



INTELLECTUAL PROPERTY
OFFICE OF THE PHILIPPINES

PROTECTING WELL-KNOWN TRADEMARKS AND MEASURES TO PREVENT BAD FAITH REGISTRATIONS

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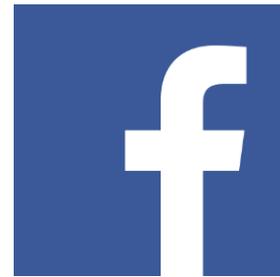
Bangkok, Thailand

16 October 2019

Well-Known Marks?



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Well-Known Marks



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- A mark cannot be registered if it 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;

[Sec. 123.1(e), IP Code]

Well-Known Marks



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- A mark cannot be registered if it 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; **[Sec. 123.1(f), IP Code]**

Well-Known Marks



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- A mark cannot be registered if it 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; **[Sec. 123.1(a), IP Code]**

Well-Known Marks



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- Nothing in this section shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country: Provided, That, notwithstanding the foregoing, the owner of a well-known mark as defined in Section 123.1(e) of this Act, that is **not registered** in the Philippines, may, against an identical or confusingly similar mark, **oppose its registration, or petition the cancellation of its registration or sue for unfair competition**, without prejudice to availing himself of other remedies provided for under the law. **[Sec. 131.3, IP Code]**

Well-Known Marks



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- The exclusive right of the owner of a well-known mark defined in Subsection 123.1(e) which is **registered in the Philippines**, shall extend to goods and services which are not similar to those in respect of which the mark is registered: Provided, That use of that 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. **[Sec. 147.2, IP Code]**

Well-Known Marks



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- **RULE 103.** *Criteria for Determining Whether a Mark is Well-known.* In determining whether a mark is well-known, the following criteria or any combination thereof may be considered:

(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;

[TM Regulations of 2017]

Well-Known Marks



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- **RULE 103.** *Criteria for Determining Whether a Mark is Well-known.*

(b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;

(c) the degree of the inherent or acquired distinction of the mark;

(d) the quality-image or reputation acquired by the mark;

[TM Regulations of 2017]

Well-Known Marks



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- **RULE 103.** *Criteria for Determining Whether a Mark is Well-known.*

(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;

[TM Regulations of 2017]

Well-Known Marks



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- **RULE 103.** *Criteria for Determining Whether a Mark is Well-known.*

(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;

[TM Regulations of 2017]

Well-Known Marks



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- **RULE 103.** *Criteria for Determining Whether a Mark is Well-known.*

(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 the mark is a well-known mark.

[TM Regulations of 2017]

Bad Faith Registration



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“Sec. 151.1. A petition to cancel a registration of a mark... may be filed...

(b) At any time, if the registered mark becomes the 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,

“fradulent” = “bad faith”

Jurisprudence



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Fredco Manufacturing Corporation vs. President and Fellows of Harvard College (Harvard University), G.R. No 185917, June 1 , 2011



Photo taken from:
<http://www.oocities.org/harvardjeans13/>

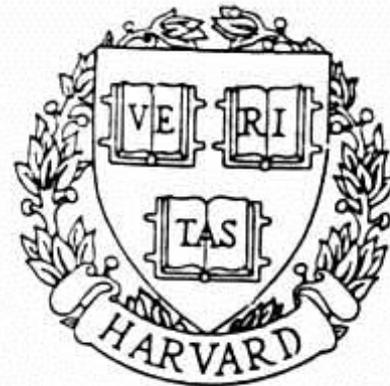


Image taken from IPOPHL Database

Jurisprudence



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"The Director General ruled that more than the use of the trademark in the Philippines, the applicant must be the owner of the mark sought to be registered. The Director General ruled that the right to register a trademark is based on ownership and when the applicant is not the owner, he has no right to register the mark." Furthermore, Fredco was not able to explain how New York Garments was able to arrive at the mark "Harvard". In addition, no evidence was shown by Fredco that it was authorized by Harvard University to use "Harvard".

Jurisprudence



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The Supreme Court relied on the following undisputed facts: 1) that "Harvard" was first adopted in 1639 by then Harvard College; 2) that "Harvard" was first used in commerce in 1872; 3) that "Harvard" was first used on clothing in 1953 and 4) that "Harvard" is registered in at least 50 countries by Harvard University.

Jurisprudence



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The mark of New York Garments should not have been allowed in the first place because it falsely suggests a connection with an institution, that is, Harvard University. New York Garments failed to show any association with Harvard University.

The mark is protected as a well-known mark under the Section 6bis of the Paris Convention. Furthermore, the Paris Convention protects trade names without obligation of registering them in the member state.

Jurisprudence



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**Sehwani, Incorporated and/or Benita Fries, Inc. vs. In-N-Out Burger, Inc.,
G.R. No. 171053, October 15, 2007**



Jurisprudence



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The Supreme Court upheld the findings of the BLA Director that IN-N-OUT is an internationally well-known mark citing Article 6bis of the Paris Convention and declaring that the same provision is a self-executing provision and does not require legislative enactment to give it effect in a member country. The essential requirement is that the trademark to be protected must be "well-known" in the country where protection is sought.

Bad Faith Registration



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Shangri-La International Hotel Management, Ltd. vs. Developers Group of Companies, Inc., G.R. No. 159938, March 31, 2006



Photo taken from:

<https://www.shangrilafinestchinesecuisine.com/>

Bad Faith Registration



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"At any rate, it is ludicrous to believe that the parties would come up with the exact same lettering for the word "Shangri-la" and the exact same logo to boot.

X X X

It is truly difficult to understand why, of the millions of terms and combination of letters and design available, the respondent had to choose exactly the same mark and logo as that of the petitioners, if there was no intent to take advantage of the goodwill of petitioners' mark and logo."

Bad Faith Registration



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“One who has imitated the trademark of another cannot bring an action for infringement, particularly against the true owner of the mark, because he would be coming to court with unclean hands. Priority is of no avail to the bad faith plaintiff. Good faith is required in order to ensure that a second user may not merely take advantage of the goodwill established by the true owner.”

Bad Faith Registration



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Ecole de Cuisine Manille (Cordon Bleu of the Philippines), Inc. vs. Renaud Cointreau & Cie and Le Cordon Bleu Int'l., B.V., G.R. No. 185830, June 5, 2013.

**LE CORDON BLEU, ECOLE
DE CUISINE MANILLE**



Bad Faith Registration



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The Director General held that only the owner of the mark has the right to register the mark and that the user of the mark in the Philippines is not *ipso facto* the owner thereof. The ownership belongs to Cointreau considering the undisputed use of the mark since 1895 in Paris, France in which Ecole's directress trained in 1977. Moreover, Ecole failed to show how it was able to come up with such name and mark. It was therefore concluded that Ecole has unjustly appropriated the subject mark, thus it is removed from the mantle of protection of the law.

Bad Faith Registration



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"The function of a trademark is to point out distinctly the origin or ownership of the goods (or services) 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".

Bad Faith Registration



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**Birkenstock Orthopaedie GmbH and
Co. KG vs. Philippine Shoe Expo
Marketing Corporation, G.R. No.
194307, November 20, 2013**

BIRKENSTOCK



Bad Faith Registration



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"It must be emphasized that registration of a trademark, by itself, is not a mode of acquiring ownership. If the applicant is not the owner of the trademark, he has no right to apply for its registration. Registration merely creates 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."

Bad Faith Registration



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" Clearly, it is not the application or registration of a trademark that vests ownership thereof, but it is the ownership of a trademark that confers the right to register the same. A trademark is an industrial property over which its owner is entitled to property rights which cannot be appropriated by unscrupulous entities that, in one way or another, happen to register such trademark ahead of its true and lawful owner. The presumption of ownership accorded to a registrant must then necessarily yield to superior evidence of actual and real ownership of a trademark. "

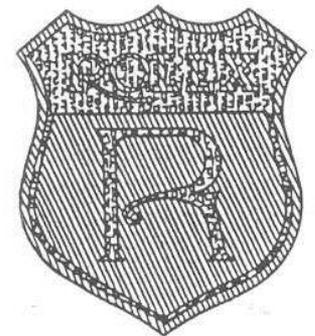
“ Misappropriated” Marks



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Images taken from IPOPHL Database

“Bad Faith” or “Parody” ?



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(For restaurant services under Class 43)

LORD OF THE WINGS

(For chicken under Class 29)

GAME OF TURONS

(For banana fritters under Class 29)

Proposed Amendments to IP Code



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Sec. 9.4. Establish and maintain **registries of trademarks, well-known marks,** and other marks of ownership;"

Sec. 123.1. A mark cannot be registered if it **impairs or dilutes the distinctiveness, or harms the reputation of a well-known mark, as declared by competent authority, whether registered or not; or**

For the purpose of declaring a mark well-known as provided in paragraph (e), **the Director General, Bureau of Legal Affairs, Bureau of Trademarks and judicial authorities are considered competent authorities in relation to their respective functions or jurisdictions.**

Proposed Amendments to IP Code



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Sec. 123.1 (e). A mark cannot be registered if it is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines as prescribed in the Regulation to be well-known internationally **or** 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 use of the mark in relation to those goods or services which are not similar to those with respect to which registration is applied for and that the use of such mark in those goods and services would indicate a connection between those goods or services, and the owner of the well-known mark and that the interests of the owner of the well-known mark are likely to be damaged by such use;

Proposed Amendments to IP Code



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Sec. 137.2 (as renumbered). *Cancellation of Registration.* - A petition to cancel a registration of a mark under this Act may be filed with the Bureau of Legal Affairs by any interested person at any time:

1. if the registration was contrary to the provisions of this Act;
2. if the registration was obtained fraudulently;
3. if the registration was obtained in **bad faith**;



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THANK YOU!