



Trademarks Protection and Anti-Counterfeiting Strategies in the Philippines

Lisa Yong

www.rouse.com

Australia* | China | Hong Kong | India* | Indonesia | Philippines | Russia | Saudi Arabia* | Thailand | UAE | UK | USA* | Vietnam
*Liaison office | *Associated office



Scope of discussion

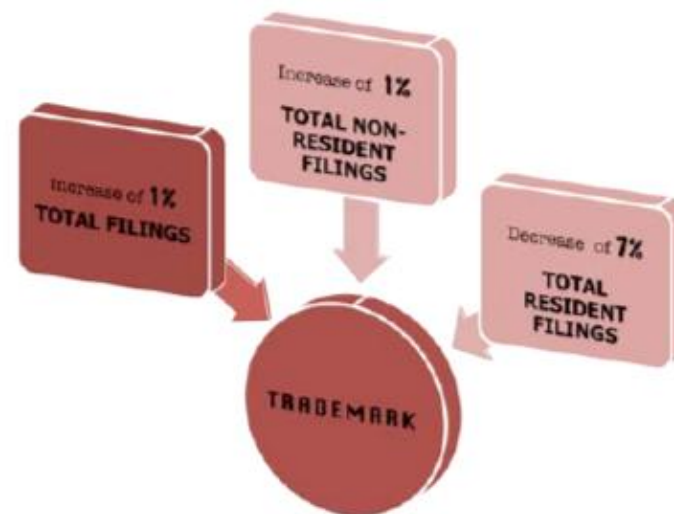
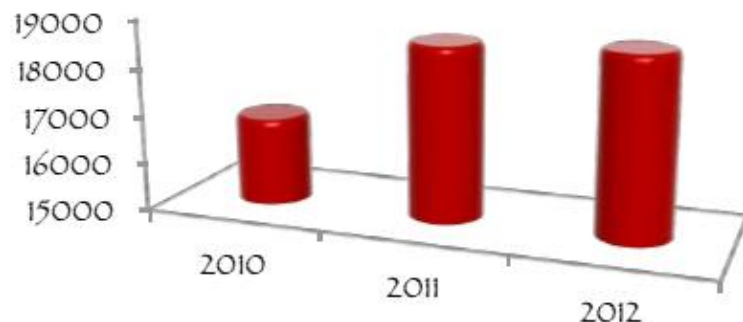
What can and should be protected?
What are common issues in prosecution?
Legal Risks?

How to deal with counterfeits or look-alikes?
Warning letters/civil litigation/criminal raids?

Trademarks data

TRADEMARK FILINGS	2010	2011	2012 (as of Dec. 15, 2012)
Resident	9731	10,563	9862
Non-Resident	7093	8054	8106
Not Specified	1	2	761
TOTAL	16,825	18,619	18,729

Trademarks Filed 2010-2012



*Data from IPO Philippines 2012 Annual Report

Trademarks data

CODE	COUNTRY	% SHARE OF FILINGS
US	United States of America	21%
JP	Japan	9%
CH	Switzerland	5%
CN	China	5%
DE	Federal Republic of Germany	3%
KR	Republic of Korea	3%
FR	France	3%
SG	Singapore	2%
GB	United Kingdom	2%
IT	Italy	2%

(as of Dec. 15, 2012)



*Data from IPO Philippines 2012 Annual Report

IP Code (Act No. 8293)

Section 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;

Section 123. Registrability. - 123.1. A mark cannot be registered if it:

- a. Consists of immoral, deceptive or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;*
- b. Consists of the flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;*
- c. Consists of a name, portrait or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by written consent of the widow;*

IP Code

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;*

e. Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

IP Code

f. Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: Provided, That use of the mark in relation to those goods or services would indicate a connection between those goods or services, and the owner of the registered mark: Provided further, That the interests of the owner of the registered mark are likely to be damaged by such use;

g. Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;

h. Consists exclusively of signs that are generic for the goods or services that they seek to identify;

i. Consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bona fide and established trade practice;

j. Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;

IP Code

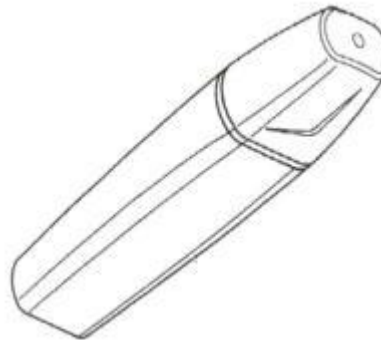
k. Consists of shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;

l. Consists of colour alone, unless defined by a given form; or

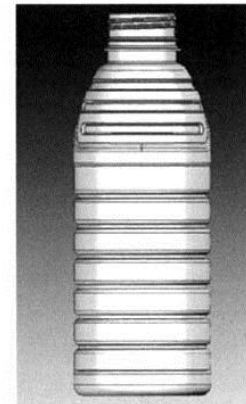
m. Is contrary to public order or morality.



BOTTLE DEVICE
(Reg. No. 42000002840)

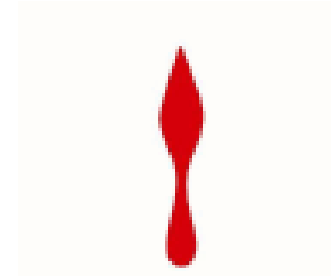


DEVICE
(Reg. No. 42001004490)



3D DRAGON BOTTLE
(Reg. No. 42012003668)

Single colour marks



File No.: 42012501568
Status: Registered;
awaiting
issuance of certificate of
registration

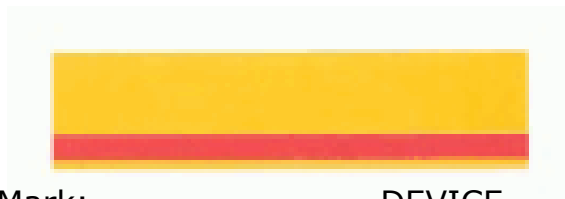
Colour combination marks



Mark:
Registration No.: DEVICE
42002008356



Mark:
Registration No.: DEVICE
42002008322



Mark:
Registration No.: DEVICE
42002008321



Mark:
Registration No.: TRI-COLOR
STRIPE DESIGN
42012005755

Descriptive marks

Consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services

- **Section 123.1(j)** of the IP Code

In McDonald's Corporation and McGeorge Food Industries, Inc. v L.C. Big Mak Burger, Inc., et. al., (G.R. No. 143993, 18 August 2004), the Supreme Court pronounced:

"Descriptive marks, on the other hand, convey the characteristics, functions, qualities or ingredients of a product to one who has never seen it or does not know it exists, such as "Arthriticare" for arthritis medication."

Descriptive marks ?



Registration No. 42005003162
Class 11 for water purifier



Registration No. 42006012377
Class 11 – refrigerators and freezers

COOLER WINE

“The word ‘COOLER’ does not give the name, quality or description for which the wine is used. It does not even describe the place of origin...”

Class 33 – wine IPC NP. 3172

Searches

- Pre-clearance checks important because of low threshold of descriptiveness
- Local proprietors do take action against legitimate brand owners
- Resources:

IPOPhil trademark search website

<http://onlineservices.ipophil.gov.ph/ipophilsearch/>

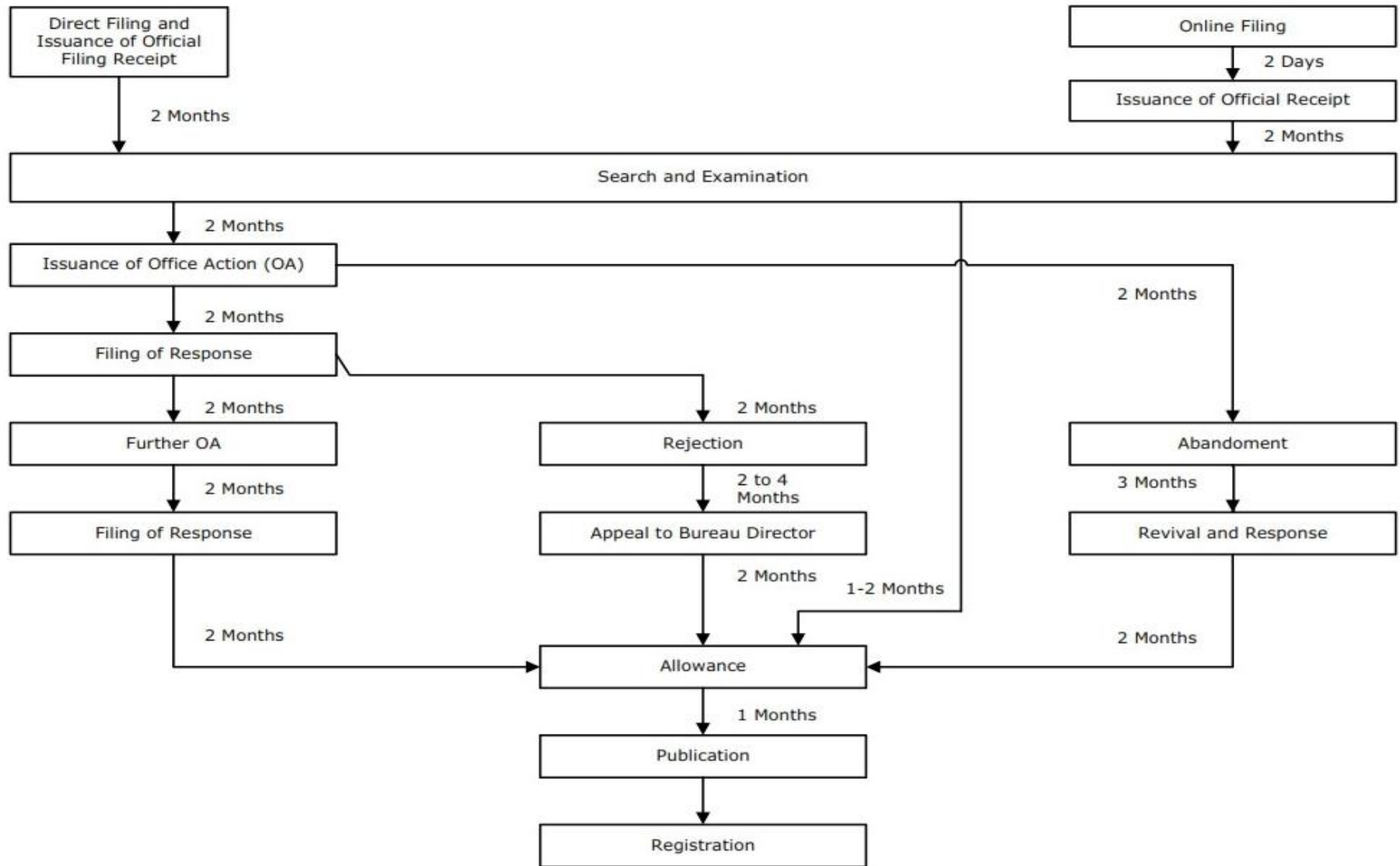
Department of Trade and Industry website

<http://bnrs.dtigov.ph:8080/web/guest/registration>

Securities and Exchange Commission website

<http://www.sec.gov.ph/onlinetransactions/seciview.html>

Trademarks - prosecution



PHILIPPINES – TRADEMARK FILING TO REGISTRATION FLOW CHART

DECLARATION OF ACTUAL USE

(This Declaration of Actual Use required to be made pursuant to Sec. 124.2 and Sec.145 of R.A. 8293, otherwise the application shall be refused or the mark shall be removed from the Register.)

- Please check one:
- ☐ Within three (3) years from filing
 - ☐ Within one year from the fifth (5th) anniversary of the registration of the mark
Registration No.: _____ Date Issued: _____
 - ☐ Registered under Republic Act No. 166
 - ☐ Tenth (10th) anniversary
Registration No.: _____ Date Issued: _____
 - ☐ Fifteenth (15th) anniversary
Registration No.: _____ Date Issued: _____

I, _____, of legal age, _____ citizen, residing at
(name of declarant)

_____, depose and state under oath:

1. I am the ☐ applicant for registration
☐ authorized officer of applicant-corporation
☐ registrant
☐ authorized officer of registered owner-corporation
☐ agent/authorized representative of applicant/registant
 of the mark _____.
2. The Mark ☐ was accorded filing date on _____ (Application No. _____)
☐ was registered on _____ (Registration No. _____)
 for the following class/es of goods and/or services: _____
 _____.
3. The Mark was first used on _____ (mm/dd/yyyy).
4. The Mark is being used in the Philippines for the following class/es of goods and/or services;

 _____.
5. The goods are sold and/or services are rendered in the following outlet/s:

Name of Outlet	Address
_____	_____
_____	_____
6. As proof of actual use, attached are five (5) labels or pictures of the Mark (or pictures of the stamped container visibly or legibly showing the Mark) or other evidence of use.
7. This affidavit is executed to attest to the truth of the foregoing and for the purpose of complying with the requirements of R.A. 8293 and the Trademark Regulations.

Affiant

SUBSCRIBED AND SWORN TO before me this _____ day of _____,

Declaration of Actual Use

- Date of first use of the mark is not required - optional
- Evidence of use in the form of photos of products, receipts, advertisements, packaging.
- Use for some of the goods/services in the same class shall constitute use for the entire class of goods/services
- Use for one class shall be considered use for related class
- Online use is valid proof of use by showing that goods are sold / services are rendered in the Philippines
- Applies to applications filed under Madrid Protocol
- Use of the mark in a different form which does not substantially alter the distinctive character of the mark is acceptable.

Test for Similarity of Marks

- Holistic Test – old test
- Dominancy Test – new test
- Mighty Corporation and La Campana Fabrica de Tabaco, Inc. vs. E & J Gallo Winery and The Andresons Group, Inc. (G.R. No. 154342, 14 July 2004) considered the 2 tests:

Holistic Test

"[T]he Holistic Test requires that the entirety of the marks in question be considered in resolving confusing similarity. Comparison of words is not the only determining factor. The trademarks in their entirety as they appear in their respective labels or hang tags must also be considered in relation to the goods to which they are attached. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other."












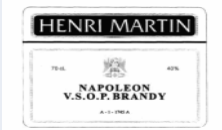
Dominancy Test – new test

"The Dominancy Test focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception, and thus infringement. If the competing trademark contains the main, essential or dominant features of another, and confusion or deception is likely to result, infringement takes place. Duplication or imitation is not necessary; nor is it necessary that the infringing label should suggest an effort to imitate. The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or deceive purchasers."

McDonald's Corp. et. al. Vs. L.C. Big Mak Burger, (G.R. No. 143993, 18 August 2004)

The logo for Big Mac, featuring the words "BIG MAC" in a large, bold, serif font. The letters are filled with a dense, multi-colored pattern of small dots and lines, giving it a textured, almost pixelated appearance.

Decisions on Similarity

Case Number	Plaintiff's Mark	Defendant's Mark
Berris Agricultural Co., Inc. vs. Abyadang (G.R. No. 183404; 13 October 2010)		
Allergan Inc. vs Image Sense Corporation In IPC No. 14-2009-00053		
Glaxosmithkline vs Korea United Pharm, Inc (IPC No. 14-2005-00062)		
Sandisk vs. Sundisk and device IPC No. 14-2007-00222 May 07, 2008		
Jockey vs. Hockey – IPC No. 14-2007-00100 May 07, 2008		
Remy Martin vs. Henry Martin Label Mark IPC No. 14-2006-00131 April 14, 2008		








Trademarks – opposition grounds

- In general, the Opposer will be damaged by the registration of the application
(**Article 134** of IP Code)
- Similarity to prior registration
- Similarity to well-known mark;
- Similarity to company name even if not registered as a trademark
- Application was filed in bad faith









Well-known marks

- Rule 102 of Trademark Regulations – Criteria for determining whether a mark is well-known
 - (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
 - (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark is applied;
 - (c) the degree of the inherent or acquired distinction of the mark;
 - (d) the quality-image or reputation acquired by the mark;
 - (e) the extent to which the mark has been registered in the world;
 - (f) the exclusivity of registration attained by the mark in the world;
 - (g) the extent to which the mark has been used in the world;
 - (h) the exclusivity of use attained by the mark in the world;
 - (i) the commercial value attributed to the mark in the world;
 - (j) the record of successful protection of the rights in the mark;
 - (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,
 - (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.





Well-known marks decisions

Mark	Case No.	Other party's mark
BOTOX	IPC No. 14-2009-00052 Decision No. 2010-46	
	IPC No. 14-2008-00357 Decision No. 2010-49	
FACEBOOK	IPC No. 14-2008-00304 Decision No. 2010-62	
WHIRLPOOL 	IPC No. 14-2008-00263 Decision No. 2009-37	
TOYS "R" US	IPC No. 14-2008-00336 Decision No. 2009-119	

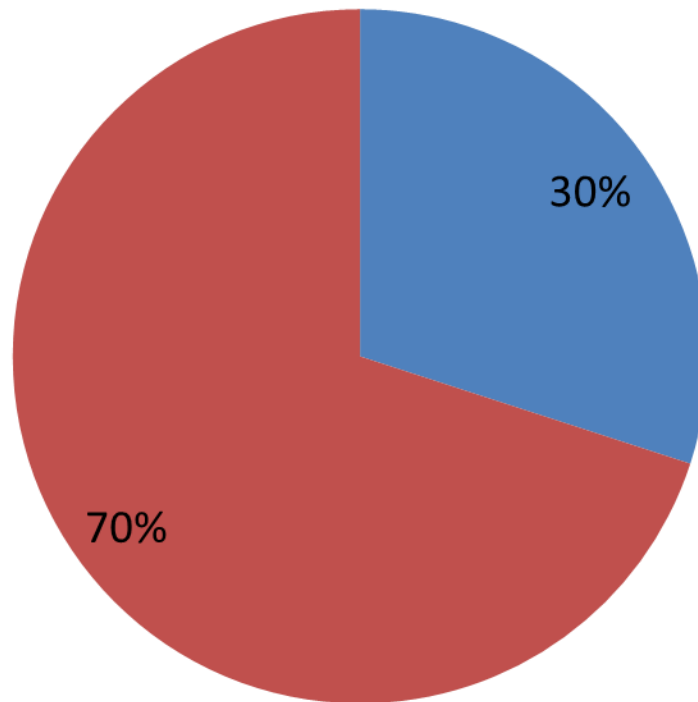
Well-known marks decisions

Mark	Case No.	Other party's mark
<p>APPLE</p> 	<p>IPC No. 14-2007-00361 Decision No. 2009-133</p>	
	<p>IPC No. 14-2004-00115 Decision No. 2009-196</p>	
<p>HARVARD</p>	<p>IPC No. 14-2008-00107 Decision No. 2008-232</p>	
<p>MARLBORO</p>	<p>IPC No. 14-2006-00060 Decision No. 2007-107</p>	
	<p>IPC No. 14-2006-00122 Decision no. 2007-189</p>	

Well-known marks decisions

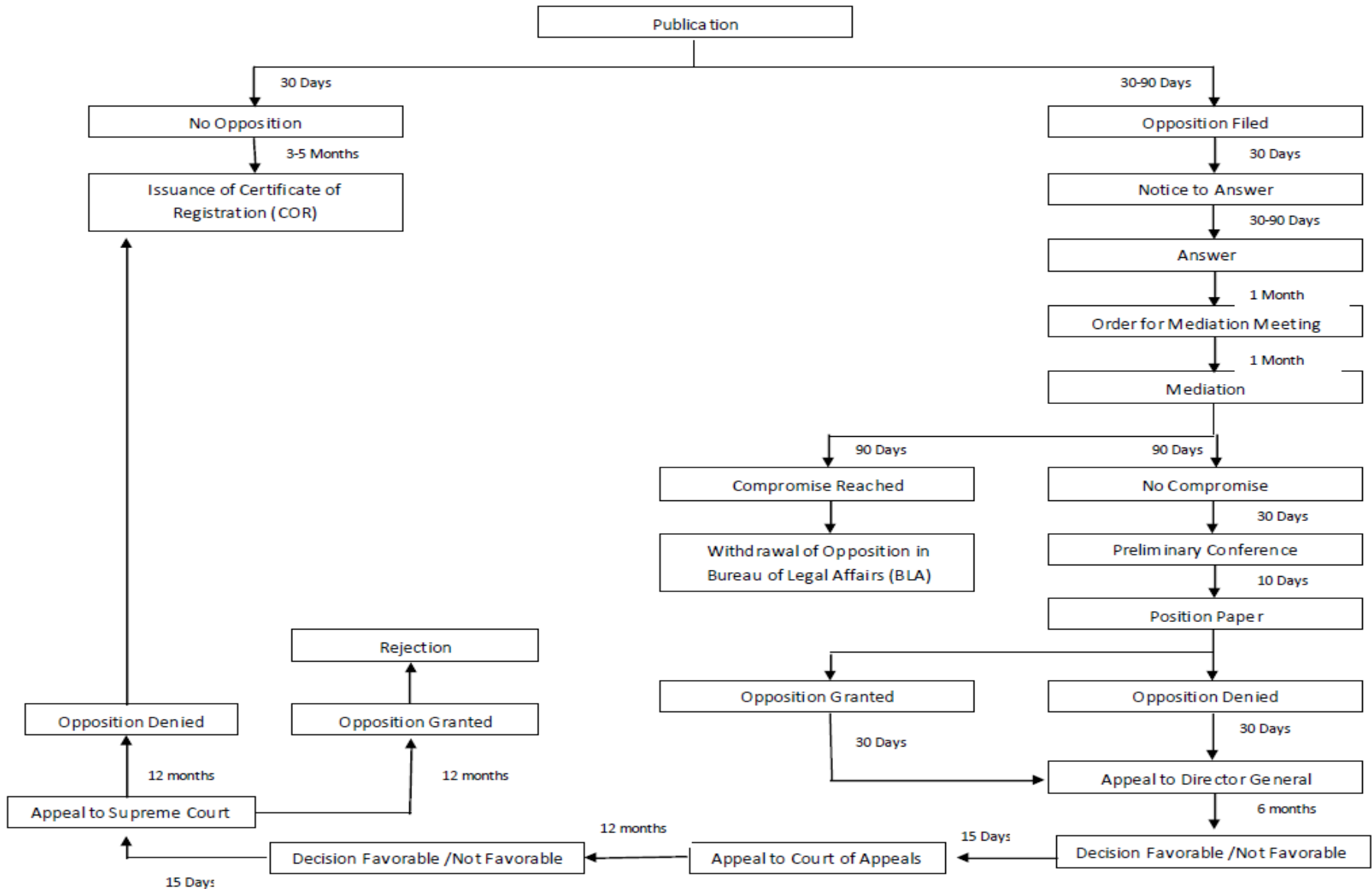
Mark	Case No.	Other party's mark
ACCO	IPC No. 14-2004-00046 Decision No. 2006-07	
FRED PERRY	IPC No. 1539 and 1736	
SEIKO	IPC No. 14-2004-00067 Decision No. 2005-22	SELKO
APPLE DEVICE	IPC No. 14-2002-00002 Decision No. 2004-20	
	IPC No. 14-2001-00050 Decision No. 2004-08	STAR & STAR DEVICE

Trademarks – our oppositions statistics



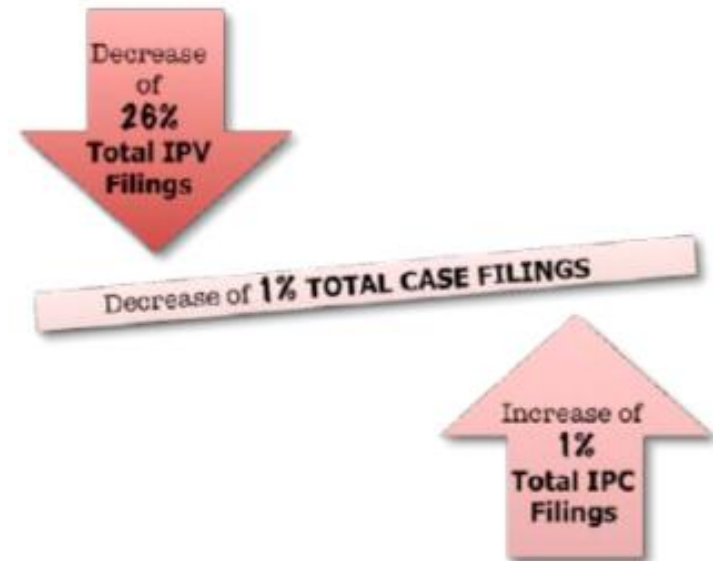
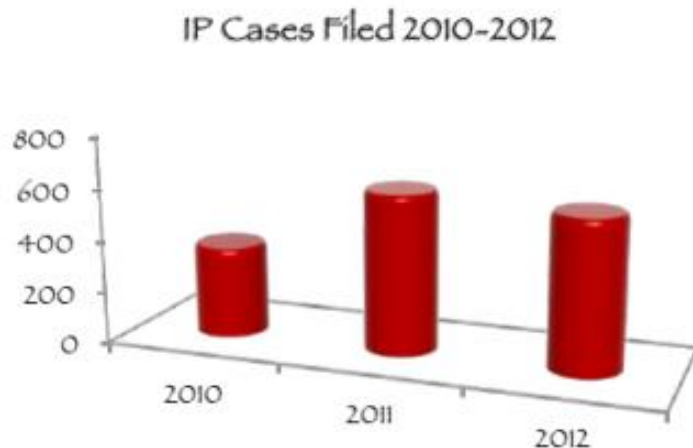
- 30% - Pending oppositions
- 60% - Settlement achieved before opposition or during mediation

Trademarks – opposition process



Trademarks – oppositions data

YEAR	FILINGS		TOTAL FILINGS (as of Dec. 15, 2012)
	IPC	IPV	
2010	333	17	350
2011	581	31	612
2012	585	23	608



*Data from IPO Philippines 2012 Annual Report

Trademarks – Non-use cancellation

- Automatic cancellation by the Registry if no Declaration of Use filed (within 3 years from application date and within 1 year from 5th anniversary of registration)
- Third party non-use cancellations can be filed anytime if mark has not been used in the Philippines during an uninterrupted period of at least 3 years.

Trademark Infringement

Section 155.1.

Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with sale & distribution, distribution, advertising of any goods or services including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

Trademark Infringement

Section 155.2. Reproduce, counterfeit, copy or colorably imitate a registered mark or a dominant feature thereof and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action for infringement by the registrant for the remedies hereinafter set forth: Provided, That the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed regardless of whether there is actual sale of goods or services using the infringing material.

Criminal sanctions

Section 170.

Penalties. - Independent of the civil and administrative sanctions imposed by law, a criminal penalty of imprisonment from two (2) years to five (5) years and a fine ranging from Fifty thousand pesos (P50,000) to Two hundred thousand pesos(P200,000), shall be imposed on any person who is found guilty of committing any of the acts mentioned in Section 155 [trademark infringement], Section 168 [unfair competition] and Subsection 169.1 [false designation of origin].

Trademark Infringement

Nature of infringement	Legal basis	Punishment
Selling or advertising counterfeit goods	Sec. 155.1 - “use in commerce a copy or colorable imitation of a mark”	Imprisonment for a max. period of 5 years and a fine of a max. of P200,000
Manufacture (using an identical or colorable imitation of a mark)	Sec. 155.2 – “reproduce a mark and apply to labels...packages”	Imprisonment for a max. period of 5 years and a fine of a max. of P200,000

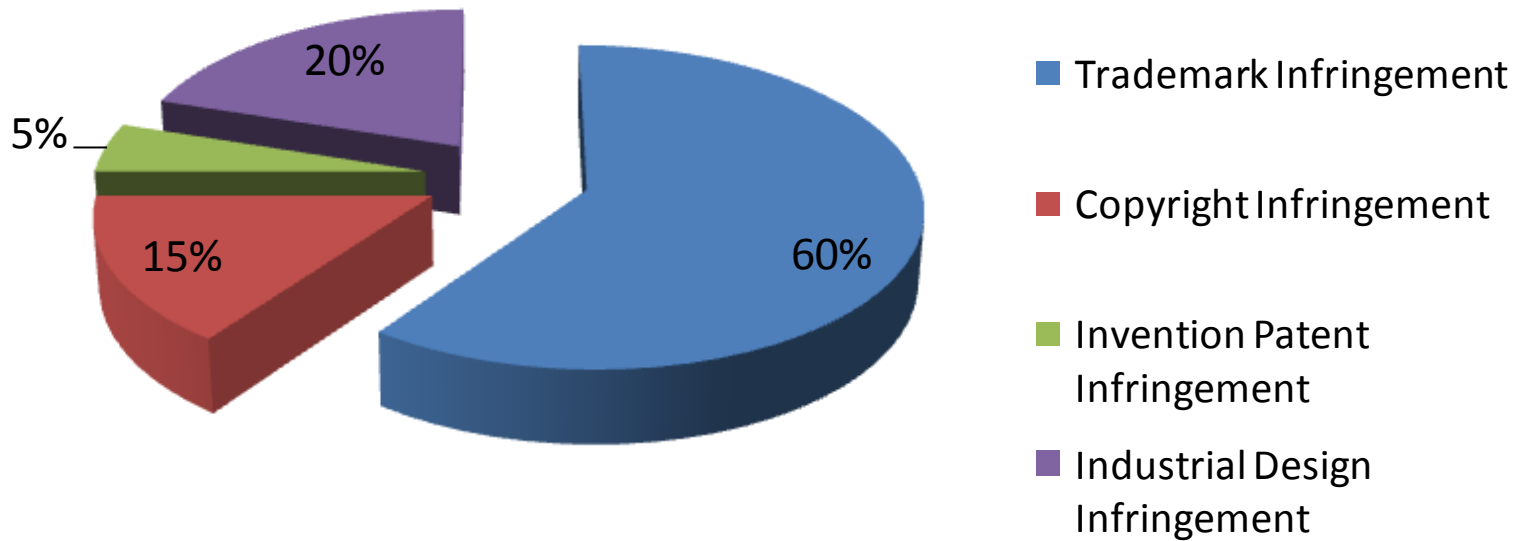
Rules of Procedure for Intellectual Property Cases (8 November 2011)

- Special Commercial Courts - in Quezon City, Manila, Makati and Pasig - authorized to deal with IP matters
- Streamlining of court procedures
 - judicial affidavits serve as direct testimonies of parties, subject to cross-examination of the adverse party
 - pleadings limited to complaint, counterclaim and cross-claims and the answers thereto
- Judgment possible after pre-trial conference
- Destruction of seized infringing goods may be ordered while case pending

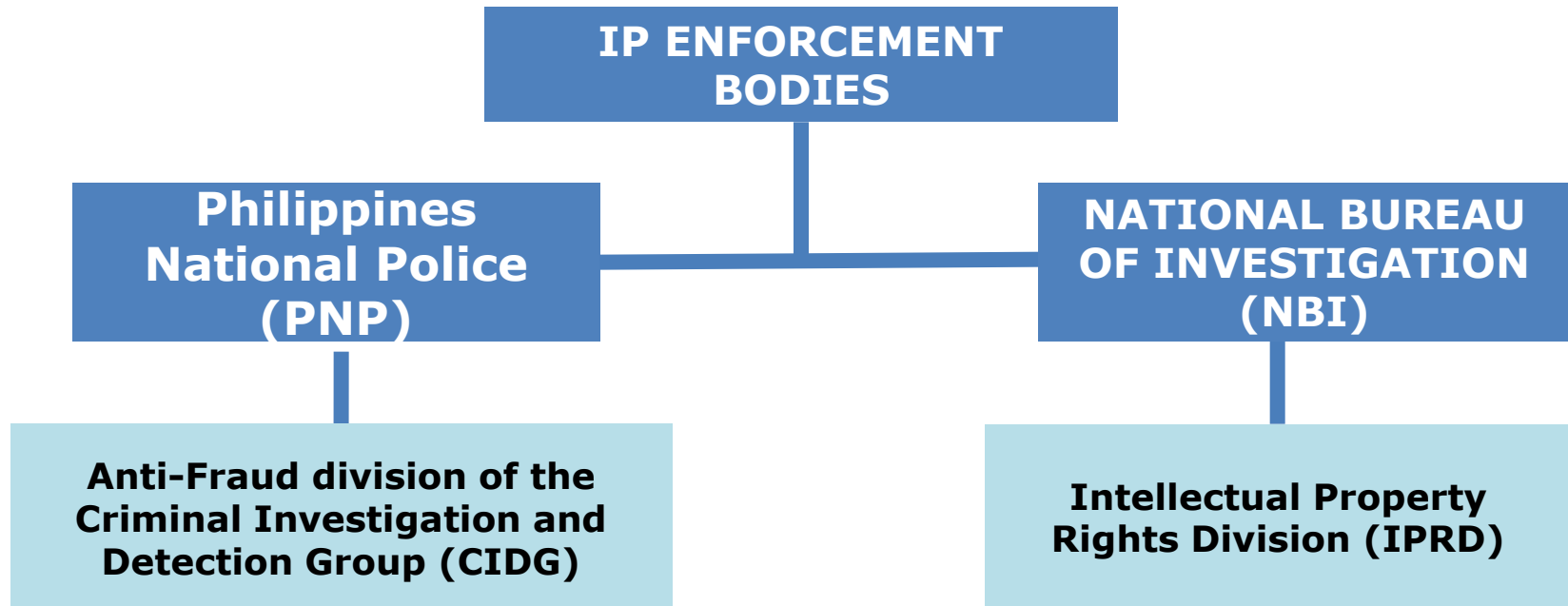
Civil/administrative remedies

- Permanent infringement injunctions granted
 - Damages may be substantial if proven
 - Legal costs not usually recoverable
 - Appeal to Court of Appeals and Supreme Court
 - Civil litigation takes 4 to 6 years
-
- Bureau of Legal Affairs (BLA) – jurisdiction in administrative complaints where the total damages claimed are not less than Two hundred thousand pesos (P200,000)

IPV cases filed with BLA (January to July 2013)



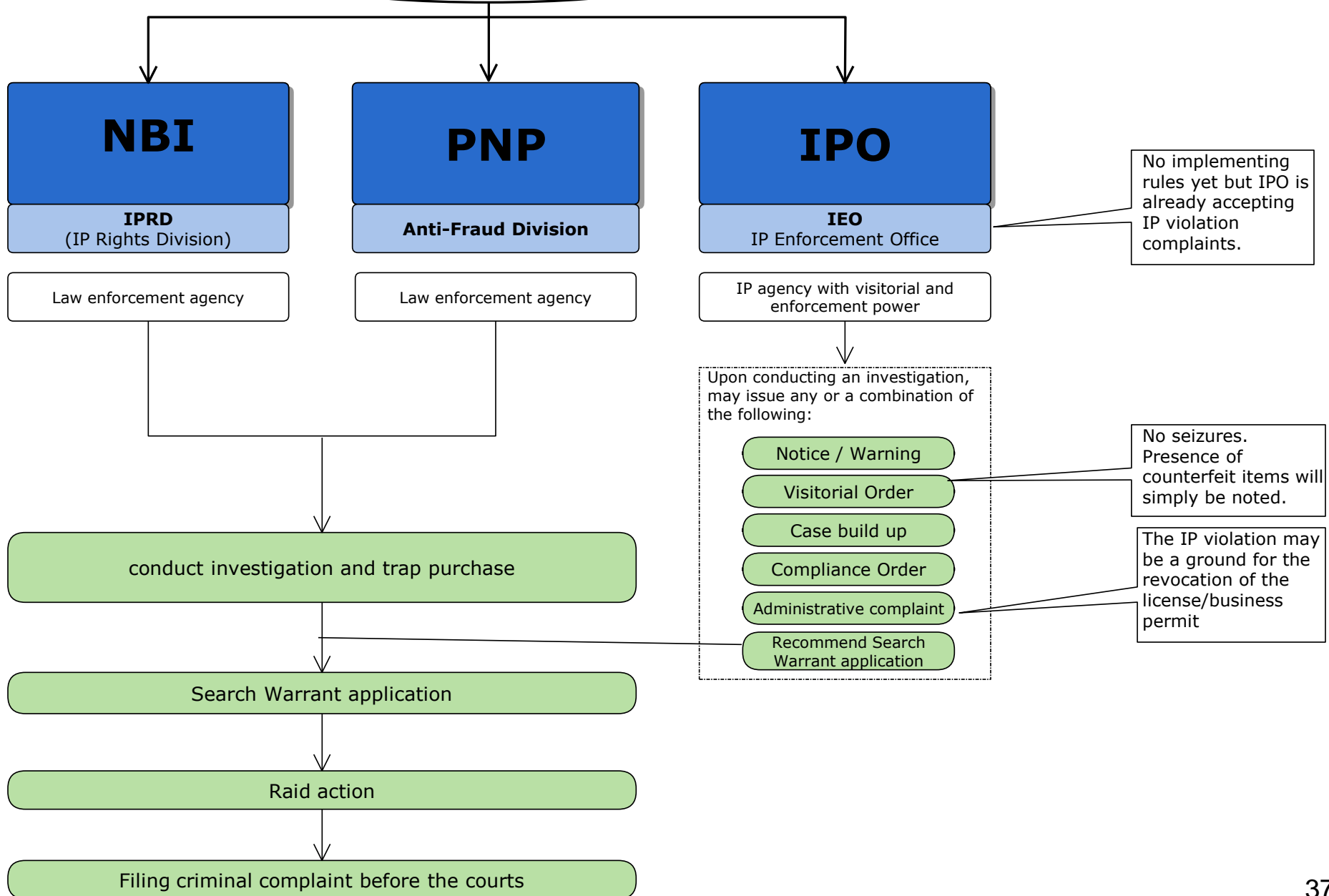
Raids



New Intellectual Property Office (IPO) enforcement powers

- (a) Issuance of notice/warning to the respondent to observe compliance with the provisions of the IP Code;
- (b) Issuance of visitorial order on the subject premises;
- (c) Issuance of compliance order against the respondent;
- (d) Immediate filing of administrative complaint before the Department of Trade and Industry, the local government unit concerned, or other government agencies (for violation of relevant trade and consumer laws and/or local government ordinances)
- (e) Referral of the case to a law enforcement agency for case build-up;
- (f) Recommendation of application for search warrant;
- (g) Referral of the case to other government agencies for filing of charges for violation of other laws, rules or regulations;
- (h) Other actions necessary to ensure compliance with the provisions of the IP Code

IP violation complaint



Post raid

- Settlement negotiations recommended due to long delay in criminal prosecution
- Damages, source information, public apology
- File complaint with Department of Justice to add
- Apply to destroy seized goods in storage pending prosecution

Warning Letter Program

- Sent to mall owners / operators



Warning Letter Program

- Mall owners / operators issued notices to tenants
- NBI / PNP / OMB copied in the C&D letters


If you have any queries, please contact the undersigned at email ebaranda@iprights.com, phone 403 1686 or facsimile 403 1522.

Meanwhile, our client's rights in this matter are expressly reserved.

Yours sincerely,

Baranda & Associates

By:


Edmund Jason G. Baranda

¹ Sections 155, 160 and 170 of the Intellectual Property Code.

Copy furnished:

National Bureau of Investigation
Intellectual Property Rights Division
NBI Building, Taft Avenue
Ermita, Manila

Administrator/Manager of Plaza Miranda Mall
Plaza Miranda Mall
Carriedo St., Quiapo, Manila

Copy furnished:

National Bureau of Investigation
Intellectual Property Rights Division
NBI Building, Taft Avenue
Ermita, Manila


Administrator/Manager of Plaza Miranda Mall
Plaza Miranda Mall
Carriedo St., Quiapo, Manila

Warning Letter Program

Secured undertakings from targets

This undertaking shall be effective immediately and is binding upon any successors, assignees, licensees, partners, employees, agents, affiliates and associated entities.

Yours faithfully,




Proprietor
Motorcycle Parts
Unit 6 Rose Wood Bldg.
10th Ave., Brgy. Grace Park
Caloocan City, Metro Manila

SUBSCRIBED AND SWORN to before me, a notary public in and for the Philippines, this day of SEP 11 2012, at LAGUIG CITY, Philippines, affiant appearing before me and presenting proof of identity as follows:

Name	Passport/Driver's License No.	Place and Date of Issuance
<u>I</u>	<u></u>	<u>YEAR 2000</u>

who signed said document in my presence and sworn as to said document that they understood the contents thereof and that the same was their free and voluntary act and deed.

Doc. No. 496
Page No. 2
Book No. 7
Series of 2012.


Notary Public
Notary No. 0050; Exp. 31 Dec. 2013
Office: 1st Floor, Legaspi Tower
3rd Avenue Cor. 31st Street
San Francisco Global Ctr., Taguig City
PTR NO. MIA 0363914
MANILA 05 JAN. 2012

I further acknowledge that if I do not comply with these undertakings in full, I shall be liable to pay to as a genuine pre-estimate of loss the additional sum of P500,000.00, representing general damages and attorney's fees in dealing with the repeated infringement. This shall be without prejudice to any further claims should the actual legal costs or damages as a result of the continued infringement exceeding the genuine pre-estimate of loss.

This undertaking shall be effective immediately and is binding upon any successors, assignees, licensees, partners, employees, agents, affiliates and associated entities.

Online infringement


- Increasing infringing goods found online or through local sites



- Quick remedy is to send take-down letters to such websites

Customs Procedure

Customs issue hold order on suspected shipment



Brand owner/representative notified and examines the goods within 48 hours



If counterfeit - Customs issue a Warrant of Seizure and Detention against the shipment



Importer is notified and may defend and hearing to be conducted to determine if goods are infringing; if he does not defend, goods are forfeited

<http://ipkomododragon.blogspot.com>



http://ipkomododragon.blogspot.com/ iprights.com IP Komodo

File Edit View Favorites Tools Help

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Philippines Customs claims to be an effective authority. But the bar is pretty low in SE Asia, where it must be remembered that most fake goods are imported from China. The main problem is the lack of border seizures in the Philippines.

So reports of Customs' latest seizure are interesting. Customs' IPR Division reported to the media last week a haul of fake goods from China worth P30 million (USD1million). The products included Marlboro, Winston and Fortune cigarettes, Knorr and Maggi food seasoning and Nescafe products.

The seizure occurred at a warehouse in Manila. Philippines Customs is somewhat unusual in having a form of inland jurisdiction where goods have entered the country and are distributed to warehouses (as this one was) but have not yet technically cleared Customs. The credit for the raid was claimed to be due to a Customs informant in the private sector along with Customs' 'heightened anti-smuggling campaign'.

All of this masks the reality. Firstly an inland warehouse seizure would be a police raid in most places! The fact is that the goods already entered the country without Customs seizing them. Secondly they claimed success by using market informants rather than (like other Customs") using risk assessment techniques to grade and inspect the shipments at the border.

Philippines Customs will only really impress anyone when they make actual border seizures rather than suspicious seizures of goods they already let in!

Posted by Komodo Dragon at 12:14 AM No comments:

M G +1 Recommend this on Google



Thank you

It's more fun in the
Philippines



www.rouse.com

Australia* | China | Hong Kong | India* | Indonesia | Philippines | Russia | Saudi Arabia* | Thailand | UAE | UK | USA* | Vietnam
*Liaison office | *Associated office

