

NUMAN FOOD SUPPLEMENT,
Petitioner,

-versus-

MEGA LIFE SCIENCES LIMITED,
Respondent- Registrant.

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IPC No. 14-2012-00062
Cancellation of:
Reg. No. 4-2010-010178
Date Issued : 21 April 2011
TM: "GLUCOTRIM"

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NOTICE OF DECISION

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For the Respondent-Registrant
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GREETINGS:

Please be informed that Decision No. 2016 - 169 dated June 08, 2016 (copy enclosed) was promulgated in the above entitled case.

Taguig City, June 08, 2016.

For the Director:


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

NUMAN FOOD SUPPLEMENT,	}	IPC No. 14-2012-00062
Petitioner,	}	Cancellation of:
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-versus-	}	Reg. No. 4-2010-010178
	}	Date Issued: 21 April 2011
MEGA LIFE SCIENCES LIMITED,	}	Trademark: "GLUCOTRIM"
Respondent-Registrant.	}	
x-----x		Decision No. 2016 - <u>169</u>

DECISION

NUMAN FOOD SUPPLEMENT ("Petitioner")¹ filed a Petition for Cancellation of Trademark Registration No. 4-2010-010178. The registration, issued to MEGA LIFE SCIENCES LIMITED ("Respondent-Registrant")², covers the mark "GLUCOTRIM" for use on goods such as *"health food supplement made from protein for diabetes not for medical use"* under class 29³.

Petitioner alleges the following:

"3.The herein petitioner is the original and true owner in the Philippines of the trademark GLUCOTRIM as evidenced by the labels, which is actually used and continuously being used on the goods described and registered with the Food and Drug Administration as Food Supplement with No Approved Therapeutical Claim.

"4. Petitioner owns and has owned the said trademark in the Philippines for almost two (2) years and long before respondent-registrant MEGA LIFESCIENCES LIMITED filed its application for the identical mark GLUCOTRIM in the Philippines on April 21, 2011 for goods in class 29, particularly, Health Food Supplement mad From Protein Power for Diabetes Not For Medical Use.

"5.The petitioner has filed its application for initial registration of trademark GLUCOTRIM with the office of the Food and Drug Administration (FDA for short) on March 15, 2010 as evidenced by the corresponding petitioner's letter of Application thereof which was received by the office of the Food and Drug Administration on March 15, 2010.

¹ With address at 172 ITSP Building, C. Raymundo Avenue, Barangay Maybunga, Pasig City, Philippines.

² With address at 384 S01 6 Pattana, Bangpoo Industrial Estate, SAMUTPRAKARN PROVINCE 10280, Thailand.

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.

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"6. By virtue of the said petitioner's application for initial registration of GLUCOTRIM, a corresponding CERTIFICATE OF PRODUCT REGISTRATION dated November 11, 2010 thereof was issued by the office of the Food and Drug Administration (FDA).

"7. The trademark GLUCOTRIM is being used and registered with the office of the Food and Drug Administration (FDA) by the petitioner in the Philippines long before the respondent-registrant filed its application for registration of the same trademark GLUCOTRIM with the Intellectual Property Office of the Philippines.

"8. Moreover, on July 25, 2011, petitioner filed with the Honorable Intellectual Property Office, Bureau of Trademarks, an Application for Registration of trademark GLUCOTRIM described as Application No. 04-2011-008712 for goods: Food and Supplement under Class 5 of the International Classification of goods.

"9. The trademark of the respondent-registrant GLUCOTRIM is practically identical and/or similar with the pending trademark application of the petitioner, both in spelling, pronunciation as well as in meaning and in overall appearance, hence, the respondent-registrant's Certificate of Registration No. 42010010178 should be cancelled.

"10. The trademark GLUCOTRIM owned by the petitioner was and is continuously and vigorously being promoted and advertised in the Philippines as evidenced by the following: Radio Media Plans, Billboards in the different place, TV coverages, Newspaper clippings, photocopies.

"11. Consequently, the prior, long and exhaustive use, reach and exposure of the mark GLUCOTRIM through advertising, promotions, marketing and sales in the Philippines, had made it distinctive of petitioner's goods and business in the Philippines.

"12. To the surprise of the petitioner NUMAN FOOD SUPPLEMENT, it discovered that respondent-registrant MEGA LIFESCIENCES LIMITED was able to register the trademark GLUCOTRIM which is confusingly similar, if not almost identical to petitioner's mark GLUCOTRIM.

"13. There is no valid and reasonable explanation why respondent-registrant MEGA LIFESCIENCES LIMITED would use the mark GLUCOTRIM when such mark has obviously no connection with the respondent's name. Worse, respondent obviously chose the identical mark that is owned and has long been used by Petitioner as its trademark."

The Petitioner's evidence consists of the following:

1. Special Power of Attorney executed by Pedro A. Nabong, owner/proprietor off NUMAN FOOD SUPPLEMENT;
2. Package sample of GLUCOTRIM;
3. Application for initial registration of GLUCOTRIM with the Food and Drug Administration;
4. Certificate of Product Registration of GLUCOTRIM issued by the Food and Drug Administration;
5. Application for Registration of GLUCOTRIM with the Bureau of Trademarks, Intellectual Property Office;
6. Acknowledgment by the Intellectual Property Office;
7. Various promotion and advertisement materials of GLUCOTRIM; and,
8. Purchase Orders, Sales Invoices of GLUCOTRIM in the Philippines.

This Bureau issued and served upon the Respondent-Registrant a Notice to Answer on 30 March 2012. Respondent-Registrant however, did not file an answer. On 31 January 2013, this Bureau declared Respondent-Registrant in default. Accordingly, pursuant to Rule 2 Section 10 of the Rules and Regulations on Inter Partes Proceedings, as amended, the case is deemed submitted for decision on the basis of the opposition, the affidavits of witnesses, if any, and the documentary evidence submitted by the Opposer.

Should Certificate of Registration No. 4-2010-010175 for the trademark **GLUCOTRIM** be cancelled?

Section 138 of Republic Act No. 8293, as amended, also known as the Intellectual Property Code of the Philippines ("IP Code") provides, to wit:

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 of 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.

Since a certificate of registration is merely prima facie evidence of the validity of registration, it may be challenged or controverted. It means that the presumption can be overcome by proof of the nullity of the registration in an appropriate action. In this regard, the IP Code also provides:

Sec. 151. Cancellation. -151.1 A petition to cancel a registration of 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 or in connection with which the mark is used. xxx

Petitioner is seeking the cancellation of Respondent-Registrant's GLUCOTRIM mark on the ground that it is identical or confusingly similar to its mark GLUCOTRIM which it used prior to Respondent-Registrant's application for registration with the IPOPHL. The marks of the parties are reproduced below:



Petitioner's Mark

GLUCOTRIM

Respondent-Registrant's Mark

Records would show that Respondent-Registrant applied for registration of its mark on 17 September 2010 and subsequently issued a certificate of registration on 21 April 2011. On the other hand, Petitioner's application for the similar mark was filed on 25 July 2011. While the date of Respondent-Registrant's application and the subsequent registration of its mark precedes that of the date of the application for registration of Petitioner's similar mark with the IPO, records also show that even prior to Petitioner's application for registration of its trademark with this Office, it already applied for registration of the herbal supplement carrying the mark GLUCOTRIM with the Food and Drug Administration (FDA) as early as 15 March 2010 and on 11 November 2010, FDA issued a Certificate of Product Registration.⁴ This shows that Petitioner is first user and adopter of the GLUCOTRIM mark in its herbal capsule prior to the application for registration of Respondent-Registrant's mark. As such, between Petitioner and Respondent-Registrant, the former has a better right over the mark GLUCOTRIM.

It is worth to note that registration of a mark is based on ownership. While Republic Act No. 8293 espouses the first-to-file rule as stated under Sec. 123.1(d) which means that 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 cancel the registration of a mark.⁵

In *E.Y. Industrial Sales, Inc. et. Al. v. Shendar Electricity and Machinery Co. Ltd.*, the Supreme Court held:

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.

⁴ See Annex "C" and "D" of the Petition.

⁵ *Supra*.

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.**

x x x

Ownership of a mark or trade name may be acquired not necessarily by registration but by adoption and use in trade or commerce. As between actual use of a mark without registration, and registration of the mark without actual use thereof, the former prevails over the latter. For a rule widely accepted and firmly entrenched, because it has come down through the years, is that **actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership.**

x x x

By itself, registration is not a mode of acquiring ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for registration of the same. Registration merely creates a prima facie presumption of the validity of the registration, of the registrant's ownership of the trademark and of the exclusive right to the use thereof. Such presumption, just like the presumptive regularity in the performance of official functions, is rebuttable and must give way to evidence to the contrary.

Clearly, it is not the registration of the mark which confers ownership. A trademark is a creation of use and belongs to one who first used it in trade or commerce.⁶ "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 rights 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."⁷

Moreover, fraud or bad faith is evident in this case because the parties belong to the same industries and that they deal with similar/related goods or products. It is very hard to accept that Respondent-Registrant does not know of the existence of Petitioner's product in the

⁶ *Berris v. Norvy Abdayang*, G.R. No. 183404, October 13, 2010.

⁷ See Decision, IPC No. 14-2008-00046, 21 January 2013, available at <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 10 June 2013>.

market. Even a perusal of the "filewrapper" of the TM Registration in issue is dearth of information that Respondent-Registrant used the mark prior to Petitioner. Further, it must be underscored that Respondent-Registrant was given opportunity to refute the Petitioner's allegation. However, it chosen not to.


Aptly, 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.⁸

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2010-010178, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City

08 JUN 2016


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

⁸ *Pribhdas J. Mirpuri v. Court of Appeals*, G. R. No. 114508, 19 Nov. 1999.