

FELDA GLOBAL VENTURES HOLDINGS BERHAD }
And DELIMA OIL PRODUCTS SDN, BHD, }
Opposer, }

-versus-

WILLIAM T. LIM, }
Respondent-Applicant. }

X-----X

IPC No. 14-2013-00344

Opposition to:
Appln. Serial No. 4-2013-710048
Date Filed: 28 February 2013

TM: SAJI

NOTICE OF DECISION

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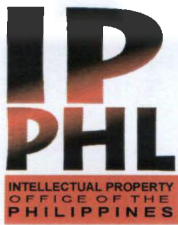
GREETINGS:

Please be informed that Decision No. 2016 - 541 dated 23 December 2016 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOPHL Memorandum Circular No. 16-007 series of 2016, any party may appeal the decision to the Director of the Bureau of Legal Affairs within ten (10) days after receipt of the decision together with the payment of applicable fees.

Taguig City, 11 January 2017.


MARILYN F. RETUAL
IPRS IV
Bureau of Legal Affairs



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Opposer,	} Opposition to:
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	} Filing Date : 28 February 2013
	}
-versus-	} Trademark: SAJI
	}
WILLIAM T. LIM,	}
Respondent-Applicant.	}
x-----x	} Decision No. 2016- <u>541</u>

DECISION

FELDA GLOBAL VENTURES HOLDINGS BERHAD DELIMA OIL PRODUCTS SDN, BHD (“Opposer”)¹ filed an Opposition to Application Serial No. 4-4-2013-710048. The application, filed by WILLIAM T. LIM (Respondent-Applicant)², covers the mark “SAJI”, for use on “Milk” under Class 29 of the International Classification of Goods³.

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

“A. Respondent-Applicant is the Opposers’ distributor of products in the Philippines bearing Opposers’ SAJI trademark which is the subject TM application is seeking to register and hence, pursuant to jurisprudence, Respondent-Applicant can never acquire ownership of said trademark.

“B. Respondent-Applicant’s trademark application for SAJI is filed in bad faith because Respondent-Applicant has prior knowledge of the fact that SAJI is owned by Opposers at the time subject TM application was filed and thus, it should be rejected immediately pursuant to Converse Rubber Corporation vs. Universal Rubber Products, Inc. and Shangri-La International Hotel Management, Ltd. vs. Developers Group of Companies, Inc. and Mustang-Bekleidungswerke GMBH+Co. KG vs. Hung Chiu Ming.

“C. Opposer’s SAJI trademark has the benefit of numerous foreign registrations and is therefore protected under the IP Code from confusingly similar trademarks.”

¹ Malaysian corporations, with address at Level 42, Menara Felda Platinum Park, No. 11, Persiaran KLCC Kuala Lumpur, Malaysia

² Filipino with address at 878 Dona Maria Subd., C. Atilano, Tetuan St. Zamboanga City

³ The Nice Classification of Goods and Services is for registering trademarks and service marks based on 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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Sec. 123.1. Registrability. A mark cannot be registered if it:

- (d) is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
 - (i) the same goods or services; or
 - (ii) closely related goods or services; or
 - (iii) if it nearly resembles such a mark as to be likely to deceive or cause confusion.

The Opposer submitted as evidence the following:

1. Affidavit of Mohd Emir Mavani Abdullah;
2. Certificate of Incorporation of Felda Global Ventures Holdings Berhad;
3. Print-out of website <http://feldaglobal.com>
4. Certificate of Trademark Registration from Malaysia;
5. Print-out of website <http://www.fgvdelima.com/Pages/NewHome.aspx>;
6. Awards and recognition for "SAJI";
7. Advertisements, articles and features of "SAJI" mark;
8. Photographs of advertising for "SAJI" products;
9. Print-out of E-mail dated July 3, 2012 and January 28, 2013;
10. Bills of Lading, Letter of Intent;
11. Affidavit of Jan Abigail Ponce;
12. Special Power of Attorney;
13. Certified true copy of Trademark Application for the mark "SAJI"; and
14. Certification from the Office of the City Mayor of Zamboanga⁴

The Respondent-Applicant filed his Answer on 12 December 2013, alleging among other things, the following defenses:

"7. This opposition is dismissible for lack of cause of action. It is not based on prior registration or on prior application as would entitle the oppose to bar respondent's application under Section 123.1 (d) of Republic Act 8293. xxx

"8. Neither is the opposition based on opposer's mark being world famous. In fact there is no showing that opposer's mark is world famous as would entitle it to registration of respondent's application under Section 123.1 (e) of the IP Code. xxx

"11. However, there is no bad faith on the part of respondent. His application for registration was filed as a measure of giving legitimacy for the goods he is carrying, there being no trademark registration in this country, in the same way that he procured the FDA permits and all other papers. Respondent had no knowledge of opposer's claimed prior creation of the mark SAJI. xxx

⁴ Exhibits "A" to "1"



“12. The mark SAJI which was used in the Philippines for the product in question was coined by respondent sometime in 2009 even before he met respondent and after several brainstorming sessions with his children.xxx

“13. In any event, the alleged Malaysian registrations of SAJI do not confer on oppose a right to bar respondent’s application. xxx

“14. The other alleged foreign registrations all appear to be mere applications which were filed after respondent’s date of filing. It is opposer who is taking advantage of respondent and his proprietary right to the mark SAJI.

“15. All told, respondent has a better right to the use of the trademark Saji. In fact, he is causing a toll manufacture through a company based in Malaysia referred to above to carry his milk products under his own company name of Saji Food Products, Inc.”

In support of its defense, the Respondent-Applicant submitted the following: Sworn Statement of William T. Lim; License to Operate as Food Distributor/Importer; and copy of Securities and Exchange Commission Certificate of Incorporation.⁵

The Preliminary Conference was held on 16 June 2014 where both parties were directed to file their respective position papers. The Opposer and Respondent-Applicant submitted their position papers on 25 June 2014 and 20 June 2014, respectively.

Should the Respondent-Applicant be allowed to register the trademark “SAJI”?

The competing marks are reproduced below:



Opposer’s mark



Respondent-Applicant’s mark

The marks are identical in its literal component, font and style. Visually and aurally they are the same giving the impression that goods bearing the marks are affiliated or originate from one and the same owner, especially that they are applied on goods under class 29. Applied on same class of goods or products, the likelihood that the buying public would be confused on the origin and sponsorship of the goods is likely.

⁵ Exhibits “1” to “3”

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The Opposer asserts that the application was filed in bad faith because it is the owner of the mark SAJI and the Respondent-Applicant is its mere distributor. To prove this, the Opposer cites the e-mail messages between the parties on 3 July 2012⁶ and 28 January 2013⁷ wherein the parties talked about the design of the mark. There is also paper trail of several export and import transactions in the year 2012. The Opposer also points to a Letter of Intent to Appoint Paja Import and Export as Distributor of SAJI products.

The records reveal that the parties have maintained communication whereby goods originating from the Opposer are sent to the Respondent-Applicant for sale in the Philippines. In fact, they have correspondence wherein the Respondent-Applicant gave advice to the Opposer regarding labeling design and requirements in the Philippines. In this e-mail thread of 3 July 2012⁸, the Respondent states "...3) if possible company logo only and felda best is written there no more the delima oil products...". This suggests an acknowledgement of the owner of the mark SAJI by Respondent-Applicant. All in all, evidence show that SAJI products are sold by Respondent-Applicant in the Philippines, sans a duly distributorship agreement since 2012.

This Bureau emphasizes, however, that 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. The Philippines implemented the World Trade Organization Agreement on the Trade - Related Aspects of Intellectual Property ("TRIPS Agreement") when the IP Code took into force and effect on 1 January 1998.⁹ In the TRIPS Agreement, it is stated:

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 described 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 Trademarks (Rep. Act. No. 166), to wit:

121.1 "Mark" means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods; (Sec. 38, R.A. No. 166a)

Sec. 122 of the IP Code also states:

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

⁶ Exhibit "J"

⁷ Exhibit "K"

⁸ Exhibit "J"

⁹ See Sec. 2: Trademarks, Art. 15 (Protectable Subject Matter)

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 the mark shall be acquired through registration, which must be made validly in accordance with the provision of the law.

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. In *Berris v. Norvy Abyadang*¹⁰, the Supreme Court held:

“The ownership of a trademark is acquired by its registration and its actual use by the manufacturer or distributor of the goods made available to the purchasing public. Xxx In other words, the *prima facie* presumption brought about by the registration of a mark may be challenged and overcome, in an appropriate action, by proof of the nullity of the registration or of non-use of the mark, except when excused. Moreover, the presumption may likewise be defeated by evidence of prior use by another person, *i.e.* it will controvert a claim of legal appropriation or of ownership based on registration by a subsequent user. This is because a trademark is a creation of use and belongs to the one who first used it in trade.”

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, thereby adopting the policy of “First-to-File” rule, there are indications that 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.¹¹ The “First-to-File” rule could not have been intended to justify the approval of a trademark application just because it was the first application to be filed regardless of another's better or superior right to the mark applied for. The rule cannot be used to commit or perpetrate 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. RA 8293 implements the TRIPS Agreement and therefore, the idea of “registered owner” does not mean that ownership is established by mere registration but that registration establishes merely a presumptive right of ownership. That presumption of ownership yields to superior evidence of actual and real ownership of the trademark and to the TRIPS Agreement requirement that no existing prior rights shall be prejudiced.

¹⁰ G.R. No. 183404, 13 October 2010.

¹¹See Section 236 of the IP Code.

A mere distributor cannot be considered the owner of a mark. The Supreme Court in the case of Unno Commercial Enterprises, Incorporated v. General Milling Corporation¹², held:

Use of a trademark by a mere importer, indentor or exporter (the Senior Party herein) inures to the benefit of the foreign manufacturer whose goods are identified by the trademark.

Again, in a more recent case, the Supreme Court in Superior Commercial Enterprises v. Kunnan Enterprises, Ltd.¹³, held that a mere importer has no right to apply for the registration of a mark. The High Court held:


Thus, the CA in the Registration Cancellation Case correctly held:

As a mere distributor, petitioner Superior undoubtedly had no right to register the questioned mark in its name. Well-entrenched in our jurisdiction is the rule that the right to register a trademark should be based on ownership. When the applicant is not the owner of the trademark being applied for, he has no right to apply for the registration of the same. Under the Trademark Law, only the owner of the trademark, trade name or service mark used to distinguish his goods, business or service from the goods, business or service of others is entitled to register the same. An exclusive distributor does not acquire any proprietary interest in the principal's trademark and cannot register it in his own name unless it has been validly assigned to him.

WHEREFORE, premises considered, the instant Opposition to application no. 4-2013-710048 is hereby **SUSTAINED**. 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, 23 DEC 2016


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

¹² G.R. L. No. 28554, 28 February 1982

¹³ G.R. No. 169974, 20 April 2010