

Republic of the Philippines
OFFICE OF THE PRESIDENT

Farling Industrial Co. Ltd.
Petitioner,

Inter Partes Case No. 4045

Petition for Cancellation:

Reg'n. No. : 48144

Date Issued : 4 May 1990

Used on : Baby products such
as feeding bottles, nipples
(rubber and silicon), funnel,
nasal aspirator, breast reliever
ice bag and training bottles

Trademark : **FARLIN**

Inter Partes Case No. 4046

Petition for Cancellation:

Reg'n. No. : 50483

Date Issued : 13 May 1991

Used on : diaper clips

Trademark : **FARLIN**

Inter Partes Case No. 4047

Petition for Cancellation:

Reg'n. No. : 54569

Date Issued : 16 March 1993

Used on : t-shirt, sando, tie side
panty, bibs, mittens, pajama,
creepers, baby dresses,
jumpers, overalls, walking
shorts, Sunday clothes,
jackets, socks and baby
shoes

Trademark : **FARLIN**

Inter Partes Case No. 4048

Petition for Cancellation:

Reg'n. No. : SR-8328

Date Issued : 18 July 1990

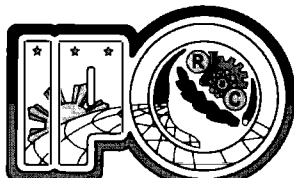
Used on : cotton buds

Trademark : **FARLIN**

Inter Partes Case No. 4049

Petition for Cancellation:

-versus-



INTELLECTUAL PROPERTY OFFICE

IPO Building, 351 Sen. Gil Puyat Avenue, Makati City, Philippines

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)	Reg'n. No. : SR-8348
)	Date Issued : 03 August 1996
)	Used on : diaper clips
)	Trademark : FARLIN
Cymar International, Inc.,)	
<i>Respondent-Registrant</i>)	Decision No. 2002- <u>44</u>
X-----X		

D E C I S I O N

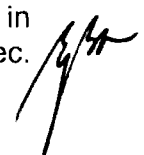
This pertains to consolidated cases docketed as Inter Partes Case Nos. 4045, 4046, 4047, 4048 and 4049 concerning the cancellation of the registrations of the trademark "FARLIN", registered with the Bureau of Patents, Trademarks and Technology Transfer in favor of CYMAR INTERNATIONAL, INC., the herein Respondent-Registrant, a corporation organized under the laws of the Philippines with address at SUNVAR Condominium Ground O, 2135 Cor Luna & Villareal Sts, Pasay City, Philippines.

The trademark "FARLIN" covered the goods "BABY PRODUCTS such as feeding bottles, nipple (rubber and silicon), funnel, nasal aspirator, breast reliever, ice bag, and training bottles falling under class 10 of the International Classification of goods.

The herein Petitioner is FARLING INDUSTRIAL CO. LIMITED, a Taiwan corporation with office at 157 Den Le Village, Sen Sea Hsiong, Chang Hua, Hsien Taiwan.

The grounds of the petition for cancellation are as follows:

- "1. Petitioner is and has always been the owner of "FARLIN" trademark, having registered and used the same since October 1, 1978 continuously up to the present.
- "2. Respondent-Registrant is not the owner of the FARLIN trademark and neither has it been authorized to registered FARLIN trademark in its name.
- "3. The registration of FARLIN trademark under Reg. No. 48144 was obtained fraudulently by Respondent-Registrant with full knowledge that the petitioner is the true owner of the FARLIN trademark. Thus, the registration of the FARLIN trademark in the name of the Respondent-Registrant is in violation of Sec. 2(a) of Republic Act No. 166 as amended.



Likewise the issuance of Registration No. 48144 in the name of the Respondent-Registrant is in violation of the provisions of the Paris Convention for the Protection of Industrial Property of which the Philippines is a member.

- "4. The registration of the FARLIN trademark in the name of the Respondent-Registrant has caused and will continue to cause irreparable damage to Petitioner within the meaning of Section 17, RA 166 as amended.
- "5 Petitioner's FARLIN trademark is well known throughout the world and is registered in the name of the Petitioner in the trademark registries of various countries.

Petitioner relied on the following facts to support its petition for cancellation:

- "1. Petitioner has been engaged in the manufacture, sale and distribution of various plastic, resinous and baby products in Taiwan, Republic of China and other parts of the world, including the Philippines, using the FARLIN trademark.
- "2. Petitioner coined, adopted and used in Taiwan, Republic of China the FARLIN trademark for various plastic and resinous products and had the same registered with the Republic of China Trademark Chamber way back November 1, 1978. Copy of Taiwanese Registration No. 104871 is attached as Annex "A".
- "3. Petitioner has been using FARLIN trademark for various plastic, resinous and baby products since October 1, 1978 continuously up to the present.
- "4. By reason of continuous and worldwide sales and advertisement by petitioner and because of the superior quality of its products, petitioner's FARLIN trademark has become well known throughout the world, including the Philippines, long prior to the alleged date of first use by Respondent-Registrant on January 5, 1993.
- "5. Likewise, petitioner has established goodwill for the FARLIN trademark because of its good quality products long prior to the alleged date of first use by Respondent-Registrant.



- "6. Respondent-Registrant is not the true owner of the FARLIN trademark and neither was it authorized to register the FARLIN trademark in its name. Therefore, the registration of the FARLIN Trademark in the name of Respondent-Registrant is in violation of Sec. 2 (a) of Republic Act No. 166 as amended as well as the provisions of the Paris Convention for the Protection of Industrial Property of which the Philippines is a member.
- "7. Respondent-Registrant had at one time been the distributor in the Philippines of products manufactured and exported to the Philippines by the Petitioner bearing the FARLIN and FARLIN label trademarks. Not being the owner and neither authorized by the Petitioner, Respondent-Registrant, as importer/distributor of the goods bearing the FARLIN trademark, cannot apply in its name for the registration of the FARLIN trademark.
- "8. But unknown to and without the consent and authority of petitioner, and with full knowledge that petitioner is the true owner of the FARLIN trademark, Respondent-Registrant fraudulently filed and caused to be registered under Reg. No. 48144 in its name the FARLIN trademark registration.
- "9. Such fraudulent and unauthorized registration by Respondent-Registrant has caused and will continue to cause great and irreparable damage to the Petitioner.

In its answer, Respondent-Registrant denied all the material allegations of the Petitioner and further alleged that:

- "1. Respondent-Registrant is the registrant of various registrations both in the Principal and Supplemental Registers of this office for the trademark "FARLIN" for various baby products, such as feeding bottles, nipple, funnel, nasal aspirator, breast reliever, ice bag, training bottles, training cup, diaper clip, baby clothes such as t-shirt, shorts, etc. and cotton buds.
- "2. Respondent-Registrant specifically denies the allegations of the grounds on which the petition for cancellation are based for the reason that the trademark "FARLIN" insofar as this jurisdiction is concerned is owned and registered in the name of the herein respondent as shown in the various Certificates of Registration issued to the herein Respondent-Registrant for different

products and which in fact are now the subject of instant cancellation proceedings.

- "3. Respondent-Registrant denies the allegations of the grounds for being without factual basis, the truth of the matter being that the records of this office show that Respondent-Registrant has a number of registrations for the trademark FARLIN for various products different from the products indicated in the petitioner's alleged registration in Taiwan.
- "4. Respondent-Registrant specifically denies the allegations of the grounds for being false, the truth of the matter being that petitioner very well knew about the Respondent-Registrant's various registrations under the trademark "FARLIN" being the actual first user of said trademark in the Philippines.
- "5. Respondent-registrant specifically denies that the issuance of its Certificate of Registration No. 48144 for products such as feeding bottles, nipple (rubber and silicone), funnel, nasal aspirator, breast reliever, ice bag and training bottles" is in violation of the Paris Convention since the records of this office are replete with documents showing that the first actual user of the trademark FARLIN in this country is the Respondent-Applicant.
- "6. Respondent-Registrant specifically denies allegations of the grounds for lack of sufficient knowledge and information as to the veracity of such allegations."

The parties were not able to come out with an amicable settlement for which trial on the merit was conducted of which both parties have presented their respective testimonial as well as documentary evidences.

The only issue in this case is whether or not FARLING INDUSTRIAL CO. LIMITED could validly claim ownership over the trademark "FARLIN".

The claims of the Petitioner, with its supporting evidence should be tested at the time Respondent-Registrant was claiming first use of the mark applied for. In this particular case, **FARLING INDUSTRIAL CO., LTD.**, the herein Petitioner who is claiming first use as of **October 1, 1978** did not present **actual use** of the mark in the Philippines as of that date.

FARLING INDUSTRIAL CO. LTD., claims that it is the owner of the mark "FARLIN" so that **CYMAR INTERNATIONAL INCORPORATED**, should be barred

from registering the same in its name pursuant to SECTION 4 (d) of R.A. No. 166 as amended which provides:

"Sec. 4 – Registration of trademarks, tradenames and services marks on the Principal register. – There is hereby established a register of trademarks, tradenames and service marks which shall be known as the principal register. The owner of a trademark, tradename or service mark used to distinguished his goods, business and services from the goods, business and services of others shall have the right to register the same on the principal register, unless it:

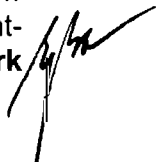
xxx

"(d) Consists of or comprises a mark or tradename which so resembles a mark or tradename registered in the Philippines or a mark or tradename previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with the goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers:"

In support of its claim of ownership over the mark "FARLIN", FARLING INDUSTRIAL CO. LTD., presented in evidence various certificates of registration in many countries of the world, "Exhibits "D" to "E-66-b" inclusive of submarkings and advertisements in other countries. Registrations obtained abroad and advertisements outside the Philippines cannot be considered sources of trademark rights in the Philippines.

"The mere origination of a particular trade name without actual use thereof in the market is insufficient to give any exclusive right to its use (Johnson Mfg. Co. v. Leader Filling Stations Corp. 196 N.E. 852, 291 Mass. 394), even though such adoption is publicly declared, such as by the use of the name in advertisements, circulars, price lists, and on signs and stationery. (Consumers Petroleum Co. v. Consumers Co. of Ill. 169 F 2d 153)." (emphasis supplied)

Likewise, it is a fundamental principle in Philippine Trademark Law particularly R.A. 166 as amended, the existing law at the time Respondent-Registrant's application was filed that **"the basis of acquiring ownership of a mark or trad nam is actual use thereof in commerc in the Philippines"**



Sec. 2.A. of R.A. 166, as amended, provides as follows:

"SEC. 2.A. Ownership of trademarks, tradenames and service marks; how acquired. - Anyone who lawfully produces or deals in merchandise of any kind or who engages in any lawful service in commerce, by **actual use thereof in manufacture or trade, in business, and in the service rendered**, may appropriate to **his exclusive use as trademark, a tradename, or a service mark** not so appropriated by another, to distinguish his merchandise, business or services of others. **The ownership or possession of a trademark, tradename, service mark, heretofore or hereafter appropriated, as in this section provided, shall be recognized and protected in the same manner to the same extent as any other property rights known to the laws."**
(R.A. 166 as amended by R.A. 638)

The right to exclusive use of a trademark grows out of its actual use. (CIA General de Tabaccos vs Alhambra Cigar & Cigarette Manufacturing, 38 Phil. 485) and does not depend upon the registration thereof.

The right to use a trademark is dependent on priority of adoption and actual use in trade (Independent Neil and Packaging Co. vs Stronghold Screw Products, Inc., C.A. 111 205 F2d 291).

In the instant case, the Petitioner claims that its trademark is registered in its home country but did not avail of the provisions of Sec. 37 of R.A. 166 as amended nor did it seek to protect its mark by applying for its registration in the Philippines or in this jurisdiction.

In the case of **STERLING Products International Inc., vs. Fabrenfabrik n Bayer Actungesellschaft, SCRA 1214** our Supreme Court held:

" A rule widely accepted and firmly entrenched because it has come down through the years is that actual use in commerce or business is a pre-requisite to the acquisition of the right of ownership over a trademark.

xxx

xxx

xxx

" Adoption alone of a trademark would not give exclusive right thereto, such rights grows out of their actual use. Adoption is not use. One may make advertisements issue circulars give out price lists on certain goods but these alone would not give exclusive right of use. For

trademark is a creation of use. The underlying reason for all these is that purchasers have come to understand the mark as indicating the origin of the wares."

Admittedly, it is the Petitioner who first used and registered the subject trademark but such use and registrations were done and or obtained from territories outside the Philippines. Thus, it was held in the case of *Sterling Products vs. Farbenfabriken*, 27, SCRA 1214, that -

"The United States is not the Philippines. Registration in the U.S. is not the registration in the Philippines. xxx What is to be secured from unfair competition in a given territory is the trade which one has in that particular territory. That is were this business is carried on; where the goodwill symbolized by the trademark has immediate value; where the infringer may profit by infingement". Accordingly, registration in Taiwan or People's Republic of China is not registration in the Philippines nor such use in Taiwan or Mainland China be considered as use in the Philippines. As the Law on Trademark rest on the doctrine of territoriality.

Moreover, there was no showing of use of the mark by the Petitioner in the Philippines in connection with the goods covered by the Respondent-Registrant's certificates of registration. Petitioner offered in evidence (Exhibits 1-11) consisting of bills of lading, export documents, letters of credit, export permits to prove that it had been exporting certain products to the respondent to the Philippines covering the period from 1983 to 1991. However, the "goods" covered by the application for export" referred to "CHINESE GOODS", and did not refer to registrant's products duly registered with the then Patent Office. Petitioner cannot therefore claim protection from the Philippine Government as the use required as the foundation of the trademark rights refers to local use at home and not abroad. The prior use of a mark by another in some country is not fatal, if one claiming protection is able to show that he was the first to use it in the country" (2 Callman, Unfair Competition and Trademarks, Sec. 764, P. 1006)

Petitioner cited as one of the grounds for cancellation that it is and has always been the owner of the "FARLIN" trademark, having registered and used the same since **October 1, 1978** as evidenced by the Registration Certificate issued by the Ministry of Economic Affairs, Republic of China (Exhibits "D", and "I"). However, the goods or products covered by the Certificate of Registration (Exhibit "D") are **"various plastic and resinous products and all commodities belonging to this class"**. Under the provisions of R.A. 166 as amended the, **specific goods** on which a particular mark is being used must be specified. The Petitioner's Certificate of Registration did not specify what particular goods the mark was being used. It is

to broad to cover all other commodities belonging to a class, a situation prohibited and is not allowed by our Trademark Law particularly, R.A. 166 as amended.

Further, even assuming that Petitioner is the owner of the mark "FARLIN" with regards to the goods **"various plastic and resinous products and all commodities belonging to this class"**, based on the Certificate issued by the Ministry of Economic Affairs, Republic of China (Exhibit "D"), this cannot be an absolute bar to the use and registration of the same trademark FARLIN by another.

SEC 4(d) clearly provides that registration by another is barred only when the mark applied for, when used in connection with the goods specified in the application, is likely to cause confusion or mistake or to deceive purchasers. In the case of the Petitioner, it has no application for the registration of the mark "FARLIN" in the Philippines for the goods identical or similar to those of Respondent-Registrant.

Finally, Petitioner claims entitlement to the protection of its trademark "FARLIN" under the CONVENTION OF PARIS FOR THE PROTECTION OF INDUSTRIAL PROPERTY. The relevant article provides:

Article 6bis

[marks: well-known marks]

"(1) The countries of the union undertake ex-officio if their legislation so permits or at the request of an interested party, to refuse or to cancel the registration and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods, These provision shall also constitutes a reproduction of any such well-known mark or an imitation liable to create confusion."

To support its claim that the trademark "FARLIN" had attained the status of a well-known mark, Petitioner submitted as contained in the affidavit of SHIEH WEN-JOHN (Exhibit "A") a listing of registrations of the said mark in many countries of the world not indicating therein the particular or specific goods by the certificate of registration. However, majority of the registrations show that they were issued **AFTER** the applications were filed and certificates of registrations in the Philippines in the name of the herein Respondent-Registrant which was filed in the year 1989 and issued in 1991 Reg. No. 50483. On the other hand, Petitioner's certificates were issued in 1993-1992 and a few in 1991 for the goods covered which are

different from each other. Moreover, the listing of registrations submitted is not sufficient to conclude that the mark FARLIN in the name of FARLING INDUSTRIAL, CO. LDT., is internationally well-known.

But even assuming that "FARLIN" is a well-known mark, thus deserves a broader scope of protection (See e.g. KENNER PARKER TOYS INC.; vs. ROSE ART INDUSTRIES 32 USPQ 1453 [Fed. Cir. 1992] and cases cited therein), such broader scope of protection may be invoked only when the later use "for identical or similar goods" by another is "liable to create confusion pursuant to Article 6bis of the Convention. In the instant cases, not all the registrations issued outside the Philippines in the name of the Petitioner indicate the goods covered by the Respondent-Registrant's trademark "FARLIN", therefore, Article 6bis does not apply because it only speaks of protection for marks used on "identical or similar good".

WHEREFORE, premises considered, the Petitions for Cancellation of the trademark "FARLIN" under Certificates of Registration Nos. 48144, 50483, 54569, SR-8328, and SR-8348, in these consolidated cases are hereby, **DENIED**, and the said registrations are declared valid and existing until cancelled by operation of law.

Let the filewrappers subject matter of these cases be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this **DECISION** with a copy furnished the Bureau of Trademarks for information and to update its record.

SO ORDERED.

Makati City, 26 December 2002.



ESTRELLITA BELTRAN-ABELARDO
Director
Bureau of Legal Affairs