



INTELLECTUAL PROPERTY
PHILIPPINES

OFFICE OF THE DIRECTOR GENERAL

REYCO INDUSTRIAL SALES
CORPORATION,
Petitioner-Appellant,

APPEAL NO. 14-07-52
IPC NO. 14-2006-000189
Petition for Cancellation:

-versus-

Application No. 4-2004-006104
Date of Registration: 18 March 2006

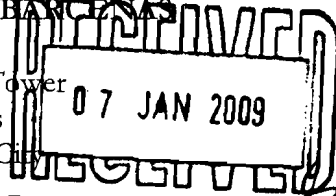
MARVIN VILLAFLORES,
Respondent-Registrant-Appellee.

Trademark: TOMI

x-----x

NOTICE OF DECISION

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Makati City

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ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office
Makati City

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GREETINGS:

Please be informed that on 18 December 2008, the Office of the Director General rendered a Decision in the above-titled case (copy attached).

Makati City, 18 December 2008.

Very truly yours,

ATTY. NATHANIEL S. AREVALO
Attorney VI/Head, Office of Legal Counsel
Office of the Director General

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REYCO INDUSTRIAL SALES
CORPORATION,
Petitioner-Appellant,

-versus-

MARVIN VILLAFLORES,
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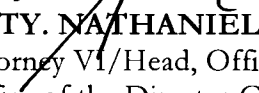
ESTRELLITA BELTRAN-ABELARDO
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Office of the Director General

Republic of the Philippines
INTELLECTUAL PROPERTY OFFICE

351 Sen. Gil Puyat Ave., Makati City 1200 Philippines • www.ipophil.gov.ph



OFFICE OF THE DIRECTOR GENERAL

REYCO INDUSTRIAL SALES
CORPORATION,

Appellant,

-versus-

MARVIN VILLAFLORES,

Appellee.

x-----x

Appeal No. 14-07-52

Inter Partes Case No. 14-2006-00189

Petition for Cancellation:

Cert. of Registration No. 4-2004-006104

Date of Registration: 18 March 2006

Trademark: TOMI

DECISION

REYCO INDUSTRIAL SALES CORPORATION, ("Appellant") appeals Decision No. 2007-127, dated 31 August 2007, of the Director of the Bureau of Legal Affairs ("Director"), dismissing the Appellant's PETITION FOR CANCELLATION of Certificate of Registration No. 4-2004-006104 issued to MARVIN VILLAFLORES ("Appellee") for the mark "TOMI".

Records show that the Appellant filed on 18 December 2006 the instant petition alleging the following:

1. RA 8293 ("IP Code") recognizes the right of the lawful owner of a mark to seek the cancellation of the registration of the same mark registered in favor of another who misappropriated it;
2. While the ownership of a mark shall be acquired through registration, such ownership may be rebutted by showing that a claimant has actually used it long before the registrant has actually used it;
3. The Appellant has the legal and beneficial right and ownership to use TOMI as it was the first to adopt and use the mark in actual trade and commerce in the Philippines for more than a decade now;
4. The Appellant seeks to cancel the registration of the Appellee's mark as it is not only confusingly similar but actually a misrepresentation of the Appellant's mark;
5. As the prior and continuing user of the mark, Cert. of Reg. No. 4-2004-006104 violates Sec. 123.1 (e) of the IP Code;

6. Sales invoices are the best proof of actual sales of the trader's product in the country and actual use for a certain period of the trader's mark through these sales;
7. On 21 November 2006 the Appellant submitted and filed its "Declaration of Actual Use" ("DAU") with attachments that include sales invoices, photographs of promotional materials and actual products with the mark TOMI, to show that it was actually in use in trade and commerce in the Philippines since 1996;
8. On 22 November 2006 the Appellant submitted a "Supplemental Declaration of Actual Use" to bolster the fact that it has used, is using and will still use the mark TOMI in its business;
9. A convincing proof of use of a mark in commerce is the testimony of customers or the orders of buyers during a certain period which will also prove that TOMI is well-known in the automotive spare parts industry where the Appellant is an active participant;
10. The affidavits of the clients/customers show that they had been dealing business with the Appellant for at least four (4) years, that they know it to be the owner of the mark TOMI, there are no other manufacturers/distributors of such brand and, they will not buy TOMI from other sellers;
11. As prior user of the mark TOMI, the Appellant has proprietary right to the claim and to the exclusion of others, including the Appellee;
12. Nearly three (3) years since the Appellee filed its trademark application, it has not filed a DAU;
13. It is baffling why the Appellee would choose to register the mark TOMI in three different occasions and under similar classes; and
14. The Appellant has the legal right to apply the mark for registration for the question of ownership is determined by priority of use of the mark or trade name in trade or commerce in the Philippines, and it belongs to him who first used and gave it value in the country.

The Appellee filed its "ANSWER" on 22 March 2007 alleging the following:

1. The Appellant being a mere seller and distributor of automotive spare parts does not earn the right to cause the application for registration of a mark that it only deals with;



2. The Appellant has no personality to petition for the cancellation of the registration of the mark TOMI which he is actually using for the automotive spare parts he caused to be manufactured in another country and imported to the Philippines for local sales;
3. Sec. 122 of the IP Code provides that the rights in a mark shall be acquired through registration made validly in accordance with the provisions of the law while Sec. 138 of the IP Code states that 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 exclusive right to use it in connection with the goods or services and those that are related therein specified in the certificate;
4. The IP Code gave way to the change in the concept of ownership of trademarks, trade names, and service mark from "Actual Use Rule" or "First User-Owner Rule", which was then the rule under the old law, to the "First-to-File Rule" or "First-Filer-Owner Rule";
5. The First-Filer-Owner Rule means that the exclusive right to use and register a mark shall be granted to the first one to file the application;
6. This new rule is the one being practiced worldwide due to the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement"), its adoption a commitment of the Philippines;
7. The Appellant admitted that the Appellee was the first one to file an application to register TOMI and being the registrant and an actual user thereof, he has the better right to keep the registration;
8. The Appellant has deafeningly been silent and invisible during all the time that he was using and spending so much money promoting and expanding the coverage of the mark TOMI here in the Philippines;
9. A perusal of the annexed sales invoices of the Appellant will show that these sales invoices were altered by inserting the word TOMI at the end of every item written on the sales invoices to make it appear that the mark has been carried by the Appellant;
10. The word TOMI which was intentionally and forcibly inserted at the end of every item written on sales invoices was only an after thought on the part of the Appellant motivated by a scheme to take away from him the right to the mark which he spent money to promote and made known for its quality;
11. The insertion of the word TOMI on the annexed sales invoices of the Appellant is wanting in credibility and is done to mislead this Office

to believe that it has been using TOMI when the truth of the matter is that the items reflected on the sales invoices could have been another brand that the Appellant is carrying for sale to the public;

12. Disregarding the mark TOMI in the issuance of its sales invoices manifests the Appellant's lack of concern over it because it never spent money to promote the mark but only profit for its distribution;
13. The affidavits of the Appellant's alleged customers are self-serving and biased because it extends credit line to them and, hence, any favor asked by the Appellant will definitely be given by them;
14. For him to be denied registration of the mark under Sec. 123.1(e) of the IP Code, this mark must be identical with, or confusingly similar to or constitutes a translation of a mark which is considered by competent authority of the Philippines to be well-known internationally and in the Philippines; and
15. In the Philippines TOMI does not automatically brings to the mind of every Filipino an automotive spare parts or Reyco Industrial Sales Corporation, like when Filipinos speak of toothpaste the word that come out of their mouth is Colgate;

The Appellant submitted the following as evidence:

1. Copy of list of members of the Phil. Automotive Trader's Assoc.;¹
2. Copies of the Appellant's trademark applications for TOMI filed on 26 July 2004 and 11 September 2006, respectively;²
3. Photocopies of the print-outs of the "web page" of the Intellectual Property Office of the Philippines website, featuring "Trademark Search" showing information on the Appellee's trademark applications for TOMI filed on 09 July 2004, 04 October 2005, and 20 April 2005, respectively;³
4. Copy of the DAU and Supplemental DAU, including annexes thereto, filed by the Appellant on 21 and 22 of November 2006;⁴and
5. Affidavits of Appellant's customers executed on 21 November 2006.⁵

The Appellant also attached to its Position Paper copies of sales invoices⁶ and a copy of Decision No. 2007-55 of the Director in *Inter Partes* Case No. 14-2006-00144,

¹ Exhibit "A".

² Exhibits "B" and "C".

³ Exhibits "D", "E" and "F".

⁴ Exhibits "G" and "H". The annexes to these documents include copies of sales invoices and affidavits of Appellant's customers.

⁵ Exhibits "I" to "N".

⁶ Annexes "A" to "C" attached to the Appellant's position paper.

dated 28 May 2007.⁷ On the other hand, the Appellee attached to his Supplemental Position Paper copies of the sworn affidavits executed by his alleged clientele.⁸ This prompted the Appellant to file its comment or opposition to the Appellee's Supplemental Position Paper and attached thereto the certification issued by the Amelita Husmillo-Escalona, Information Officer V of the Trademark Publication and Registry Division of the Bureau of Trademarks, stating that Cert. of Reg. No. 4-2004-006104 was deemed canceled and subject for the removal from the register.⁹

After the appropriate proceedings, the Director dismissed the petition for cancellation and upheld Cert. of Reg. No. 4-2004-006104. She held that the Appellee's certificate of registration is a *prima facie* evidence of the validity of the registration and the burden is on the Appellant to prove that it has a better right to the registered mark. According to her, the evidence of the Appellant are merely photocopies and that it only attached the original copies only during the submission of the position paper and that the original invoices submitted were dated only in 2007. She also ruled that the evidence presented by the Appellant is insufficient to make a determination that its mark is well-known.

On 12 November 2007 the Appellant filed an APPEAL MEMORANDUM alleging that the Director erred in dismissing the petition for cancellation due to insufficiency of evidence. The Appellant argues that the invoices and affidavits it submitted were photocopies because the originals are filed in the Trademark Division to support its DAU and the Supplemental DAU. It claims that the Director could have verified this with the Trademark Division in the same manner that she has taken judicial notice of a DAU filed by the Appellee in another *Inter Partes* Case¹⁰ where such evidence was not even presented during the proceedings of the case. The Appellant also asserts that if the evidence of the parties would be given weight, it is very clear that it has been using TOMI in the market longer than the Appellee. It maintains that the Director should have considered the CERTIFICATION issued by the Trademark Publication & Registry Division of this Office which states that the Appellee's Cert. of Reg. No. 4-2004-006104 is deemed canceled for failure of the Appellee to file the required DAU and shall be removed from the trademark register. The Appellant attached another copy of the certification issued to the APPEAL MEMORANDUM.

On 11 December 2007 this Office issued an Order giving the Appellee thirty (30) days from receipt thereof to file his comment to the appeal. The Appellee did not file his comment and the appeal was deemed submitted for decision.

In this regard, the certification issued by the Trademark Publication and Registry Division of the Bureau of Trademarks on 21 August 2007 states:

⁷ Annex "D" attached to the Appellant's position paper.

⁸ Annexes "I", "I-A", "I-B", "I-C", "I-D" and "I-E" attached to the Appellee's "SUPPLEMENTAL POSITION PAPER".

⁹ Annex "A" to the Appellant's Comment to the Appellee's Supplemental Position Paper. This document was also attached to the Appellant's APPEAL MEMORANDUM as Annex "O".

¹⁰ *Inter Partes* Case No. 14-2006-00175.

"THIS IS TO CERTIFY that as per records of our Office, Registrant MARVIN VILLAFLORES for the mark 'TOMI' [Registration No. 4-2004-006104 issued on March 18, 2006] did not file the required Declaration of Actual Use [DAU] within three (3) years from the filing date. Thus, said mark is DEEMED CANCELLED and subject for removal from the register."

When the Appellant submitted the certification, the Director should have considered it and thus, should have taken judicial notice of the fact of the cancellation and removal from the register of Cert. of Reg. No. 4-2004-006104. The BLA is a part of the government agency which is the primary repository of information on intellectual property matters, including the Trademark registry, such that the Director ought to know whether a trademark registration subject of or of critical importance to a case being heard by her bureau is still valid or existing. Aptly, the existence or validity of a trademark registration subject of or which could resolve an issue or determine the outcome of a case is a matter of judicial notice for cases heard by the Intellectual Property Office of the Philippines.

Accordingly, with the cancellation of Cert. Of Reg. No. 4-2004-006104, the instant petition for cancellation is now deemed moot and academic. In *Dean Jose Joya, et al. vs. Presidential Commission on Good Government, et al.*, the Supreme Court held:

"For a court to exercise its power of adjudication, there must be an actual case or controversy - one which involves a conflict of legal rights, an assertion of opposite legal claims susceptible of judicial resolution; the case must not be moot or academic or based on extra-legal or other similar considerations not cognizable by a court of justice. A case becomes moot and academic when its purpose has become stale, such as the case before us.¹¹ (Underscoring supplied)

WHEREFORE, the instant appeal is hereby DISMISSED for the reason stated above. Let a copy of this Decision as well as the records be furnished and returned to the Director of Bureau of Legal Affairs for appropriate action. Further, let also the Director of the Bureau of Trademarks and the library of the Documentation, Information and Technology Transfer Bureau be furnished a copy of this Decision for information, guidance, and records purposes.

SO ORDERED.

DEC 18 2008 , Makati City


ADRIAN S. CRISTOBAL, JR.
Director General

¹¹ G. R. No. 96541, 24 Aug. 1993.