

Trademarks

in Philippines

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LEGAL FRAMEWORK

Domestic law

What is the primary legislation governing trademarks in your jurisdiction?

The primary legislation is Republic Act No. 8293 or the Intellectual Property Code of the Philippines.

Law stated - 09 July 2021

International law

Which international trademark agreements has your jurisdiction signed?

The Philippines is a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

Law stated - 09 July 2021

Regulators

Which government bodies regulate trademark law?

The National Committee on Intellectual Property Rights (NCIPR) is a 12-member inter-agency body that formulates and implements plans and policies to strengthen the protection and enforcement of IP rights in the Philippines. The Philippine Intellectual Property Office is the primary government agency tasked with the regulation of trademarks in the Philippines, particularly registration and enforcement. Other members of the NCIPR that specifically enforce trademark laws are the Bureau of Customs, the National Bureau of Investigation and the Philippine National Police. The Food and Drug Administration also deals with trademarks, but only in relation to identifying the brand names of products that are under its regulatory scope.

Law stated - 09 July 2021

REGISTRATION AND USE

Ownership of marks

Who may apply for registration?

A trademark applicant may be a natural or juridical person. A trademark application may also be made in the name of more than one applicant. Foreign applicants not domiciled or having no real and effective commercial establishment in the country must have a resident representative who shall be served with notices or processes in proceedings affecting the mark.

Law stated - 09 July 2021

Scope of trademark

What may and may not be protected and registered as a trademark?

Republic Act No. 8293 (the IP Code) defines a trademark as any visible sign capable of distinguishing the goods

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(trademark) or services (service mark) of an enterprise and shall include a stamped or marked container of goods. Collective marks may be registered and are treated as ordinary trademarks for the purposes of substantive examination.

The Philippines has yet to accord protection to non-visually perceptible marks such as sound, touch, taste and smell marks, but recognises other non-traditional marks such as three-dimensional marks, position marks, hologram marks and motion marks.

A mark is unregistrable in the Philippines if it falls under any of the absolute or relative grounds for refusal under section 123 of the IP Code. Absolute grounds include immoral, generic, descriptive, non-distinctive and customary marks, while relative grounds cover confusing similarity with previously registered or earlier-filed marks and with marks that are declared well known internationally and in the Philippines. Marks that are descriptive, consisting of a colour or a shape, may be registered if they become distinctive in connection with the applicant's goods or services as a result of extensive commercial use in the Philippines for at least five years before the claim of distinctiveness is made.

Law stated - 09 July 2021

Unregistered trademarks

Can trademark rights be established without registration?

Trade names or business names are protected in the Philippines without the need for prior registration. Well-known marks are also granted protection without the need for prior use or registration in the Philippines in relation to the same or similar goods and services for which the marks are well known.

Previous jurisprudence under the Old Trademarks Law established the doctrine of prior use as a basis for trademark ownership. However, the Philippine Supreme Court recently held, on 8 September 2020 in *Zuneca Pharmaceutical v Natrapharm, Inc*, GR No. 211,850, that for marks that are first used or registered after the IP Code came into effect on 1 January 1998, ownership is no longer dependent on the fact of prior use. This came about as a result of the express adoption by the IP Code of the first-to-file rule and the rule that trademark ownership is acquired through registration. Nonetheless, a registered mark shall have no effect against a mark that has been used in good faith before the filing or priority date of the registered mark. Moreover, a person who has identified in the mind of the public his or her goods and services, whether a registered mark is employed or not, has a property right in the goodwill created and may protect the right based on unfair competition rules. Accordingly, a certificate of registration may be defeated by evidence of bad faith or fraudulent intent; that is, knowledge of the registrant of the prior creation, use or registration by another party of an identical or similar mark or making intentional false claims to take advantage of another party's goodwill (or all of the above), particularly on the issues of origin, ownership and the use of the trademark in question, thereby causing damage or prejudice to another party.

Law stated - 09 July 2021

Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

The IP Code protects marks that are considered by a competent authority in the Philippines to be well known internationally and in the Philippines, whether or not they are registered in the Philippines. If unregistered, its exclusivity is limited to identical or similar goods and services for which it is well known. However, if it is registered in the Philippines, the exclusive right to use the mark extends even to goods and services that are not similar, provided that such use would indicate a connection with the registrant to the latter's prejudice.

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In determining whether a mark is well known, account shall be taken of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines obtained through the promotion of the mark.

The following criteria are used by the competent Philippine authorities to determine if a trademark is well known:

- the duration, extent and geographical area of any use of the mark;
- market share, in the Philippines and in other countries, of the goods or services to which the mark applies;
- the degree of the inherent or acquired distinction of the mark;
- the quality-image or reputation acquired by the mark;
- the extent to which the mark has been registered in the world;
- the exclusivity of registration attained by the mark in the world;
- the extent to which the mark has been used in the world;
- the exclusivity of use attained by the mark in the world;
- the commercial value attributed to the mark in the world;
- a record of successful protection of the rights in the mark;
- the outcome of litigation dealing with the issue of whether the mark is a well-known mark; and
- 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 well known.

No single factor is determinative and not all the criteria must be present for a mark to be considered well known. The use and popularity of the mark in the Philippines is only one of many factors considered.

Law stated - 09 July 2021

The benefits of registration

What are the benefits of registration?

A valid registration under the IP Code confers trademark rights in the Philippines. The owner of a registered mark has the exclusive right to prevent all third parties from using marks that are identical or similar to its own, in respect to the same or similar goods or services for which the mark is registered.

A certificate of registration of a mark is prima facie evidence of the validity of the registration, the registrant's ownership of the mark, and the registrant's exclusive right to use the mark in connection with the goods and services listed and those related thereto. In the case of an identical sign for identical goods or services, a likelihood of confusion is presumed.

Only the owner of a registered mark may claim trademark infringement against an identical or confusingly similar mark. The registered owner is also afforded border enforcement measures by the Bureau of Customs and administrative enforcement measures by the Intellectual Property Rights Enforcement Office of the Philippine Intellectual Property Office (IPOPPL).

Law stated - 09 July 2021

Filing procedure and documentation

What documentation is needed to file a trademark application? What rules govern the representation of the mark in the application? Is electronic filing available? Are trademark searches available or required before filing? If so, what procedures and fees apply?

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The following are required to complete a basic trademark application:

- a completed application form;
- a reproduction of the mark sought to be registered; and
- a copy of the power of attorney (POA) signed by the applicant or its authorised representative.

A POA is not required for an application to be issued a filing number and filing date. A POA may be submitted subsequently, but it is needed for an application to proceed to substantive examination. Attestation, notarisation, authentication, legalisation or other certification of any signature or other means of self-identification is not required for the POA.

Pursuant to IPOPHL Memorandum Circular No. 2020-013 and its succeeding issuances, trademark applications shall be filed and paid for online through the IPOPHL's eTMfile system.

A trademark search is not a prerequisite to file a trademark application. Nonetheless, private entities may conduct a trademark search using the IPOPHL–World Intellectual Property Organization online Philippine Trademark Database or the Association of Southeast Asian Nations TMView to determine the relative registrability of a mark prior to filing the application. The IPOPHL eTMfile system also has a built-in trademark search function that can be used without additional costs. However, the IPOPHL online database is not updated in real time and its search function only covers previously filed applications or existing trademark registrations. Other registrability issues will not be revealed by a trademark search on the IPOPHL online trademark database.

Law stated - 09 July 2021

Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration? When does registration formally come into effect? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration?

A straightforward application is usually granted registration within six months of its filing date. This period is prolonged by IPOPHL action papers issued during the substantive examination of the mark prior to its publication for opposition or the filing of an opposition against the application during the opposition period, or both.

A mark is deemed registered on the day following the expiration date of the opposition period or on the day on which the order denying the opposition becomes final and executory. An application may still be abandoned after the lapse of the opposition period if the Issuance and Second Publication Fee is not paid on time.

The government fee for a straightforward trademark registration covering one mark in one class is 5,769.52 Philippine pesos. The filing fee for a trademark application, including colour and priority claim fees, is multiplied by the number of classes covered. Subsequent government fees are fixed per application except for the Declaration of Actual Use (DAU) and the Request for Renewal of Registration. There are no government fees for responding to IPOPHL-issued action papers.

Law stated - 09 July 2021

Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The IPOPHL applies the latest version of the Nice Classification of Goods and Services at the time the application is examined.

The Philippines follows a multi-class system. A multi-class application avoids additional publication and issuance government fees (3,151.60 Philippine pesos), which are calculated on a per-application instead of a per-class basis. However, for multi-class applications, objections related to a particular class affect the whole application.

Law stated - 09 July 2021

Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? Are letters of consent accepted to overcome an objection based on a third-party mark? May applicants respond to rejections by the trademark office?

Upon completion of the formal requirements, an application undergoes substantive examination where the examiner determines the registrability of the trademark based on section 123 of the IP Code. One of the relative grounds under section 123 is confusing similarity to existing registrations or marks with earlier filing or priority dates. For the purposes of examination, the first-to-file and first-to-register rules apply. Claims of prior use, ownership, well-known status and bad faith registration cannot be decided by the examiner and must be resolved in a proper inter partes or IP violation case.

If a Registrability Report or Notification of Provisional Refusal is issued, the applicant has two months from its mailing date or digital signature date, respectively, to respond to the examiner's objections. This period is extendible by two months upon request and payment of the extension fee. The examiner may reiterate the objections or raise new objections in a subsequent action, which should be responded to within two months of its mailing date. A final action or refusal may be appealed to the Director of Trademarks within two months of its mailing date.

A letter of consent or co-existence may be submitted when the examiner's objection is based on relative grounds. However, the examiner still has discretion on whether this is sufficient to overcome the objection, particularly where the likelihood of confusion or deception to the public is high.

Law stated - 09 July 2021

Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Use of a trademark is not a prerequisite for its registration, but it is required to maintain an application or registration, whether national or via the Madrid Protocol. There is no specific period when use of the mark must commence.

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However, a DAU accompanied by proof of use of the mark must be submitted within certain periods, the earliest of which is three years from the filing, international registration or subsequent designation date. Failure to file the DAU within any of the prescribed periods shall cause the automatic refusal of the application or the removal of the mark from the Trademarks Register. A trademark registration is also open to a third-party cancellation action if it has not been used in the Philippines for an uninterrupted period of at least three years without a legitimate reason.

The Philippines accords priority rights to foreign applicants in accordance with the Paris Convention. Thus, a Philippine application may be considered filed as of the filing date of an earlier foreign application, but it cannot be registered in the Philippines until it has been registered in the country where the priority application was filed. To claim Paris Convention priority, the Philippine application must be filed within six months of the filing of the priority application.

Law stated - 09 July 2021

Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The use of 'Registered Mark' or ® is not mandatory. However, knowledge of the likelihood of confusion is presumed on the part of the infringer if the trademark infringed contains such terms, which entitles the registrant to recover profits or damages in an infringement action.

Law stated - 09 July 2021

Appealing a denied application

Is there an appeal process if the application is denied?

The denial of a trademark application can be appealed by filing a notice of appeal to the director of trademarks within two months of the mailing date of the final refusal and the appellant's brief within two months thereafter.

The decision of the director of trademarks may be appealed to the Office of the Director General (ODG) within 30 days of receipt of the decision. The applicant may also file a motion for reconsideration with the director of trademarks within the same period, but this is not required for an appeal to the ODG. If a motion for reconsideration is filed and subsequently denied, the appellant has the full 30-day period from receipt of the final order to file an appeal with the ODG.

An appeal to the ODG is perfected by filing an appeal memorandum with proof of service to the appellee and the bureau director concerned, and with proof of payment of the appeal fee and other applicable fees. The period to file the appeal may be extended by 15 days upon proper motion and the payment of the relevant fees. Pursuant to IPOPHL Memorandum Circular No. 2020-041 or the Revised Uniform Rules on Appeal in the Office of the Director General, the appeal shall be filed through the email address of the ODG at odgappeals@ipophil.gov.ph.

The decision of the ODG may be appealed to the Court of Appeals (CA) by filing a petition for review under Rule 43 of the Rules of Court within 15 days of receipt of the ODG decision. As a last recourse, the decision of the CA may be appealed to the Supreme Court by filing a petition for review on certiorari under Rule 45 of the Rules of Court within 15 days of receipt of the CA decision.

Law stated - 09 July 2021

Third-party opposition

Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

After substantive examination, an application is published for purposes of opposition in the IPOPHL e-Gazette. Any person who believes they would be damaged by the registration of the published mark may file an opposition against its registration within 30 days of its publication date. The period to file an opposition may be extended for two 30-day periods based on meritorious grounds and for a final 30 days based on compelling grounds, upon request and payment of the extension fees. An opposer must also remit the opposition filing fee in the amount of 14,746 Philippine pesos together with the first motion for extension.

A petition for cancellation of a trademark registration on the grounds that the registration causes damage to the petitioner must be filed within five years of the date of registration. Otherwise, the petition may be filed at any time based on the following grounds:

- the mark has become generic;
- the mark has been abandoned;
- the registration of the mark was obtained fraudulently or contrary to the provisions of the IP Code;
- the mark is being used by the registrant, with his or her permission, to misrepresent the source of the goods or services covered by the mark; or
- the registrant failed to use the mark in the Philippines for an uninterrupted period of three years or longer without legitimate reason.

Pursuant to IPOPHL Memorandum Circular No. 2020-034, all pleadings and submissions in inter partes cases shall be filed through an email addressed to blareceiving@ipophil.gov.ph and shall be deemed filed as of the date on which the Bureau of Legal Affairs (BLA) received the email. If required under the pertinent rules, the party filing the pleading or submission shall furnish the adverse party a copy thereof, including evidence, also via email. Otherwise, the filing party shall state in the email to the BLA that they have no information on the email address of the adverse party and that service shall be made via personal service, courier or registered mail, with proof to that effect. Payment of applicable fees shall also be made through IPOPHL online payment facilities within five days of the date of the statement of account issued by the BLA. Proof of payment must then be sent to the BLA via email within three days of the actual payment. Sanctions, including the dismissal of the case and denial of the motion, may apply for failure to pay or submit proof of payment within the said periods.

Once the verified notice of opposition or petition for cancellation is deemed formally complete, the BLA will issue a notice to answer that requires the respondent to file its verified answer within 30 days of its receipt, which may also be extended by three 30-day periods upon proper motion and payment of the required fees.

If the respondent or his or her representative refuses to receive a copy of the notice to answer, has moved out of the recorded address or provided an incomplete address, the notice to answer will be posted on the IPOPHL website and the 30-day period to file a verified answer or an extension of time to file the same will be reckoned from the online posting date. If the respondent fails to file a verified answer in time, it will be declared in default and the opposition or cancellation case will be decided based solely on the pleadings and evidence submitted by the opposer or petitioner.

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If an answer is filed in time, the case shall be referred to the ADR Services of the IPOPHL for mediation. If the case is resolved through mediation, the BLA adjudication officer will issue a decision based on the settlement agreement. Otherwise, the case shall be referred back to the BLA for adjudication proceedings.

Upon the termination of the mediation proceedings, the parties will be called to a preliminary conference to facilitate the resolution of the case through stipulations, clarifications and simplification of issues, and the submission and presentation of original or certified true copies of relevant documents. The parties then have 10 days from the termination of the preliminary conference within which to submit their respective position papers. After the lapse of this period, with or without the parties' submissions, the case shall be submitted for decision.

Costs for legal representation in opposition and cancellation proceedings vary depending on the complexity of the issues involved and are usually based on hourly rates.

Based on reciprocal rights, foreign brand owners, whether or not engaged in business in the Philippines, may bring an opposition or cancellation case before the IPOPHL based on a bad-faith application or registration of their marks by another party, even if they do not have trademark registrations in the Philippines. Where circumstances show that the mark applied for or registered in the Philippines was first used by a foreign brand owner in the country or in another jurisdiction, and that the local applicant or registrant knew or should have reasonably known of such use, then the local application or registration shall be considered made in bad faith and thus invalid.

Law stated - 09 July 2021

Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A trademark registration is valid for 10 years from its registration date and can be renewed in 10-year periods.

To maintain a trademark registration, a DAU and its accompanying proof of use must be filed within the following periods:

- within three years of its filing date, international registration date or date of subsequent designation;
- within one year of the fifth anniversary of the registration or grant of protection;
- within one year of the date of renewal; and
- within one year of the fifth anniversary of each renewal.

Failure to file the DAU and proof of use within any of the above periods shall cause the automatic refusal of an application or the cancellation of a registration. Unjustified non-use of a registered mark for an uninterrupted period of three years may also be the basis of a cancellation action.

Based on the Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers of 2017, the following proof of use is acceptable:

- labels of the mark as they are used;
- downloaded pages from the website of the applicant or registrant clearly showing that the goods are being sold or the services are being rendered in the Philippines;
- photographs of goods bearing the mark as it is actually used or of the stamped or marked container of the goods, and of the establishment or establishments where the services are rendered;
- brochures or advertising materials showing actual use of the mark on goods being sold or services being rendered in the Philippines;

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- receipts or invoices of sales of the goods or services or other similar evidence of use, showing that the goods are placed in the market or the services are available in the Philippines; and
- copies of contracts for services showing the use of the mark.

The examiner shall determine if the proof of use of a mark is acceptable and sufficient. If the examiner finds issues with the submitted DAU or that the proof is insufficient or unacceptable, an office action will be issued that requires the registrant to submit alternative or additional proof of use or to clarify the issues raised. The registrant has two months from the mailing date of the office action to comply or to argue. Failure to respond in a timely manner will result in the denial of the DAU and the removal of the mark from the Trademarks Register for non-use.

In lieu of the DAU, an applicant or registrant may file a Declaration of Non-Use (DNU) if non-use of the mark is based on any of the following circumstances outside the owner's control, except for a lack of funds:

- where the registrant or applicant is prohibited from using the mark in commerce because of a requirement imposed by another government agency prior to putting the goods in the market or rendering of services;
- where a restraining order or injunction was issued by the BLA, the courts or quasi-judicial bodies prohibiting the use of the mark; or
- where the mark is the subject of an opposition or cancellation case.

As a rule, the DNU may be submitted only in lieu of the third year's DAU. However, if the use of a mark has been interrupted or discontinued pending litigation, a DNU may be submitted instead of the relevant DAU at any time.

Law stated - 09 July 2021

Surrender

What is the procedure for surrendering a trademark registration?

A registrant may voluntarily cancel its trademark registration by filing a petition under oath to that effect. If granted, a notice of surrender will be published in the IPOPHL e-Gazette. The government fee for the voluntary surrender of a trademark registration, inclusive of publication costs, is 1,580 Philippine pesos.

Law stated - 09 July 2021

Related IP rights

Can trademarks be protected under other IP rights?

A logo or device (excluding word elements) may be considered an artistic work and subject to copyright protection. The shape of a product, part of a product or of its packaging or container may be considered distinctive and registered as a trademark or as an industrial design.

Law stated - 09 July 2021

Trademarks online and domain names

What regime governs the protection of trademarks online and domain names?

The protection granted to trademarks under the IP Code is sufficiently broad to cover all commercial use of trademarks,

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including online use. This protection is expanded by other laws and regulations concerning online use of IP rights, such as the Consumer Act of the Philippines, the Joint DTI-DOH-DA Administrative Order No. 1, Series of 2008, the Cybercrime Prevention Act of 2012 and the Electronic Commerce Act of 2000.

A domain name may be registered as a trademark under the IP Code, which affords the domain name all the rights of a trademark owner. The acquisition of a domain name in contravention of another party's IP rights is punished as cyber-squatting under the Cybercrime Prevention Act of 2012. Disputes regarding domain names may also be addressed to a dispute service provider approved by the Internet Corporation for Assigned Names and Numbers (ICANN) in accordance with the ICANN's Uniform Domain Name Dispute Resolution Policy.

Law stated - 09 July 2021

LICENSING AND ASSIGNMENT

Licences

May a licence be recorded against a mark in the jurisdiction? How? Are there any benefits to doing so or detriments to not doing so? What provisions are typically included in a licensing agreement?

A licence contract involving a trademark application or registration must contain quality control provisions to be valid.

Recordal of a trademark licence agreement (TLA) with the IPOPHL is not a requirement for the validity of the agreement but is required to bind third parties. As a prerequisite for recordal, the TLA must be cleared by the Documentation Information and Technology Transfer Bureau (DITTB) of the Philippine Intellectual Property Office (IPOPHL) as being compliant with sections 87 (prohibited clauses) and 88 (mandatory provisions) of the Intellectual Property Code of the Philippines (the IP Code). If the trademarks involved in the TLA are properly registered in the Philippines, the parties may opt not to record the TLA and simply enforce their trademark rights under the IP Code. However, there are certain regulatory bodies that require the submission of proof of recordal of the TLA with the IPOPHL for the issuance of permits or authorisations.

Apart from the quality control provisions, a TLA must have the following provisions to secure DITTB clearance and Bureau of Trademarks (BOT) recordal:

- that the laws of the Philippines shall govern the interpretation of the agreement and, in the event of litigation, the venue shall be the proper court in the place where the licensee has its principal office;
- continued access to improvements in techniques and processes related to the technology shall be made available during the period of the agreement;
- if the agreement provides for arbitration, the Procedure of Arbitration of the Arbitration Law of the Philippines or the Arbitration Rules of the United Nations Commission on International Trade Law or the Rules of Conciliation and Arbitration of the International Chamber of Commerce shall apply and the venue of arbitration shall be the Philippines or any neutral country; and
- the Philippine taxes on all payments relating to the agreement shall be borne by the licensor.

A certificate of clearance issued by the DITTB for a TLA has a validity of 10 years but shall not exceed the expiration of the trademark registration itself.

Law stated - 09 July 2021

Assignment

What can be assigned?

A trademark application or registration may be assigned with or without the transfer of the business using the trademark. The assignment is null and void if it misleads the public as regards the nature, source, manufacturing process, characteristics or suitability for the purpose of the goods or services to which the mark is applied.

Law stated - 09 July 2021

Assignment documentation

What documents are required for assignment and what form must they take? What procedures apply?

The trademark assignment document must be in writing, signed by the parties and duly notarised. To bind third parties, the assignment must be recorded with the BOT of the IPOPHL. A scanned copy of the original assignment document must be submitted together with the payment of the recordal fee. The original or certified true copy may be subsequently required if the examiner finds some issue with the authenticity or due execution of the scanned copy. If granted, a notice of recordal shall be issued by the IPOPHL.

Law stated - 09 July 2021

Validity of assignment

Must the assignment be recorded for purposes of its validity?

The recordal of a trademark assignment is not necessary for its validity.

Law stated - 09 July 2021

Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Under the Civil Code , incorporeal rights such as trademarks may be pledged by the registrant by delivering the certificate of registration to the creditor. To be enforceable against third parties, the document evidencing the pledge must be notarised and must contain the description of the thing pledged and the date of the pledge. Since the IPOPHL requires the recordal of security interests or transactions affecting the ownership of the mark, a scanned copy of the original pledge document or its certified true copy must be submitted to the IPOPHL together with the payment of the recordal fee. Once granted, a notice of recordal is issued by the IPOPHL.

Under the Personal Property Security Act , a security interest over personal property such as an IP right is created through a written security agreement, which does not need to be notarised. To bind third parties, the security interest may be perfected through the registration of a notice with the Electronic Registry. The Land Registration Authority (LRA) issued Circular No. 11-2021 on 15 March 2021, providing the Implementing Guidelines on the Use of the Philippines Personal Property Security Registry (PPSR) for the Creation of User Accounts to Access the PPSR. Users may now register with the PPSR on the LRA's website .

ENFORCEMENT**Trademark enforcement proceedings**

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The following cases may be raised in an IP violation administrative proceeding before the Bureau of Legal Affairs (BLA) of the Philippine Intellectual Property Office (IPOPHL):

- false designation of origin;
- false or fraudulent declaration (in the procurement of a trademark registration);
- infringement of trademark; and
- unfair competition.

Owners may also file with the IPOPHL Enforcement Office (IEO) a complaint against manufacturers, producers, importers, distributors or sellers of counterfeit products. If the complaint is meritorious, the IEO may undertake various enforcement actions against the violator, such as:

- the issuance of notices, warnings, compliance orders or visitorial orders;
- request the removal of counterfeit goods or pirated content, or block access thereto in coordination with the appropriate agency, body or intermediary service provider;
- recommend the application of search warrants; and
- refer the case to law enforcement or other agencies for case build-up or for filing of charges under relevant laws.

The Intellectual Property Code of the Philippines (the IP Code) also recognises trademark infringement and unfair competition as both criminal and civil actions, which may be filed before special commercial courts (regional trial courts specially designated through Supreme Court resolutions).

Under the IP Code, trademark infringement occurs through the unauthorised commercial use of a reproduction, counterfeit, copy or colourable imitation of a registered mark that is likely to cause confusion or deception; or the unauthorised reproduction, counterfeiting, copying or colourable imitation of a registered mark or its dominant feature and the application of the same to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce.

Unfair competition under section 168 of the IP Code occurs when a person employs deception or any other means contrary to bad faith by which he or she passes off his or her own goods or services as those of another. This includes giving one's goods the general appearance of another's, either as to the goods themselves or in the packaging, presentation, devices and marks thereon, whether registered or not; and making false statements in the course of trade or other acts calculated to discredit the goods, business or services of another party.

Procedural format and timing

What is the format of the infringement proceeding?

Infringement may take the form of administrative, civil or criminal actions. The applicable procedural rules depend on the type of case involved. Administrative actions for infringement are filed with the BLA of the IPOP HL and are governed by the Rules and Regulations on Administrative Complaints for Violation of Laws Involving Intellectual Property Rights , as amended , and supplemented by the Rules of Court. The technical rules of evidence are not strictly applied to administrative proceedings of infringement. On the first level of administrative infringement actions, the decision is rendered by a BLA adjudication officer, whose decision may be appealed to the Director of the BLA and eventually to the Office of the Director General (ODG) of the IPOP HL.

For criminal infringement, the complaint must be instituted with the National Prosecution Service of the Department of Justice for the purposes of preliminary investigation. A criminal case will be filed with the special commercial courts (SCCs) only if probable cause is found after the preliminary investigation.

A civil infringement case is filed before the SCC and heard by a commercial court judge of that particular jurisdiction. Both civil and criminal infringement actions are governed by the Rules of Procedure for Intellectual Property Rights Cases , revised in 2020 and supplemented by the Rules of Court.

All infringement actions take the form of adversarial proceedings, with a full-blown trial requiring the presentation of witnesses. Modes of discovery and provisional remedies are available for administrative, civil and criminal actions, but search and seizure proceedings are available for civil and criminal cases only. For civil actions, search and seizure is governed by the Rules on Search & Seizure in Civil Actions for Infringement of IP Rights . A complainant in all kinds of actions for infringement may claim damages against the infringer as well as require the seizure of the infringing materials and the cessation of the unlawful activity. However, only a criminal conviction may result in the imprisonment of the infringer.

An administrative proceeding is generally cheaper and faster than a civil or criminal proceeding. Judicial proceedings elevated all the way to the Supreme Court usually take 10–15 years to complete, while administrative proceedings usually take five years to obtain a decision from the ODG of the IPOP HL.

The above discussion also applies to actions for unfair competition.

Law stated - 09 July 2021

Burden of proof

What is the burden of proof to establish infringement or dilution?

The burden of proof lies with the claimant, subject to certain disputable presumptions. The quantum of evidence required is determined by the kind of proceeding resorted to. An administrative action requires substantial evidence (ie, relevant evidence that a reasonable mind might accept as adequate to support or justify a conclusion). For civil actions, it is preponderance of evidence (ie, evidence that is superior to the other). For criminal actions, guilt beyond reasonable doubt is necessary to convict the accused (ie, a degree of proof that, excluding the possibility of error, produces moral certainty). In cases of infringement, fraudulent intent on the part of the defendant or the accused does not need to be established because good faith is not a defence unless the defendant or accused claims to be a prior user, or when doubled damages are argued for based on an allegation of fraudulent intent to mislead the public or to defraud the complainant.

Law stated - 09 July 2021

Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Only the registered owner of the mark has standing to file an infringement action, whether civil, criminal or administrative. For unfair competition, the owner of a trademark, whether registered or not, may file the civil, criminal or administrative complaint.

Law stated - 09 July 2021

Border enforcement and foreign activities

What border enforcement measures are available to halt the import and export of infringing goods? Can activities that take place outside the country of registration support a charge of infringement or dilution?

To aid their monitoring and inspection of imports, the Intellectual Property Rights Division of the Bureau of Customs (BOC) maintains an IP rights registry in which IP rights holders in the Philippines can register their marks. Importation of counterfeit goods bearing marks recorded with the BOC are monitored. The BOC may issue alerts or hold orders on its own initiative or upon the request of an IP rights owner. Once an alert or hold order has been issued, the suspicious goods will be examined and, if there is a prima facie basis to subject them to seizure proceedings, a warrant of seizure and detention may be issued against the shipment. Seized counterfeit goods are subject to forfeiture and destruction. To give rise to a cause of action, the illegal activities must be done in the Philippines or the goods must have reached Philippine jurisdiction.

Law stated - 09 July 2021

Discovery

What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The following modes of discovery are available for the limited purpose of obtaining evidence from an adverse party:

- depositions;
- written interrogatories;
- requests for admission; and
- motions for the production and inspection of documents or things.

These discovery procedures are available for administrative, civil and criminal actions.

A complainant in a civil or criminal infringement action may apply for the issuance of a search and seizure warrant and for the impoundment of sales invoices and other documents evidencing sales of the defendant.

Law stated - 09 July 2021

Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

At the first instance, administrative and judicial proceedings take three to five years to resolve from the time of the filing of the complaint. Appeal proceedings before the BLA director and the ODG of the IPOPHL take at least two years per level to be resolved. Appeal proceedings before the Court of Appeals and in the Supreme Court may span several years, owing to the high volume of pending cases.

The provisional remedy of injunction is typically resolved within three to six months of the filing of the complaint. In cases where the applicant of the injunction is likely to suffer great or irreparable injury, a temporary restraining order may be issued by the court within three to five days of the time it is applied for, which is valid for 20 days. In cases of extreme urgency and cases where the applicant for an injunction will suffer grave injustice and irreparable injury, a temporary restraining order may be issued within one to two days, which shall be valid for only 72 hours.

Law stated - 09 July 2021

Limitation period

What is the limitation period for filing an infringement action?

The prescriptive period for administrative actions and civil actions of infringement based on the IP Code is four years from the time the cause of action arose. Criminal actions of infringement prescribe after eight years. The said periods are counted either from the date of commission of the violation or, if the date is unknown, from the date of discovery of the violation.

Law stated - 09 July 2021

Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Court filing fees for the filing of actions for IPR violations depend on the amount of the damages claimed by the complainant. Costs for legal representation vary depending on the complexity and the urgency of the work to be done. For the first level of infringement actions, expected costs for legal representation amount to approximately 500,000 Philippine pesos.

Costs of litigation may be awarded to the winning party at the discretion of the court and subject to substantiation.

Law stated - 09 July 2021

Appeals

What avenues of appeal are available?

In administrative proceedings, decisions of the BLA adjudication officer may be appealed to the director of the BLA within 10 days of receipt of the decision or final order, subject to extension upon proper motion and the payment of the extension fee. The BLA director's decision may be appealed to the ODG within 30 days of receipt of the decision,

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provided that no motion for reconsideration is to be allowed.

In civil and criminal proceedings, decisions of the special commercial court are appealable to the Court of Appeals and then to the Supreme Court.

Law stated - 09 July 2021

Defences

What defences are available to a charge of infringement or dilution, or any related action?

Apart from lack of identity or confusing similarity of the marks, a defendant may claim prescription, invalidity of the complainant's trademark registration, lack of notice and good faith prior use in an infringement action. The owner of a registered mark shall not be entitled to recover profits or damages unless the acts have been committed with the knowledge that such imitation is likely to cause confusion, mistake or deception. In addition, the registration of a mark shall have no effect against any person who was using the mark for his or her business and enterprise in good faith before the filing date or priority date of the registered mark.

In unfair competition cases, a defendant may also allege good faith or the absence of intent to deceive the public and defraud a competitor, which is a material element in the crime. The defence of prescription may also be raised.

Law stated - 09 July 2021

Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc?
What criminal remedies exist?

In all kinds of actions for infringement and unfair competition, the complainant may request and be granted a preliminary injunction or a temporary restraining order and preliminary attachment, depending on the circumstances of the case.

A successful complainant for infringement or unfair competition may recover damages that may be based on reasonable profit or, if the measure of damages cannot be readily ascertained, a reasonable percentage based on the amount of gross sales of the defendant. The amount of the damages may be doubled when it is shown that that the defendant had an actual intent to mislead the public or to defraud the complainant. In addition, moral and exemplary damages may also be claimed in cases where the acts were committed in a fraudulent or wilful manner.

Administrative sanctions include the issuance of a cease-and-desist order; the condemnation or seizure of the subject of the offence; the forfeiture of paraphernalia and all real and personal properties used in the commission of the offence; the imposition of administrative fines; and the cancellation or suspension of any permit, licence or registration that may have been granted by the IPOPHL, among others.

The courts may also grant a final injunctive relief and order the disposal of the infringing goods. Independent of the civil and administrative sanctions imposed by law, criminal liability of imprisonment from two to five years and a fine ranging from 50,000 to 200,000 Philippine pesos shall be imposed on a person found guilty of infringement. At any time after the filing of a civil complaint or a criminal information, a motion for the disposal or destruction of the seized infringing goods, materials and implements predominantly used in the infringement may be filed by the plaintiff, complainant or rights holder before the court.

Law stated - 09 July 2021

ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Although ADR techniques are available in the Philippines, they are not commonly resorted to. For administrative proceedings, mediation is mandatory at the BLA and ODG levels. Court-annexed mediation and judicial dispute resolution are also available for judicial proceedings. Parties may also immediately request mediation without instituting an administrative action.

ADR proceedings have proven to be a speedy and less expensive option. However, unlike administrative and judicial proceedings, the results of ADR are not binding against third persons. In addition, the parties' submission to ADR proceedings is often a waiver of their right to any other recourse to judicial authorities. Resolutions through ADR are generally unappealable. Thus, in the absence of available remedies for the review of decisions promulgated through ADR, errors made in these proceedings are incurable, subject to certain exceptions.

Law stated - 09 July 2021

UPDATE AND TRENDS

Key developments of the past year

Are there any emerging trends, notable court rulings, or hot topics in the law of trademark infringement or dilution in your jurisdiction?

The Philippine Intellectual Property Office (IPOPHL) Memorandum Circular No. 2019-024 , which came into effect on 15 February 2020, introduced significant changes to the rules on inter partes proceedings. Under the revised rules, the IPOPHL shall post the notice to answer on its website if a party, counsel or representative refuses to receive the same, has moved out of the address of record, or if the address provided is incomplete, and this post shall serve as constructive notice to the respondent. This avoids unnecessary delays in the issuance of default orders. Apart from this, Adobe PDF and Microsoft Word files of all pleadings and supporting documents are now required to be submitted, which supports a faster decision-making process for the IPOPHL. Courier service is also now expressly recognised as an acceptable mode of filing and service of pleadings, motions, manifestations, orders, notices, summons and other processes. In addition, parties with documents executed in apostille-contracting countries may now opt to apostille their documents in lieu of authentication. This was further revised by IPOPHL Memorandum Circular No. 2020-034 of 5 August 2020, which made online filing and payment of fees mandatory for all inter partes cases and optional for IP violation cases before the Bureau of Legal Affairs (BLA).

IPOPHL Memorandum Circular No. 2021-015 of 14 May 2021 supplements the revisions to the inter partes rules by providing for the delivery of BLA interlocutory orders and notices via email. The parties have three calendar days from transmission of the email to send their email acknowledgement to blamailing@ipophil.gov.ph. The date of acknowledgement shall be the date of receipt of the order or notice. If no acknowledgement is received by the BLA within the given period, the order or notice shall be deemed received by the parties on the date of transmission of the email. Parties may also opt to receive copies of decisions and final orders via email.

IPOPHL Memorandum Circular No. 2020-041 (the Revised Uniform Rules on Appeal in the Office of the Director General) of 22 September 2020 mandates the online filing and payment of fees for appeals before the Office of the Director General (ODG) of the IPOPHL.

IPOPHL Memorandum Circular No. 2020-002 , which came into effect on 21 February 2020, introduced changes to the rules on voluntary licensing. Of particular importance to trademarks is the change in the definition of a technology transfer arrangement (TTA). The new definition expressly states that 'the transfer, assignment or licensing of

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intellectual property rights will be considered a technology transfer arrangement only if it involves the transfer of systematic knowledge', which removes purely trademark licence agreements from the definition of TTAs. It is expected that this revision will eventually result in the removal of the requirement that purely trademark licence agreements must be cleared for compliance with sections 87 and 88 of the Intellectual Property Code of the Philippines (the IP Code) before recordal with the IPOPHL.

IPOPHL Memorandum Circular No. 2020-049 (the Revised Rules of Procedure on Administrative Enforcement of Intellectual Property Rights), which took effect on 3 March 2021, expanded the powers of the IPOPHL Enforcement Office (IEO) to include electronic, digital or online channels of counterfeiting and piracy. The new rules also expanded the IEO's actions in response to an administrative complaint from a right holder. An enforcement order may now:

- request removal of counterfeit goods or pirated goods or content, including advertisements in relation to such goods or content, or the blocking of access thereto, in coordination with the appropriate agency, body or intermediary service provider;
- give cease-and-desist orders;
- order the removal of counterfeit and pirated goods or content from physical establishments;
- refer the case to a law enforcement agency for investigation or application for a search warrant;
- endorse and refer to other government offices the cancellation of permits and licences, such as business permits; and
- refer the case to other government agencies for the filing of charges for violations of their respective laws, rules or regulations.

Pursuant to the new rules, the IEO can now also conduct motu proprio monitoring of both online and physical marketplaces.

In connection with this, in 2021, the IPOPHL also signed a memorandum of understanding (MOU) with several e-commerce platforms, including Lazada and Shopee, which sets out a code of practice in relation to the sale of counterfeit and pirated goods over the Internet. Part of the commitments of online e-commerce platforms under this MOU is to offer efficient and effective notice and takedown procedures, and to take practical and commercially and technically reasonable preventive measures against counterfeit or pirated goods.

Under IPOPHL Memorandum Circular No. 2020-047 (the Amendments to the Revised Rules on Mediation) issued on 21 December 2020, mediation proceedings shall no longer be conducted within the IPOPHL premises but through online or virtual video conferences. The parties may request a face-to-face meeting but shall bear the relevant fees and expenses themselves. If the mediation is successful, the BLA's ADR Service shall, within five days of the parties' submission via email of their compromise agreement, refer the agreement to the head of the BLA for approval and the issuance of a decision based on the compromise agreement, which shall have the effect of a decision or judgment on the merits and shall be immediately executory. Subsequently, IPOPHL Memorandum Circular No. 2020-048 was issued to allow parties to file a request for mediation outside of pending litigation with the IPOPHL via email.

There are also several proposed laws and implementing rules that are currently pending before the IPOPHL and the Philippine Congress.

House Bill No. 9148, which is currently pending before Congress, introduces the following noteworthy changes to the current IP Code:

- the creation of official registries for well-known marks, geographical indications, security agreements, assignments and licences concerning trademarks;
- explicit recognition of electronic signatures in lieu of handwritten signatures for required filings with the IPOPHL;
- granting to the BLA the power to declare and revoke the well-known status of trademarks;

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- inclusion of non-visually perceptible trademarks, collective and certification marks;
- division of locally well-known and internationally well-known marks;
- codification of the dominancy test in determining the confusing similarity of marks;
- lowering the prima facie evidence of distinctiveness to prove the secondary meaning of non-registrable marks from five to three years' use in commerce;
- introducing a bar against the registration of identical marks within one year of the removal of a previously registered mark because of non-use;
- recognition of vicarious liability in trademark infringement for those who benefit directly or indirectly from the infringing activity with knowledge and ability to control such activity;
- increasing the prescription period for infringement actions to be coterminous with the term of IP protection, provided that if the cause of action accrues within the last four years of the term, the action may be instituted within four years of the accrual of the cause of action; and
- inclusion of court-ordered donation of infringing goods to distressed communities in lieu of their destruction, subject to certain precautions.

House Bill No. 8620, endorsed by the IPOPHL, also offers welcome improvements and revisions to the current IP Code, such as:

- the expansion of the enforcement powers of the IPOPHL to include e-commerce transactions;
- the removal of the visibility requirement for trademarks, which broadens the coverage of registrable marks to include non-traditional marks such as scent and auditory marks;
- the inclusion of the Bureau of Trademarks in the list of competent authorities to determine the well-known status of marks;
- the creation of solidarity liability for trademark infringement, unfair competition and false description or representation, which may cover internet service providers, domain name registries and registrars, website owners, online intermediaries, online platforms, social media platforms, or any other similar platforms who fail to exercise due diligence in preventing the sale, offering for sale, use or making available of infringing, counterfeit, or pirated goods or content on their platforms; and
- the increase of criminal liabilities, both fine and imprisonment, for trademark infringement.

The following recently decided cases by the Supreme Court have also greatly impacted trademark law in the Philippines.

- *Zuneca Pharmaceutical v Natrapharm, Inc*, GR No. 211,850, 8 September 2020. The Supreme Court expressly abandoned prior use as a valid means of acquiring trademark ownership for marks first used or registered after the IP Code came into effect on 1 January 1998. Prior registration, however, may still be overcome if acquired in bad faith or with fraudulent intent, or both. On the other hand, section 159.1 of the IP Code prevents a prior registrant from pursuing a prior user in good faith for trademark infringement. Thus, these circumstances admit a situation wherein at least two entities – the unregistered prior user in good faith, or their assignee or transferee and the first-to-file registrant in good faith – are allowed to concurrently use identical or confusingly similar marks in the market even if there is a likelihood of confusion.
- *Kolin Electronics Co, Ltd v Kolin Philippines International, Inc*, GR No. 228,165, 9 February 2021. The Supreme Court expressly held that the use of the holistic test in determining the resemblance of marks has been abandoned. Furthermore, in determining the relatedness of goods or services to determine a likelihood of confusion, the Supreme Court also removed the class of product to which the goods belong as a factor to be considered.

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- EMZEE Foods, Inc v Elarfoods, Inc, GR No. 220,558, 17 February 2021. The Supreme Court held that the assignment of incorporeal rights, such as an unregistered trademark, is perfected by mere consent and without the need for a written contract. What is essential is that a party has used and exclusively appropriated the mark as its own. Hence, even before the marks were registered, its prior user and owner was already entitled to the mark's protection against unfair competition.

Law stated - 09 July 2021