother, Cristina Anacleto Francisco died at the age of 88 years old. From 1993 up to the present, Petitioner has been using "FERINO'S BIBINGKA" as his business name and trade name in his stores, and as his trademark for his rice cake (bibingka), puto bumbong and other native delicacies.

Also, the Petitioner alleges that he registered with the Bureau of Internal Revenue his business name/trade name "FERINO'S BIBINGKA". Petitioner has been using also "FERINO'S BIBINGKA" as his trademark. On 06 August 1998, 16 January 2004, and 09 January 2009, Petitioner renewed his business name registration with the DTI.

Furthermore, the Petition argues that the trademark/trade name "FERINO'S" registered by Respondent-Registrant is identical and/or confusingly similar to the dominant feature of Petitioner's business name/trademark/trade name "FERINO'S BIBINGKA". The food products and services covered by Respondent-Registrant's registration, namely, rice cakes, bibingka, puto bumbong, liquid bibingka mixture (galapong), powdered bibingka mix, frozen/microwaveable bibingka, retail delicatessen (specialty food) services, restaurant service, carry-out and take-out restaurant services falling under Classes 30, 35, and 43, are identical to the goods and services of Petitioner.

The Petitioner's evidence consists of the following:

1. Petitioner's Marriage Contract;
 2. Petitioner's Birth Certificate;
 3. Photograph of Petitioner parents' "FERINO'S BIBINGKA" store in the Manila Hotel Arcade;
 4. Death Certificate of Petitioner's father;
 5. DTI Certificate of Registration No. 0124405 for business name "FERINO'S BIBINGKA";
 6. BIR Certificate of Registration No. 94-380-002811 for "FERINO'S BIBINGKA";
 7. DTI Certificates of Registration Nos. 0177803 and 0177802 for "FERINO'S BIBINGKA";
 8. DTI Certificate of Registration No. 546705 for "FERINO'S BIBINGKA";
 9. DTI Certificate of Registration No. 00262182 for "FERINO'S BIBINGKA";
 10. DTI Certificate of Registration No. 00610717 for "FERINO'S BIBINGKA";
 11. Death Certificate of Petitioner's mother;
 12. Cash invoices;
 13. Certificate of Registration No. 4-2006-008948 for the mark "FERINO'S";
 14. Petitioner's Application Serial No. 4-2009-003017 for the registration of trademark/trade name "FERINO'S BIBINGKA and DEVICE";
 15. Respondent's letter to IPO dated 04 August 2008;
 16. Certification issued by the Securities and Exchange Commission indicating that Ferino's Food Specialties, inc. is inactive since 1996;
 17. Certified copy of certificate of Registration No. 4-2006-008948;
 18. Print-out of Respondent's Application SN 4-2006-008948;
 19. Joint Salaysay executed by Petitioner's siblings;
 20. Franchise Agreement executed between Cristina A. Francisco and Emmanuel V. Francisco;
 21. Franchise Agreement executed between Ceferino A. Francisco Jr. and Ricardo Francisco;
- and,

22. DTI Certificate of Business Name Registration for Ferino's Bibingka issued to Ricardo Villanueva Francisco.

On 25 September 2009, Respondent-Registrant filed its Answer alleging among other the following, that his actual commercial use of the mark "FERINO'S BIBINGKA" precedes Petitioner's use of his business name/trademark/trade name "FERINO'S BIBINGKA" and consequently, disproves Petitioner's claim of exclusive right to use the same.

According to the Respondent-Registrant, the Petitioner did not continue to manage the FERINO'S BIBINGKA branch at Fiesta Carnival, Cubao, Quezon City. It suffered losses and eventually ceased business operations after the death of Petitioner's father. It was in 1981 when another legitimate son, Alfredo Francisco and his family and herein Respondent who opened FERINO'S BIBINGKA along Redemptorist Road in Bulacan. Branches in Bel-Air, Makati City, in 1983; and in Granada Street-Gilmore Avenue, Queon City, after EDSA Revolution, were also opened. Alfredo also caused the incorporation of Ferino's Food Specialties, Inc. with the Securities and Exchange Commission in 1990; whereas, Respondent-Registrant's parent caused the incorporation of Ferino's Bibingka International, Inc. in California, U.S.A. and Ferino's Food Specialties, Inc. in New Jersey, U.S.A., and established branches therein in the early 1990s. After Alfredo passed away in 2001, his children including Respondent-Registrant, continued to manage the said outlets and opened other outlets in Manila. On the other hand, it was only on 23 March 1993 when Petitioner opened his first FERINO'S BIBINGKA' along Visayas Avenue in Quezon City.

Respondent-Registrant also alleges that it applied for, and was granted, the registration of the mark 'FERINO'S' in the IPO for and on behalf of the heirs of Alfredo A. Francisco and of the other members of the Francisco family who also have legitimate interest in using the mark 'FERINO'S' for bibingka, puto-bumbong, and other related products.

Finally, Respondent-Registrant argues that the Petitioner failed to present any evidence to prove that Respondent-Registrant's registration of the mark 'FERINO'S' was obtained fraudulently and in bad faith. There is no evidence presented to overturn the presumption of ownership in favor of Respondent-Registrant. In fact, it was even the Petitioner who surreptitiously obtained from the DTI business name registration for FERINO'S BIBINGKA to the detriment of the legitimate interests not only of the Respondent-Registrant and his siblings but also of the other members of the Francisco family.

The Respondent-Registrant's evidence consists of the following:

1. Marriage Contract of Alfredo A. Francisco and Noemi M. Villanueva;
2. Notarized Affidavit executed by Maria Yolanda Francisco-Felizardo;
3. Certificate of Death of Alfredo A. Francisco, Sr.
4. SEC Registration No. 180407 for Ferino's Food Specialties, Inc., Articles of Incorporation and By-Laws;
4. Certificate of Incorporation of Ferino's Food Specialties, Inc., New Jersey, U.S.A.;
5. Articles of Incorporation of Ferino's Bibingka International, Inc., Los Angeles, California;
6. Export Declaration dated 12 February 1991;
7. Print Advertisements of FERINO'S BIBINGKA branch in California, U.S.A.;
8. Certificate of Death of Alfredo A. Francisco;
9. Certificate of Live Birth of Sonny Emmanuel V. Francisco;
10. Notarized Affidavit of Sonny Emmanuel V. Francisco;
11. Various photographs of FERINO'S BIBINGKA outlets, published articles;
12. Various SSS Quarterly Collections Lists filed with the Social Security System Region 03;
13. Notarized Affidavit of Ricardo V. Francisco;

14. Certificate of Live Birth of Ricardo V. Francisco;
15. Articles relating to Ferino's Bibingka dated 01 September 1993 and 28 November 1994;
16. Sinumpaang Salaysay of Alex M. Villanueva, Joseph Acebedo, Anilyn Casaol and Arniel Babac; and,
17. Package of Ferino's Bibingka.

The Petitioner submitted its Reply on 16 October 2009, prompting the Respondent-Registrant to file a Rejoinder on 03 November 2009. Thereafter, the preliminary conference was conducted and terminated on 16 February 2010. Upon the filing of the Petitioner and the Respondent-Registrant's position papers on 19 and 15 March, 2010 respectively, the case was deemed submitted for resolution.

Should Respondent-Registrant's trademark registration for "FERINO'S" be cancelled?

Section 151.1 of Republic Act No. 8293, also known as the Intellectual Property Code of the Philippines ("IP Code) provides:

x x x A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any person who believes that he is or will be damaged by the registration of a mark under this Act as follows:

x x x

(b) At any time, if the registered mark becomes generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of this Act, or if 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 on or in connection with which the mark is used. x x x

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 out into the market a superior 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

It is stressed that 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 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 of trademarks. Where signs are not inherently capable of distinguishing the relevant goods or services, members may make registrability depend on distinctiveness acquired through use. Member may require, as a condition of registration, that signs be visually perceptible.

⁴ Pribhdas J. Mirpuri v. Court of Appeals, G.R. No. 114508, 19 Nov. 1999. See also Article 15, par. (1), Art. 16, par. 91 of the Trade-related Aspect of Intellectual Property (TRIPS Agreement).

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.

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 prescribed 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, Sec. 121.1 of the IP Code adopted the definition of the mark under the old Law on Trademark (Rep. Act No. 166), to wit:

121.1. "Mark" means any visible sign capable of distinguish 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 states:

Sec. 122. How Marks are Acquired. - The rights in a mark shall be acquired through registration made validly in accordance with the provision 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 validly in accordance with the provision of the law.

Corollarily, Sec. 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 right 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 *E.Y. Industrial Sales, Inc. and Engracio Yap v. Shen Dar Electricity Machinery Co. Ltd.*⁶, the Supreme Court held:

RA 8293 espouses the "first-to-file" rule as stated under Sec. 123.1(d) which states:

x x x

Under this provision, the registration of a mark is prevented with the filing of an earlier application for registration. This must not, however, be interpreted to mean that ownership should be based upon an earlier filing date. While RA 8293 removed the previous requirement of proof of actual use prior to the filing of an application for registration of a mark, proof of prior and continuous use is necessary to establish ownership of a mark. Such ownership constitutes sufficient evidence to oppose the registration of a mark.

Sec. 134 of the IP Code provides that "any person who believes that he would be damaged by the registration of a mark x x x" may file an opposition to the application. The term "any person" encompasses the true owner of the mark, the prior and continuous user.

Notably, the Court has ruled that the prior and continuous use of a mark may even overcome the presumptive ownership of the registrant and be held as the owner of the mark. As aptly stated by the Court in *Shangri-la International Hotel Management, Ltd. v. Developers Group of Companies, Inc.*

Registration, without more, does not confer upon the registrant an absolute right to the registered mark. The certificate of registration is merely a prima facie proof that the registrant is the owner of the registered mark or trade name. Evidence of prior and continuous use of the mark or trade name by another can overcome the presumptive ownership of the registrant and may very well entitle the former to be declared owner in an appropriate case.

In this instance, Petitioner alleged that the business name/trade name "FERINO'S, subject matter of this Petition for Cancellation, was first used in the stores by his parents in 1938 in the business of making and selling rice cakes and puto bumbong. Even after the death of Petitioner's father, "FERINO'S BIBINGKA" continued in operation as operated by Petitioner's mother, himself and his siblings. Later on, Petitioner set up his own FERINO'S BIBINGKA store. This is substantiated by issuances of DTI Certificates of Registration Nos. 0124405⁷, 0177803⁸, and 0177802⁹ Bureau of Internal Revenue Certificate of Registration No. 94-380-002811¹⁰, all for the business name/trade name "FERINO'S

⁵ See Sec. 236, IP Code.

⁶ G.R. No. 184850, 20 October 2010.

⁷ Exhibit "D" of Petitioner.

⁸ Exhibit "F" of Petitioner.

⁹ Exhibit "G" of Petitioner.

¹⁰ Exhibit "E" of Petitioner.

BIBINGKA". These registrations were later renewed.¹¹ In addition, Petitioner submitted cash invoices showing actual use of "FERINO'S BIBINGKA" as its business name/trade name.¹²

In a case decided by the Supreme Court, it was declared that, sales invoices and/or official receipts are the best proof that there are actual sales to the public of a trader's products. Any sale made by a legitimate trader from his store is a commercial act establishing trademark rights since such sales is made in due course to the general public.¹³

As a matter of fact, the use of trade name even in the absence of registration, is deemed protected under the law, as provided herein:

Sec. 165. Trade Names or Business Names. - 165.1. A name or designation may not be used as trade name if by its nature or the use to which such name or designation may be put, it is contrary to public order or morals and if, in particular, it is liable to deceive trade circles or the public as to the nature of the enterprise identified by that name.

165.2. (a) Notwithstanding any laws or regulations providing for any obligation to register trade names, such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

(b) **In particular, any subsequent use of the trade name by a third party, whether as a trade name or a mark or collective mark, or any such use of a similar trade name or mark, likely to mislead the public, shall be deemed unlawful.** (Emphasis Supplied)

On the part of the Respondent-Registrant, he was issued Certificate of Registration No. 4-2006-008948 for the mark FERINO'S¹⁴. A certificate of registration is a prima facie evidence of ownership over a trademark. The law further provides that the registration is valid and that the registrant has the right to use the trademark to the exclusion of others in connection with the goods specified in the certificate as well as with the goods related thereto.¹⁵

There is a presumption, thus, in favor of the registrant that he is the owner of the mark, having the right to use such mark to the exclusion of others in relation to the goods specified in the certificate as well as to the goods related thereto. But considering that a certificate of registration is only a prima facie evidence, this presumption may be overturned by evidence to the contrary.

Respondent-Registrant showed documents showing the incorporation of FERINO'S FOOD SPECIALTIES, INC. in the Philippines¹⁶ and in the United States¹⁷. He likewise presented actual use in the Philippines through published articles and promotional materials¹⁸, photographs of his FERINO'S outlets¹⁹ and SSS Quarterly Collection Lists with the Social Security System Regulation²⁰. However, a perusal of these documents show that these were all dated later than that of Petitioner's evidence of use and adoption. Respondent-Registrant therefore, failed to show its priority in use and adoption, much less

¹¹ Exhibits "II", "I" and "J" of Petitioner.

¹² Exhibits "L" to "L-39" of Petitioner.

¹³ Converse Rubber Corporation v. Universal Rubber Products, et al., G.R. No. L-27906, 08 January 1987.

¹⁴ Exhibit "R" of Petitioner.

¹⁵ Sec. 138, IP Code.

¹⁶ Exhibits "3-A" - "3-C" of Respondent-Registrant.

¹⁷ Exhibits "4-A" and "4-B" of Respondent-Registrant.

¹⁸ Exhibits "4-C" - "4-E", "7-BB" to "7-FF" of Respondent-Registrant.

¹⁹ Exhibits "7-A" to "7-AA" of Respondent-Registrant.

²⁰ Exhibits "&-GG", "7-HH" and "7-II" of Respondent-Registrant.

adoption of the mark "FERINO'S", which was clearly overturned by the evidence presented by herein Petitioner. The act of taking the management and expanding a business carrying a trade name or mark which is actually owned by another person does not entitle one to acquire ownership on the mark FERINO'S.

Considering, then, that the prima facie presumption of ownership to the mark "FERINO'S" granted to Respondent-Registrant under Section 138 of the IP Code has been overturned by substantial evidence which is defined as that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion, the cancellation of the subject registration is in order.¹

However, since it was shown that the parents of herein Petitioner, Ceferino F. Francisco, Sr. and Cristina Anacleto, were the owners, actual users and operators of a business establishment selling bibingka and puto bumbong carrying the trade name/business name and mark FERINO's in the Philippines, the contested mark is deemed owned by them, or their estate in the goods specified and other goods/services related to the same. The Respondent-Registrant, therefore, not being owner of the contested mark at the time he filed his trademark registration has no right to register the mark in his own name and for his exclusive use.

WHEREFORE, premises considered, the instant Petition to Cancel Trademark Registration No. 4-2006-008948 is hereby **GRANTED**. Let the filewrapper of the subject trademark registration be returned, together with a copy of this Decision, to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, 24 June 2015.


Atty. **NATHANIEL S. AREVALO**
Director IV, Bureau of Legal Affairs

¹ Sec. 5, Rule 133 of the Rules of Court.