

PHILIPPINES (2016)

Developments	<ul style="list-style-type: none"> • Memorandum Circular No. 16-007: Revised Rules and Regulations on Inter Partes Proceedings, which took effect on 29 July 2016, amended certain aspects of the procedures of Inter Partes cases. <p>Key features:</p> <ol style="list-style-type: none"> 1. Provision of modes of service of decisions and orders; 2. Extended authority of Hearing/Adjudication Officers to issue and sign decisions and final orders; 3. Extension of maximum time to file Verified Notice of Opposition and Verified Answer; 4. Allegations of fraud, accident, mistake and excusable negligence in resolving matters of delay in submissions; 5. Procedures for Preliminary Conference; effect of default due to failure to file Answer or comply with orders 6. Procedure of Appeal to the Director and to the Director General <ul style="list-style-type: none"> • IPOPHL Launches New Electronic Filing System <p>Launched in 23 April 2016, the IPOPHL eTMfile allows the online filing of new trademark applications 24/7 and is linked to three different payment channels. With IPOPHL eTMfile, applicants and IP agents need not go to the IPOPHL to file trademark applications.</p>
Statistics	<p>Number of trade mark applications in from 2015 till July 31, 2016: 36, 323. Of these, 58.08% of applications are from local residents and 41.92%% of applications are from non-residents.</p>
Cases	<ul style="list-style-type: none"> • UFC PHILIPPINES, INC., v. BARRIO FIESTA MFG. CORP. (G.R. No. 198889 January 20, 2016) "Papa Boy & Device" v. "PAPA" <p>The Supreme Court (SC) upheld the rejection by the IPO of Barrio Fiensta's application for the mark "Papa Boy & Device" since the mark "Papa" is owned by UFC Philippines Inc., which</p>

	<p>has been manufacturing catsup and other condiments for decades.</p> <ul style="list-style-type: none">• INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES v. HON. PAQUITO OCHOA (G.R. No. 204605 July 19, 2016) <p>The SC upheld the constitutionality of President's ratification of the <i>Madrid Protocol</i>, ruling that the Protocol is an executive agreement that does not require the concurrence of the Senate.</p>
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**APAA TRADEMARK COMMITTEE (2016)
PHILIPPINES GROUP REPORT**

Submitted by:

Trademark Committee members (Philippine Group)
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I. Recent Developments in Trademark Legislation and Law Administration
(from Sept., 2015 to August 2016)

- Memorandum Circular No. 16-007: Revised Rules and Regulations on Inter Partes Proceedings

MC No. 16-007 took effect on 29 July 2016. Said Memorandum amended certain aspects of the procedures of Inter Partes cases. The salient provisions of which are the following;

- a. **Rule 2. Section 5. Modes of Service**, enumerates the acceptable manners by which Copies of decisions, resolutions, final and interlocutory orders, notices, summons and other processes shall be delivered to the parties, i.e. via personal service, registered mail, courier service and other similar means as the Director General may deem appropriate.

It also identifies to whom such service shall be made:

- (i) to a party's legal counsel of record; or
 - (ii) to the party's representative of record, if such party has no legal counsel; or
 - (iii) if a party has no legal counsel or representative on record, to the address of a party as appearing in its pleadings or indicated in other relevant record of the IPOPHL.
- b. Rule 2, Section 6 now grants the Hearing/Adjudication Officers authority to **issue and sign decisions and final orders**, a power that previously devolved upon the Director, (or the Committee of Three in petitions to cancel patents).
- c. Rule 2, Section 7: For purposes of filing an opposition to a trademark application, the authentication of documents may be secured after the filing of the case provided that the execution of the same are done prior to such filing and provided further, that the authentication must be submitted

before the issuance of the order of default or conduct of the preliminary conference under the Rules.”

- d. Rule 2 Section 9 extends the maximum period to file a Verified Answer from a total of ninety (90) days, under the previous rules, **to one hundred and twenty (120) days**, provided that the proper motion citing meritorious grounds is filed and applicable fees are paid.
- e. A new **Section 13 in Rule 2** is added, to read: “Section 13. Delay in the Filing of Pleading/Compliance. - In resolving issues involving delays in the parties' filing of pleadings and compliance to orders, the Bureau shall take into account allegations of fraud, accident, mistake and excusable negligence.
- f. Rule 2, Section 13 is renumbered as Rule 2, Section 14, and is amended to read:

“Section 14. Raffle of Cases; Preliminary conference.- (a) If the respondent is in default, or if the case is not resolved or dismissed through ADR, the Director/Assistant Director shall raffle the case to the Hearing/Adjudication Officers.

(b) If the respondent is in default, the Hearing/Adjudication Officer shall, immediately after receiving the records of the case, issue the order of default and shall require in the said order the opposer or petitioner to submit or present within ten (10) days from receipt thereof the originals and/or certified copies of the affidavits, documentary evidence and object evidence, if necessary. The case shall be decided on the basis of the petition or opposition, the affidavits of the witnesses and the documentary or object evidence submitted by the petitioner or opposer.

(c) If the case was referred to but was not resolved or dismissed through ADR, the Hearing/Adjudication Officer shall, immediately after receiving the records of the case, issue an order setting the conduct of the preliminary conference for the purpose of facilitating the resolution of the case through stipulations, clarifications and simplification of issues, and the submission and/or presentation of the original or certified true copies of affidavits, documents, and other evidence if necessary. The parties themselves are required to appear during the

preliminary conference. The presence, however, of a party during the preliminary conference may be dispensed with if said party is represented by counsel who must present and submit duly executed and appropriate power of attorney and other documents or proof of authority to represent a party and make admissions and/or to accept compromise proposals.

Upon the termination of the preliminary conference, the Hearing/Adjudication Officer shall issue an order in open court, requiring the parties to submit their respective position papers within 10 days from the issuance of the order in open court. The order shall be included in the minutes of the preliminary conference and shall form part of the records of the case.

The position papers shall take up only those matters and issues covered or alleged in the petition or opposition and the Answer, the supporting evidence, and those determined during the preliminary conference. No new matters or issues shall be raised or included in the position papers. A party who fails to attend the preliminary conference or represented by a counselor any other person without the necessary power of attorney or appropriate corporate authorization shall be deemed to have waived the right to submit position papers.”

- g. Rule 2, Section 16 specifies that the Hearing/Adjudication Officers must issue the decisions or final orders within 60 days from date the case is deemed submitted for decision.
- h. Section 2. *Period to file opposition.* A similar extension has been provided for the maximum period to file a Verified Notice of Opposition from a total of ninety (90) days, under the previous rules, to one hundred and twenty (120) days, provided that the proper motion citing meritorious grounds is filed and applicable fees are paid.
- i. The procedure for appealing a decision in an Inter Partes case has been amended under Rule 9, Section 2.

Within ten (10) days after receipt of the decision or final order, a Party may file an appeal **to the Director** together with the payment of the applicable fees.

After receipt of the appeal, the Director shall issue an order for the adverse party to file comment within a non-extendible period of ten (10) days. The Director shall decide

on the appeal within thirty (30) days from the lapse of the period for the filing of a comment.

Within thirty (30) days after receipt of the decision by the Director, a party may file an appeal **to the Director General**.

(b) If a party refuses to receive a copy of the decision, final order or resolution or has moved out of the address it indicated in the pleadings or other records in the Bureau and/or IPOPHL, **the Bureau shall post the decision, final order or resolution in the IPOPHL website**. Within ten (10) days after posting the decision or final order in the IPOPHL website, the party concerned may file together with the payment of the applicable fees, the appropriate appeal.

- IPOPHL Launches New Electronic Filing System

The Intellectual Property Office of the Philippines (IPOPHL) launched its new electronic filing system known as the IPOPHL TM eFile as part of the World IP Day Celebrations, which started on 23 April 2016.

The IPOPHL eTMfile allows the online filing of new trademark applications 24/7 and is linked to three different payment channels. With IPOPHL eTMfile, applicants and IP agents need not go to the IPOPHL to file trademark applications.

IPOPHL eTMfile is one of the new initiatives to modernize the eServices for use by IPOPHL stakeholders.

The IPOPHL eTMfile is linked to two other tools—ASEAN TMclass, which makes the classification of goods and services much easier, and National IPOPHL TMview, allowing the generation of preliminary search reports that applicants may use as reference prior to filing. IPOPHL eTMfile also has another new feature which makes possible the submission of documents, such as the special power of attorney, request for priority examination, declaration of actual use, together with the online application.

II. Statistics: Data on Trademark Applications Filed and Granted

a. Trademark Applications received in 2015

Local	14,810
Foreign	12,285
Total -	27,095

b. *Registered Trademark in 2015*

Local	10,011
Foreign	11,766
Total -	21,777

c. *Trademark Applications received from January 1, 2016 to July 31, 2016*

Local	8,643
Foreign	6,585
Total -	15,228

d. *Registered Trademark from January 1, 2016 to July 31, 2016*

Local	5,836
Foreign	6,629
Total -	12,465

III. Relevant or interesting case law update:

a. **UFC PHILIPPINES, INC. (now merged with NUTRI-ASIA, INC., with NUTRI-ASIA, INC. as the surviving entity), v. BARRIO FIESTA MANUFACTURING CORPORATION (G.R. No. 198889 January 20, 2016)**

Barrio Fiesta filed an application for the mark "Papa Boy & Device" for its lechon sauce in 2002. The brand is derived from the nickname of Bonifacio E. Ongpauco, Jr., one of Barrio Fiesta's incorporators. Nutri-[Asia](#), which merged with UFC, Nutri-Asia opposed the application, contending that "Papa Boy & Device" is confusingly similar with its own "Papa" marks, considering that its ketchup product and Barrio Fiesta's lechon sauce product are related articles that fall under the same Class 30. UFC trademarked the "PAPA" mark, first used in 1954 from the surname of Neri Papa, the original owner of the brand.

IPO ruled in favor of the respondent. The Court of Appeals, utilizing the holistic test, reversed the IPO's ruling.

The Supreme Court, ascribing to the dominancy test, ruled that a scrutiny of the competing marks would show that the IPO correctly found the word "Papa" as the dominant feature of petitioner's mark "Papa Ketsarap." Contrary to respondent's contention, "Ketsarap" cannot be the dominant feature of the mark as it is merely descriptive of the product. Furthermore, it is the UFC's "Papa" mark that has been in commercial use for decades and has established awareness and goodwill among consumers.

The SC agreed that "Papa Boy & Device" cannot be registered because this mark is related to a product, lechon sauce, an everyday all-purpose condiment and sauce, that is not subjected to great scrutiny and care by the casual purchaser, who knows from regular visits to the grocery store under what aisle to find it, in which bottle it is contained, and approximately how much it costs. Since petitioner's product, catsup, is also a household product found on the same grocery aisle, in similar packaging, the public could think that petitioner had expanded its product mix to include lechon sauce, and that the "Papa Boy" lechon sauce is now part of the "Papa" family of sauces.

Furthermore, the SC said that if "Papa Boy & Device" is allowed registration, confusion of business may set in, and petitioner's hard-earned goodwill may be associated to the newer product introduced by respondent, all because of the use of the dominant feature of petitioner's mark on respondent's mark, which is the word "Papa".

The SC likewise ruled that the CA erred in finding that "Papa," being a common term of endearment for one's father, is a word over which petitioner could not claim exclusive use and ownership. The Merriam-Webster dictionary defines "Papa" simply as "a person's father." True, a person's father has no logical connection with catsup products, and that precisely makes "Papa" as an arbitrary mark capable of being registered, as it is distinctive, coming from a family name that started the brand several decades ago.

b. INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES v. HON. PAQUITO OCHOA (G.R. No. 204605 July 19, 2016)

The IPAP (Intellectual Property Association of the Philippines) challenged the determination made by the Department of Foreign Affairs (DFA) Secretary that the Madrid Protocol was an executive agreement which only required ratification by the President. It argued that the Protocol was a treaty that required the concurrence of the Senate. Alternatively, IPAP argued that even if accession is declared constitutional, the Protocol's implementation was unconstitutional because it conflicts with Section 125 of Republic Act No. 8293, or the Intellectual Property Code of the Philippines (IP Code), which requires that foreign trademark owners seeking protection of their trademarks in the Philippines must file their applications with the IPO through a resident agent.

Upholding the constitutionality of President's ratification of the *Madrid Protocol*, the Supreme Court held that the Protocol is an executive agreement that does not require the concurrence of the Senate. The Court further held that "there is no conflict between the *Madrid Protocol* and the IP Code", as "[t]he method of registration through the IPOPHL, as laid down by the IP Code, is distinct and separate from the method of registration through the WIPO, as set in the *Madrid Protocol*."

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