

MALAYSIA DAIRY INDUSTRIES PTE LTD.,
Petitioner,

-versus-

MANILA GOLDEN ARCHER GROUP INC.,
Respondent-Registrant.

X-----X

IPC No. 14-2014-00263

Cancellation of:

Registration No. 4-2009-009586

Date Issued: 04 June 2010

**TM: LUCKY COW CONDENSED
MILK AND DEVICE**

NOTICE OF DECISION

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GREETINGS:

Please be informed that Decision No. 2017 - 126 dated 19 April 2017 (copy enclosed) was promulgated in the above entitled case.

Pursuant to Section 2, Rule 9 of the IPOP HL 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.

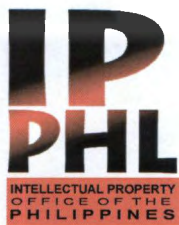
Taguig City, 20 April 2017.


MARILYN F. RETUTAL
IPRS IV

Bureau of Legal Affairs

**Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE**

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IPC NO. 14-2014-00263

Cancellation of:
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Trademark: **LUCKY COW CONDENSED
MILK AND DEVICE**

x-----x

Decision No. 2017 - 126

DECISION

MALAYSIA DAIRY INDUSTRIES PTE.¹ ("Petitioner") filed a Petition for Cancellation of Registration No. 4-2009-009586. The registration issued to MANILA GOLDEN ARCHER GROUP² ("Respondent-Registrant") covers the mark **LUCKY COW CONDENSED MILK AND DEVICE** for use on "*condensed milk*" under Class 29 of the International Classification of goods³.

The Opposer alleges the following:

"GROUNDS

xxx

"a. Petitioner is the true owner of the LUCKY COW mark and variations thereof. Considering that the challenged trademark is exactly identical to, or at any rate, confusingly similar with, Petitioner's mark, it should not have been registered pursuant to Section 123.1 (d) and other relevant provisions of the IP Code.

"b. The subject registration is obviously a registration in bad faith, because there can be no reasonable explanation for the adoption of the same mark LUCKY COW and design elements by Respondent-Registrant, whose corporate name has no connection in any way with the LUCKY COW as to merit its coinage of the mark, which therefore give rise to the conclusive legal presumption that it deliberately copied Petitioner's LUCKY COW trademarks registered in various jurisdictions to deceive the public. pursuant to the principle enunciated in McDonald's Corporation v. McJoy Fastfood Corporation and Converse Rubber Corporation v. Universal Rubber Products, Inc. and also to take

¹A corporation duly organized and existing of the laws of Singapore with principal office at 2 Davidson Rd., Singapore 369941.

²A domestic corporation with address at 684 Madrid Street, Binondo, Manila.

³The Nice Classification is a classification of goods and services for the purpose of registering trademark and service marks, based on the multilateral treaty administered by the World Intellectual Property Organization. The treaty is called the Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of the Registration of Marks concluded in 1957.

advantage of the goodwill of Petitioner's trademarks as held in Shangri La International Hotel Management Ltd. v. Developers Group of Companies, Inc.

"c. Petitioner was the first to use in commerce in the Philippines and abroad the trademark LUCKY COW & DEVICE in connection with milk, has prior and superior right to the disputed trademark under Section 236 of the IP Code in relation to Section 2-A of R.A. 166 or the old Trademark Law.

"d. The continued registration of the challenged trademark will enable the Respondent-Registrant to unfairly profit commercially from the goodwill, fame and notoriety of the Petitioner's trademark LUCKY COW, to the damage and prejudice of the Petitioner, contrary to Section 168.1 of the IP Code.

"e. Respondent-Registrant's use and registration of the challenged trademark in face of Petitioner's LUCKY COW mark will diminish the distinctiveness and dilute the goodwill of the said trademark and variations thereof."

The Opposer's evidence consists of the following:

1. Affidavit of Mr. Alfred Lim Jee Long;
2. Certified true copies of Certificate of Registration for LUCKY COW issued in South Africa, Hong Kong, Indonesia, Iran, Laos, Macau, Madagascar, Mauritius, Seychelles and United States.
3. Sample materials showing the use and promotion of the LUCKY COW and device mark;
4. Representative sample of Invoices for the LUCKY COW and device from 1994-2010;
5. Affidavit of Diana Rabanal;
6. Special Power of Attorney ;
7. Secretary's Certificate;
8. Printout from the website <http://www.mdi.com.sg/index.html>;
9. Other websites featuring and discussing LUCKY COW and Petitioner; and
10. Printout of the application details of Trademark Application Serial No. 4-2011-002219.

This Bureau issued on 27 June 2014 a Notice to Answer and served it to Respondent-Registrant on 10 July 2014. After several motions, Respondent-Registrant filed the Answer on 08 October 2014, alleging the following:

"55. Contrary to Petitioner's claim, it is the Respondent-Registrant who has prior rights over the mark LUCKY COW SWEETENED CONDENSED MILK AND DEVICE in the Philippines and in Singapore. The Respondent-Registrant has applied for the registration of the mark in the Philippines in 2009 and obtained registration for the mark in 2010.

"56. The Respondent-Registrant also filed on 23 March 2013, through the Madrid System, International Registrations in China, Japan and Singapore. The Respondent-

Registrant has secured a grant of protection for the mark LUCKY COW SWEETENED CONDENSED MILK AND DEVICE in Singapore effective 5 March 2014.

"57. The Respondent-Registrant has also used the mark since 2009 or for almost 6 years now in the Philippines. The goods are distributed nationwide in selected cities. There is no truth to Petitioner's claim that the mark LUCKY COW SWEETENED CONDENSED MILK AND DEVICE has not been used in commerce in the Philippines as the Respondent-Registrant has even filed a Declaration of Actual Use of the mark.

"58. The Respondent-Registrant introduced milk products in 2009 using two marks, namely, COW VALLEY CONDENSED MILK and LUCKY COW SWEETENED CONDENSED MILK. These marks were coined by the Respondent-Registrant based on the usual cow images on a valley grazing on green grass.

"59. There is therefore no fraud or deceit and no bad faith on the part of the Respondent-Registrant when it adopted and obtained the registration of the mark LUCKY COW SWEETENED CONDENSED MILK in the Philippines and in Singapore. The image of a cow on grass is the usual representation adopted for milk products as it cleverly suggests the goods covered by the mark. Searches with the Intellectual Property Office trademark database would show the closely similar devices adopted for milk products. The adoption of the words LUCKY COW is also suggestive as COW is suggestive for milk and LUCKY is a famous Chinese term adopted by Chinese businesses.

"60. The Respondent-Registrant has both priority in registration as well as use of the mark in commerce in the Philippines to establish its ownership of the mark. The copies of the sales invoices in the Philippines submitted by the Petitioner merely show the transactions made by the Petitioner involving the same. This cannot defeat the Respondent-Registrant's registration of the mark for 4 years and use in commerce for more than 5 years.

"61. The Petitioner has not submitted sufficient evidence to establish that its mark LUCKY COW has established fame and reputation in the Philippines and worldwide. The registration of the mark in several countries and some advertisements does not suffice to claim that a mark is reputable and has gained notoriety.

"62. The Respondent-Registrant has both priority in registration as well as use of the mark in commerce in the Philippines to establish its ownership of the mark. The copies of sales invoices in the Philippines submitted by the Petitioner merely show the transactions made by the Petitioner involving the same. This cannot defeat the Respondent-Registrant's registration of the mark for 4 years and use in commerce for 6 years.

"63. The Petitioner's claim that the Respondent-Registrant will unfairly take advantage of the reputation of its mark is therefore without merit. In fact, it is the Respondent-Registrant who has used the mark LUCKY COW SWEETENED CONDENSED MILK openly in commerce in the Philippines for about 5 years now. If there is any reputation, it is the Respondent-Registrant who has established the

reputation for LUCKY COW SWEETENED CONDENSED MILK itself.

"64. The Respondent-Registrant is a registered corporation with the Securities and Exchange Commission and is a legitimate corporation doing business in the Philippines. Today, the Respondent-Registrant is a company that is slowly emerging to be a player in the food and cosmetics industry in just a span of 6 years. It is a company behind hundreds of products some of which are notably good and affordable food items such as goods under the trademarks HAPPY, HAPPY FIESTA, NASH, FESTIVAL, and SUNLIGHT. It is about 15 trademarks filed and or registered with the Intellectual Property Office.

"65. Respondent-Registrant is not aware of the Petitioner's trademark. It has even started extending the protection for its mark LUCKY COW SWEETENED CONDENSED MILK in other countries such as Japan, China and Singapore.

"66. Respondent-Registrant has started using the mark LUCKY COW SWEETENED CONDENSED MILK in 2009 without the knowledge of Petitioner's mark. It has used the mark in good faith in commerce and has secured the registration of the mark in good faith."

Respondent -Registrant's evidence consists of the following:

1. Power of Attorney;
2. Secretary's Certificate;
3. Affidavit of Suzette Sandra Ang;
4. Amended Articles of Incorporation of Respondent;
5. Copy of Respondent's General Information Sheet;
6. Registration and License to Operate as Food Manufacturer issued by the Food and Drug Administration;
7. Copy of the Declaration of Actual Use for the mark LUCKY COW SWEETENED CONDENSED MILK;
8. Copy of the details of registration for the mark LUCKY COW SWEETENED CONDENSED MILK and DEVICE;
9. Copy of International Registration as published in WIPO database; and
10. Copy of the grant of protection issued by the Intellectual Property Office of Singapore;

Pursuant to Office Order No. 154, s. 2010, the case was referred to the Alternative Dispute Resolution ("ADR") for mediation on 20 October 2014. However, the parties failed to settle their dispute. The preliminary conference was terminated on 27 August 2015 and the parties were directed to submit position papers. On 11 September 2015, Petitioner and Respondent-Registrant filed their respective Position Papers.

Should Registration No. 4-2009-009586 for the mark LUCKY COW SWEETENED CONDENSED MILK and DEVICE be canceled?

Petitioner is seeking the cancellation of Respondent's mark because it is a copycat of its own mark.

The parties' marks are herein reproduced:



Petitioner's Mark



Respondent-Registrant's Mark

Without a doubt, Petitioner's and Respondent-Registrant's LUCKY COW mark is confusingly similar to each other. Confusion is likely in this instance because of the resemblance of the competing trademarks. The competing marks contain the words "LUCKY COW" and the device of a cow which constitute the marks of the parties. While Respondent-Registrant's mark is displayed with colors, still there is a likelihood that consumers or the public will be confused, mistaken or deceived that the goods upon which the competing marks are used come from the same source or origin because the marks are similar.

As to the goods, Petitioner's mark is used on "*meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces [purees]; eggs, milk and milk products; edible oils and fats; milk and milk powder; flavoured milk; milk beverages and yoghurt*" under Class 29 while Respondent-Registrant's mark is used on "*condensed milk*". The goods of the parties are closely related because they both cover milk which will all the more likely cause confusion, mistake or deception on the part of the public into believing that the goods of the parties originated or manufactured from or come from the same source.

Considering the similarity of the Respondent's trademark with that of Petitioner's, the latter is a proper party to institute this cancellation proceeding. Section 151 of the Intellectual Property Code of the Philippines ("IP Code") 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

But who between Petitioner and Respondent-Registrant is the true owner or has a better right over the mark LUCKY COW & DEVICE?

Section 138 of the 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.

In *Berris v. Norvy Abdayang*⁴, 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. Section 122 of R.A. No. 8293 provides that the rights in a mark shall be acquired by means of its valid registration with the IPO. A certificate of registration of a mark, once issued, constitutes prima facie evidence of the validity of the registration, of 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. R.A. No. 8293, however, requires the applicant for registration or the registrant to file a declaration of actual use (DAU) of the mark, with evidence to that effect, within three (3) years from the filing of the application for registration; otherwise, the application shall be refused or the mark shall be removed from the register. 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 one who first used it in trade or commerce.** [Emphasis supplied.]

Clearly, it is not the application or registration of the mark which confers ownership. "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."⁵ Thus, while the certificate of registration issued to Respondent-Registrant for its mark LUCKY COW & DEVICE creates a *prima facie* presumption of the validity of registration and ownership thereof, such presumption can be controverted by evidence on the contrary, that is, by proving that the party seeking the cancellation of the mark has a prior right as against the registrant.

The records of this case will show that at the time Petitioner applied for registration of the mark LUCKY COW & DEVICE in 28 February 2011, Respondent already has an existing registration for its mark LUCKY COW & DEVICE issued on 04 June 2010. So that, between Petitioner and Respondent, it would seem that the latter is the prior adopter and user of the mark LUCKY COW & DEVICE. However, Petitioner was able to prove that it is the real owner, prior adopter and user of the LUCKY COW & DEVICE mark. Although Petitioner only applied for registration of the mark in 28 February 2011, it has used the mark in the Philippines as early as 1994 when it exported and distributed its LUCKY COW milk products (evaporated and sweetened condensed milk) to the Philippines through Metro P.A.R. Trading Co., Inc. as shown

⁴ G.R. No. 183404, October 13, 2010.

⁵ See Decision, IPC No. 14-2008-00046, 23 January 2013, *available at* <http://onlineservices.ipophil.gov.ph/ipcaselibrary/> <accessed 19 April 2017.

by the Packing List, Bill of Lading and Invoice.⁶ It also submitted various registration of its LUCKY COW & DEVICE mark in other countries, the earliest of which was issued in 1992 in Vietnam. These only show that, despite the earlier registration by Respondent-Registrant of its LUCKY COW & DEVICE mark in 04 June 2010, Petitioner was first to adopt and use the mark LUCKY COW & DEVICE in commerce not only in the Philippines but in other countries as well.

On the other hand, except for the self-serving claim of Respondent-Applicant that its LUCKY COW & DEVICE mark was coined based on the "usual cow images on a valley grazing on green grass", nothing in the records of this case particularly the filewrapper would show or explain how Respondent-Applicant came up with a similar mark as that of Petitioner's. As such, the unexplained use by Respondent of a similar mark lends itself open to the suspicion of fraudulent motive to trade upon Petitioner's goodwill and reputation, thus:

A boundless choice of words, phrases and symbols is available to one who wishes a trademark sufficient unto itself to distinguish his product from those of others. When, however, there is no reasonable explanation for the defendant's choice of such a mark though the field for his selection was so broad, the inference is inevitable that it was chosen deliberately to deceive.⁷

Furthermore, it must be stressed that since Respondent-Registrant allegedly started introducing milk products in 2009, it is expected that before it ventured into new products, i.e., milk products, it should have conducted its market survey as to the available milk products in the market and in the course of doing so, came across with Petitioner's LUCKY COW milk products that were already being distributed and made available in the Philippine market. As correctly pointed out by Petitioner, it is highly unthinkable or too good to be true that the parties' adoption of similar or almost identical trademarks and use them in the same goods is merely coincidental. One must have copied it from the other party and that the party who copied the mark from the other cannot claim good faith in appropriating it for use and registration. In this case, because Petitioner has used the LUCKY COW & DEVICE mark in commerce prior to the adoption and use by Respondent-Registrant, the latter cannot claim good faith.

Succinctly, the registration of the Respondent's LUCKY COW & DEVICE mark, which is identical and/or confusingly similar to Petitioner's mark adopted and used prior to its use, is contrary to the provisions of the IP Code. Thus, the maintenance of Respondent-Registrant's mark in the Trademark Register is damaging and prejudicial to the best interest of the Petitioner.

The intellectual property system was established to recognize creativity and give incentives to innovations. Similarly, the trademark registration system seeks to reward entrepreneurs and individuals who through their own innovations were able to distinguish their goods or services by a visible sign that distinctly points out the origin and ownership of

⁶ See Exhibit "C-1" as attached in the Affidavit of Alfred Lim Jee Long.

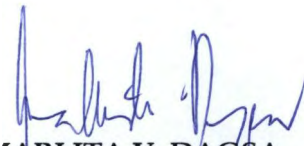
⁷ *Converse Rubber Corporation v. Universal Rubber Products, Inc., et al.*, G.R. No. L-27906, 08 Jan. 1987.

such goods or services.⁸

WHEREFORE, premises considered, the instant petition for cancellation is hereby **GRANTED**. Let the filewrapper of Trademark Registration No. 4-2009-009586, together with a copy of this Decision, be returned to the Bureau of Trademarks for information and appropriate action.

SO ORDERED.

Taguig City, **19 APR 2017**.



MARLITA V. DAGSA
Adjudication Officer
Bureau of Legal Affairs

⁸ *Supra* Note 5.