



Newsletter March 2026

Philippines Launches Well-Known Marks Register

by: Atty. Angel O. Uy*

Effective April 28, 2025, the Intellectual Property Office of the Philippines (IPOPHL) established its first-ever Well-Known Marks Register under Memorandum Circular No. 2025-009. This initiative provides a simplified, ex parte process for officially recognizing well-known trademarks, marking a major step in strengthening IP rights and enforcement in the country.

The Register enables trademark owners to apply for well-known status of their marks ex parte and through a non-adversarial process, dispensing with the need for litigation and replacing the previous adversarial route (e.g., oppositions or infringement cases). Applications are now also ex parte, where owners must file a notarized application, pay fees, and meet specific criteria (e.g., market presence, reputation, and distinctiveness).

A mark may be qualified as well-known provided that the following minimum criteria are met:

- a. the duration, extent and geographical area of any use of the mark;
- b. the market share in the Philippines and in other countries;
- c. the degree of the inherent or acquired distinction of the mark;
- d. the quality, image, or reputation acquired by the mark;

The recognition of a mark as well-known is valid for 10 years, renewable for 10-year periods upon proof of continued use and well-known status. If the mark declared well known is already registered, only evidence of well-known status is needed within (1) one year from the fifth anniversary of the declaration.

Prior final decisions can be recorded via a Manifestation without reapplying, subject to evidence of continued use and evidence of well-known status is needed within (1) one year from the fifth.

**Associate, Sapalo Velez Bundang & Bulilan Law Offices*

Trademark Squatting in the Philippines

by: Atty. Criszuz V. Ibon*

For foreign companies looking to expand into Southeast Asia, the Philippines offers exciting commercial opportunities. Its growing consumer market, vibrant cities, and openness to international brands make it an attractive destination. But there is a legal twist that many companies overlook. The Philippines follows a first to file trademark system. This means that ownership of a trademark generally goes to the party who files the application first, even if another company has been using the mark abroad for years.

When Squatters Move In

This system has opened the door to what is commonly called *trademark squatting*. This occurs when someone registers a foreign brand locally, not to use it commercially, but to exploit its reputation or demand payment from the rightful owner. What was intended to simplify trademark administration has, in some cases, been misused to block legitimate brand owners from operating freely in the market.

Good Faith and Actual Use Protect Rights

Fortunately, Philippine trademark law does not leave honest companies defenseless. Ownership is grounded not only in registration but also in good faith and actual commercial use. The law and the updated rules issued in 2023 make clear that trademark protection grants exclusive rights to use the mark and prevent confusingly similar uses, but these rights are conditional. Registrants must comply with the Declaration of Actual Use (DAU) requirement, showing that the mark is actively used in commerce. Failure to do so can result in cancellation of the registration, making this requirement a practical safeguard against squatting.

DAUs are required at specific intervals. These include three years from the application date, within one year of the fifth anniversary of registration or renewal, and within one year following subsequent renewals. Exceptions exist, such as when legal restrictions or pending disputes prevent use, but they are limited and strictly regulated. This system ensures that trademark rights remain with businesses genuinely operating in the market rather than speculative registrants.

What to Do When Squatting Happens

Despite these safeguards, disputes can arise. If a foreign company discovers that its mark has been registered by another party in the Philippines, the law provides remedies. If the application is still pending, the rightful owner may

file an opposition citing grounds such as prior ownership, likelihood of confusion, or bad faith. If the mark has already been registered, a petition for cancellation may be filed for similar reasons or based on noncompliance with the DAU. In serious cases, administrative, civil, or even criminal actions for infringement and unfair competition are possible. Some companies opt to negotiate with the squatter, but while this may seem expedient, it can unintentionally encourage more bad faith filings.

Courts and IPOPHL Are Watching

Courts have made it clear that bad faith will not be rewarded. Recent rulings demonstrate that first to file is not absolute. In *Edmond Lim and Gerd Paland v. Catalina See*¹, the Supreme Court held that a trademark registration obtained in bad faith can be invalidated even if the registrant was technically first to file. The decision emphasized that good faith is essential to acquiring trademark rights. This principle was reinforced in *Emzee Foods Inc v. Elarfoods Inc*², where bad faith was defined as registering a mark with knowledge of another party's prior use or ownership. Courts have distinguished bad faith from fraud, noting that fraud involves deliberate false statements about ownership or use during registration.

At the same time, the Intellectual Property Office of the Philippines (IPOPHL) has taken a more proactive stance. It strictly enforces compliance with the DAU, has modernized procedures through digital systems, and strengthened recognition of well-known marks. Together, these changes offer stronger protection to legitimate brand owners and make it more difficult for bad faith registrants to retain control over marks they do not genuinely own.

A More Balanced Trademark Landscape

Taken together, these developments show that while the Philippine trademark system still operates on a first to file basis, the environment has become more balanced. Foreign companies that register their marks early, maintain consistent use, and actively enforce their rights can enter the Philippine market with confidence. Trademark protection is no longer just about being first; it is about being genuine, active, and prepared to defend your brand against opportunistic squatters.

**Associate, Sapalo Velez Bundang & Bulilan Law Offices*

Bar exam Q: Likelihood of confusion on trademarks

*by: by: Atty. Criszuz V. Ibon**

A question in the 2025 bar exam also focused on trademarks and how the law decides whether two marks are likely to confuse consumers.

In this case, XYZ Inc. filed a trademark application for "TURTLE AND DEVICE," which combined a stylized image of a turtle with the word *Turtle* built into the design. XYZ planned to use this mark for a line of electronic devices.

Opposition came from ABC Inc., which already owned a registered trademark featuring an image of a tortoise without any words. ABC had been using its mark in the electronics market for several years and argued that XYZ's turtle mark was too similar to its own. ABC claimed that consumers could be misled into thinking the products came from the same source, and that allowing XYZ's mark would weaken the distinctiveness of its brand.

XYZ responded that the Intellectual Property Office should consider the mark as a whole, not just the most noticeable part. It argued that combining the turtle image with the word *Turtle* created a unique overall impression that set it apart from ABC's tortoise mark.

Philippine trademark law looks at the likelihood of confusion by comparing marks as they appear to ordinary buyers. What are considered are the overall visual impression, how the marks sound, what they mean, and how distinctive they are. No single feature alone decides the case; the question is whether the general impression could mislead a typical consumer.

In *Lacoste S.A. v. Crocodile International Pte. Ltd.* (G.R. No. 223270, November 6, 2023), the Supreme Court clarified the modern approach. It moved away from comparing marks as a whole and instead adopted the Dominancy Test. This test focuses on the most prominent or noticeable features of each mark.

The Court explained that minor differences in style or wording are less important than the main element that catches the consumer's attention. For composite marks, only the dominant part of the design should be considered, and visual impression is the most critical factor.

When this is applied to XYZ's mark, the turtle image is too similar to ABC's tortoise design. Even though the wording and some stylistic details differ, the dominant visual feature could mislead ordinary buyers about the origin of the products. For this reason, the Supreme Court would likely reject XYZ's application. The similarity in the main features outweighs the minor differences, creating a real risk of consumer confusion, consistent with the Dominancy Test.

Applying these principles, it is likely that the Intellectual Property Office of the Philippines would find the marks sufficiently distinct. While both marks feature a chelonian figure, the word *Turtle*, the stylization, and the overall design of XYZ's mark reduce the likelihood of confusion. Differences in wording, graphic style, and commercial presentation are significant and protect the mark from being mistaken for ABC's tortoise mark.

Together, these cases show that intellectual property protection is not just a legal formality but a practical part of everyday life, from selling books to building a brand. Knowing the rules on copyright and trademarks helps individuals and businesses reduce legal risks and safeguard their commercial interests.

**Associate, Sapalo Velez Bundang & Bulilan Law Offices*

¹ G.R. No. 193569, January 25, 2023.

² G.R. No. 220558, February 17, 2021.

Bar exam Q: Resale of Foreign Copyrighted Books

by: Atty. Criszuz V. Ibon*

The 2025 bar exam touched upon the issue of copyright in relation to the resale of foreign medical books.

X, an Indian student studying medicine in the Philippines, noticed that the textbooks required by his professors were much cheaper in India. He ordered multiple copies from there and sold them to his classmates at a price 30% lower than the local retail price. XYZ Publishing Co., Inc., the exclusive licensee of these books in the Philippines, filed a copyright infringement case. X argued that because he bought the books legally abroad, he had the right to resell them in the Philippines.

The issue centers on the doctrine of exhaustion of rights under Philippine copyright law, primarily found in the Intellectual Property Code (Republic Act No. 8293). In simple terms, a copyright holder's exclusive rights, such as selling or distributing a work, are generally exhausted only after a lawful sale in the Philippines. Buying a copy abroad does not automatically grant the right to resell it locally. By importing and selling the books without the consent of the local licensee, X bypassed authorized distribution channels, which likely amounts to copyright infringement.

In *M.Y. Intercontinental Trading Corp. v. St. Mary's Publishing Corp.* (G.R. No. 249715, April 12, 2023), the Supreme Court confirmed that unauthorized importation, marketing, and sale of books constitute copyright infringement, and that the first sale doctrine does not justify such acts. Thus, commercial importation and resale of foreign-purchased books in the Philippines require the copyright owner's consent.

A similar issue arose in the SMPC case, but with a key difference. St. Mary's Publishing Corp. (SMPC), the copyright owner of certain textbooks, entered into a financing arrangement with M.Y. Intercontinental Trading Corp. (MITC) to fund the printing of textbooks in China. Due to SMPC's default on payment, MITC, as the unpaid seller, exercised its rights to possess and sell the textbooks.

The court applied the first sale doctrine (or exhaustion of rights doctrine), ruling that MITC could resell the textbooks without infringing SMPC's copyright because SMPC had lost control over the copies due to default. Essentially, once a lawful transfer of ownership occurred through the financing arrangement and MITC's possession of the books, SMPC's exclusive rights to control distribution were exhausted.

Both cases deal with the resale of copyrighted works, but the outcomes differ because of the conditions under which resale occurs.

In the SMPC case, resale was allowed because the copyright owner had lost control of the copies due to default; the resale was lawful under the first sale doctrine. In the foreign book scenario, resale was not allowed because the initial sale occurred outside the Philippines, and Philippine copyright law limits exhaustion to sales within the country.

The lesson is clear: whether books are purchased locally or abroad, commercial resale in the Philippines without the copyright owner's or licensee's consent can lead to legal liability. The right to resell copyrighted works depends on both the lawful transfer of ownership and the territorial scope of copyright exhaustion. Default or legitimate transfer under a contract (as in SMPC/MITC) can trigger exhaustion of rights, but mere purchase abroad (as with X) does not exhaust the copyright holder's rights locally.

*Associate, Sapalo Velez Bundang & Bulilan Law Offices

Geographical Indications in the Philippines: Legal Framework, Developments, and Policy Direction

by: Joan Janneth Estremadura*

In 2022, the Intellectual Property Office of the Philippines (IPOP HL) implemented the Rules and Regulations on Geographical Indications Memorandum Circular No. 2022-022 which institutionalizes the protection to geographical indications (GIs).

The protection of GIs is expressly recognized under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Article 22.1 of TRIPS defines a GI as an indication that identifies a particular good as originating from a particular territory, region, or locality, where a given *quality, reputation, or other characteristic* of the good is essentially attributable to its geographical origin or the human factors in the area. It is important to emphasize that GIs do not apply to services and only to certain goods such as agricultural products, foodstuffs, wines and spirits, handicrafts, and, in certain jurisdictions, industrial products.

Comparative Approaches to GI Protection

TRIPS accords Members flexibility in determining the legal mechanisms through which GI protection is implemented. Jurisdictions have adopted divergent approaches. In the United States, GIs are protected primarily under trademark law, typically through collective marks or certification marks. The European Union, by contrast, employs a *sui generis* system. The variance in the legal mechanism has been a consideration in the treatment of generic or customary terms and the coexistence of prior trademarks with subsequently registered GIs.

In general, the U.S. framework allows for the possibility that certain geographical terms may become generic through long-standing use, while the EU framework emphasizes the continued protection of registered GIs.

GI Protection in the Philippines

In the Philippines, GIs are included in the enumeration of intellectual property rights under Section 4 of the Intellectual Property Code (IP Code). Notwithstanding this recognition, the country has historically relied on the trademark system for GI protection, as it has yet to enact a law dedicated to its protection.

Objectives and Scope of the GI Rules

The Philippine GI Rules and Regulations (GI-IRR) were issued primarily to establish a *sui generis* GI registration system in the Philippines, enhance the level of protection accorded to GIs, promote respect for and effective use of the intellectual property system, and build the competitive advantage of Philippine products.

The Rules adopt a broad definition of GIs, covering agricultural and natural products, foodstuffs, wines and spirits, handicrafts, and industrial goods, and expressly recognize that the link between a product and its origin may arise from both natural and human factors.

Acquisition of Rights and Registrability

Under the GI-IRR, rights in a GI are acquired solely through registration and the issuance of a Certificate of Registration. Only juridical persons may apply for GI registration, which emphasizes GI as a collective / community right rather than an individual right.

Application Requirements and the Manual of Specifications

A GI application must include, among others, the name of the GI, the goods covered, a description of the geographical area and its boundaries, and a detailed explanation of the specific quality, reputation, or characteristic attributable to the geographical origin. Central to the application is the *Manual of Specifications*. The *Manual* sets out product specifications, production processes, quality control mechanisms, and labeling rules, among others.

The Rules require the submission, at the time of filing, of a certification from the relevant government agency or an equivalent independent body validating the causal link between the product's characteristics and its geographical origin, as well as the technical information contained in the *Manual of Specifications*. This requirement streamlines the examination process by addressing evidentiary issues at the outset. If a GI is already registered abroad, the proof of the registration must be submitted, as well.

Examination, Publication, and Third-Party Observation

Applications undergo both formality and substantive examination by the IPOPHL. Deficiencies must be remedied within prescribed periods, failing which the application is deemed withdrawn. Upon compliance, applications are published in the IPOPHL e-Gazette.

Any interested person who may be damaged by the registration of a GI may file a Third-Party Observation (TPO) within one month from publication lodged directly with the Registrar (the Director of Trademarks). Observations are considered in determining whether the application should be allowed or refused.

Grounds for Refusal and the Concept of Evocation

The GI IRR enumerate specific grounds for refusal, including applications that are misleading, contrary to public order or policy, generic or customary in the Philippines, or identical with or confusingly similar to an earlier GI or an evocation thereof. The Rules define "evocation" as the use of a term, sign, or presentation that creates a direct and clear association in the mind of the consumer with a protected GI, even if the name itself is not used.

The Rules also address homonymous GIs, or those GIs which sound alike but each is entitled to protection. In this case, the Registrar determines the practical conditions to ensure protection but avoid consumer confusion.

Rights Conferred and Term of Protection

Registration confers upon GI registrants the right to prevent third parties from using the GI in a manner that misleads the public as to origin, including use accompanied by expressions such as "kind," "type," or "style," or any use constituting unfair competition. A registered GI is protected for an unlimited term, subject only to revocation with finality—one of the key distinctions between a *sui generis* GI system and trademark-based protection.

Co-existence with Trademarks and Protection of Indigenous Rights

The GI-IRR expressly uphold respect for earlier filed or registered trademarks and for marks used in good faith prior to the relevant TRIPS periods. In addition, a dedicated article addresses the rights of Indigenous Cultural Communities and Indigenous Peoples, providing mechanisms to recognize and protect their cultural and intellectual rights and authorizing fee waivers where appropriate.

Legislative Developments and Policy Direction

To address the inherent limitations of a regulatory framework under the IP Code, IPOPHL is pursuing the enactment of a dedicated *Geographical Indications Act of the Philippines*. The proposed legislation seeks to institutionalize a more comprehensive GI regime, including opposition and cancellation proceedings under the jurisdiction of the Bureau of Legal Affairs, explicit provisions on GI infringement, and transitional mechanisms for existing GI registrations.

More recently, the IPOPHL published a list of EU geographical indications (GIs) that it examined relative to the ongoing Philippine-European Union Free Trade Agreement (PH-EU FTA). The published list includes GIs which appear to raise no substantive concerns under the GI-IRR. It must be noted that protection in the Philippines of the GIs on the list is subject to the successful conclusion of the PH-EU FTA except those already protected under the GI-IRR. The negotiations for the said FTA are currently on-going with rounds of negotiations happening in the next few months.

Looking Ahead

The GI-IRR represent a significant regulatory advancement in the Philippine GI landscape, balancing international trade obligations, domestic policy objectives, and stakeholder interests. Together with the proposed *Geographical Indications Act of the Philippines*, these developments signal a shift toward a more robust and coherent GI protection system, one that positions GIs not merely as marketing tools, but as legally enforceable community rights integral to national development.

Program of Action by APAA President-elect Pablo Gancayco

(Excerpts of the speech delivered by president-elect Pablo Gancayco during the election of Asian Patent Attorneys Association (APAA) 77th and 78th Council Meeting and 21st General Assembly held in Kuala Lumpur, Malaysia from November 6 to 10, 2025.)

Here are the significant policies and things that I want to do moving forward as your president:

1. There will be a combination of experienced seniors and the younger generation to fill positions at all levels. We should encourage the younger people to be more active in APAA -- for continuity and succession. It is the young people in APAA who will ensure that the future of the APAA leadership is bright and dynamic. I would like to give young talents the space to rise in the hierarchy. I want to empower the young people by giving them position, and guiding them so that they can also serve the APAA in the highest levels when the right time comes. Through my years in APAA, I had the honor of meeting very bright and energetic younger individuals from practically all recognized groups in APAA who have so much knowledge and skills and many of them are here in this hall today. Let us surround ourselves with these young talents and learn more from their ideas. Let us allow them to propel APAA to even greater heights. If given the chance to be president I will hold your hands to guide our younger generation, to become the next leaders and efficient workers of APAA.

2. Our more senior and experienced members will of course stay and remain productive in our organization. We will not just let them go, definitely. We will continue giving due honor and respect to our seniors, as APAA is here, and APAA stands strong now because of them. Leadership is not about knowing everything. Leadership is having the humility to listen to our elders who have the experience, the wisdom, and the passion to jealously guard the APAA, away from instability.

Through the 35 years that I have spent in the APAA, I am continuously identifying the personalities who are truly efficient and hardworking, and who have the capabilities of providing the highest levels of support and service to the organization.

3. Amendments, revisions and legislation of statutes, regulations and basic rules of APAA should be done having in mind appropriate procedures and full transparency. That is, for any such proposed amendment or revision, or legislation, you, the councilors, will have to be duly and previously notified of the proposed changes so that you, the councilors, can study, understand and be well informed of the proposals. Thereafter, at the appropriate forum or plenary, the proposal can be properly discussed, and maybe even modified, before any action is taken thereon.

4. Let us reform the electoral processes of APAA, to ensure that all members who are most qualified, most deserving, and available, will have a fair and equal chance to be our leaders.

5. For membership, I will give special focus on the development of the smaller recognized groups. Let us help them grow in numbers, by giving them incentives, maybe discounted conference registration fees to their members. Perhaps, even scholarships. Let us organize more APAA outreach programs and activities for their benefit. We can even have pocket or regional meetings that can be held in their countries. Some good examples are Cambodia, Bangladesh and Sri Lanka which are very ready with great facilities for such outreach programs or pocket meetings.

6. I will develop a truly effective and efficient mentorship program not only for first time attendees and those interested, but also for the smaller recognized groups and the new recognized groups, if there will be any. We can still have individual mentors. But we can also have the more established recognized groups sharing their best practices, and guiding the smaller recognized groups.

7. I will fully support and enhance the learning benefits in the programs and outreach activities of the association -the courses, the seminars and the webinars. Let us all make them very interesting and attractive. Let us get the best possible speakers and providers.

8. I will ensure effective communication by enhancing the association's communication channels and their contents. We will scout for the best possible contributors/writers of pieces or articles and publication materials from APAA members, and maybe from other sources as well. I will ensure that the learning contents of our publications, will be interesting, beneficial and useful to all of the members.

9. I will strengthen the inter-organizational relations of APAA with other intellectual property organizations, for mutual support, interaction and exchange of ideas, and for possible joint actions and activities for the promotion and strengthening of intellectual property laws and practice in different countries.

Disclaimer: The views and opinions expressed in the articles are those of the authors and do not necessarily reflect the official policy or position of IPAP.

Tel. No.: 63 (2) 687 6443
Fax No.: 63 (2) 687 6713
Email: mail@ipap.org.ph