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Trade Marks

Philippines

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Law and Practice

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Angara Abello Concepcion Regala & Cruz (ACCRALAW) has grown from a core group of seven lawyers at its inception in 1972 into a prestigious service organisation of more than 160 lawyers and 160 non-legal personnel, with principal offices in Bonifacio Global City (Taguig, Metro Manila) and full-service branches in the Visayas and Mindanao. Its Intellectual Property department offers innovative solutions in all areas of intellectual property rights protection and management, representing local and foreign clients in the registration and maintenance of patents, trade marks

and copyrights in the Philippines, and with an established network of correspondent law firms in other countries. ACCRALAW is at the forefront in the fight against counterfeiting, piracy and unfair competition, having successfully prosecuted criminal, civil and administrative cases for trade mark infringement and unfair competition on behalf of owners of well-known marks. The firm is active in national as well as international associations involved in the protection of intellectual property rights and is consistently cited worldwide for quality work and an excellent track record.

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1. Types of Trade Marks & Registration

1.1 Types of Trade Marks

There are different types of signs or source-identifiers in the legal system of the Philippines. These are trade marks or service marks, including stamped or marked containers of goods. Well-known marks and collective marks are likewise defined and protected by law.

1.2 Requirement for Registration of Trade Mark Rights

A trade mark owner must obtain a trade mark registration in order to have trade mark rights.

1.3 Standards for Registration

There is a standard for registering certain types of unregistrable marks (namely descriptive, shape and colour marks) if such marks have acquired secondary meaning.

1.4 Trade Mark Register

There is a register in which marks shall be registered. Marks are numbered in the order of their registration, and all transactions in respect of each mark (which are required to be recorded by virtue of the law) are also recorded. This register is publicly available.

1.5 Types of Registers

There is only one type of register.

1.6 Prior Trade Marks

It is normal practice to search the register for prior trade marks (whether registered or pending registration) before applying to register a mark. The search may be conducted online by visiting the Intellectual Property Office (IPOPHL) Philippine Trademark Database website.

1.7 Registration Requirements

The minimum requirements for an application to be accepted and assigned a filing date and application number are as follows:

- an express or implicit indication that registration of a mark is sought;
- the name, address and the contact details of the applicant;
- a representation of the mark;
- a list of goods or services for which the mark is to be registered; and
- the government fee.

1.8 Ability to Register a Trade Mark

The trade mark applicant may be a natural or juridical person.

1.9 Registration of Signs

The following signs may be registered and/or protected as a trade mark: letters, words, designs, characters, numerals,

figurative elements, colours defined by a given form, 3D marks, holograms, motion marks and position marks.

Shapes necessitated by technical factors or by the nature of the goods or factors that affect the goods' intrinsic value cannot be registered unless they have acquired secondary meaning.

1.10 Other Rights to Signs

Trade names or business names are defined and protected by law. Such names shall be protected, even prior to or without registration, against any unlawful act committed by third parties.

1.11 Registration Procedure of a Trade Mark

A trade mark application can be filed online or in person at the (IPOPHL). Multi-class applications are allowed. Grounds for refusal as well as formality objections are raised by IPOPHL at the same time by means of an office action. The response to any office action must be filed within two months of its mailing date, extendible for a maximum period of two months.

Once a mark is allowed, it will be published for opposition. If this period of opposition elapses without an opposition being filed, the mark will be registered.

1.12 Use of the Applied for Mark in Commerce

Prior use of a trade mark is not required in order for an application to be filed. Intent to use the mark within three years of the time of filing is sufficient. The applicant is not required to submit a declaration or proof of its intent to use the mark.

1.13 Registration of Series Marks

Series marks are not allowed in the Philippines.

1.14 Length of Registration Process

An applicant may file a trade mark application him or herself. However, if the applicant is not domiciled in the Philippines or has no real and effective commercial establishment in the Philippines, the appointment of an agent or representative is required.

If an application is non-contentious, an application will proceed to publication about four months after filing. If no third party files an opposition after publication, the mark is deemed registered as of the day after the closure of the 30-day opposition window.

The Certificate of Registration will usually be issued six to 12 months from the date of registration.

1.15 Refusal of the Registration of a Trade Mark

There are several absolute grounds for the refusal of a trade mark. A mark cannot be registered if it:

- consists of immoral, deceptive or scandalous matter, or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- consists of the flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;
- consists of a name, portrait or signature identifying a particular living individual (except by his or her written consent), or the name, signature or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by written consent of the widow;
- is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;
- consists exclusively of signs that are generic for the goods or services that they seek to identify;
- consists exclusively of signs or of indications that have become customary or usual to designate the goods or services in everyday language or in bona fide and established trade practice;
- consists exclusively of signs or of indications that may serve in trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, time or production of the goods or rendering of the services, or other characteristics of the goods or services;
- consists of shapes that may be necessitated by technical factors or by the nature of the goods themselves or factors that affect their intrinsic value;
- consists of colour alone, unless defined by a given form; or
- is contrary to public order or morality.

1.16 Process for Overcoming Objections

For marks that are rejected for being descriptive or non-distinctive, an applicant can overcome a refusal by submission of evidence to show that the mark has acquired secondary meaning, ie, distinctiveness, through use in the Philippines. An applicant will need to show extensive and continuous use in the Philippines for at least five years for a mark to be deemed to have acquired secondary meaning/distinctiveness through use.

1.17 Existence of Prior Rights

A trade mark may also be rejected on relative grounds. A mark cannot be registered if it:

- is identical to a registered mark belonging to a different proprietor, or a mark with an earlier filing date or priority date, in respect of:
 - (a) identical goods or services;
 - (b) closely related goods or services; or
 - (c) if the mark resembles such a mark so nearly as to be likely to deceive or cause confusion;

- is identical or confusingly similar to, or constitutes a translation of, a mark which is considered by the competent authority of the Philippines to be well known internationally and in the Philippines, whether or not it is registered in the Philippines, as being the mark of a person other than the applicant for registration, and used for identical or similar goods or services, provided that in determining whether a mark is well known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark; or
- is identical or confusingly similar to, or constitutes a translation of, a mark considered to be well known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for, provided that:
 - (a) use of the mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered mark; and
 - (b) the interests of the owner of the registered mark are likely to be damaged by such use.

1.18 Third-party Rights

Any person who believes that he or she would be damaged by the registration of a mark may, upon payment of the required fee and within 30 days of the publication, file an opposition to the application with IPOPPL. Such opposition shall be in writing and verified by the opposing party or by any person on his or her behalf who knows the facts, and shall specify the grounds on which it is based and include a statement of the facts relied upon.

Any foreign national or juridical person, whether or not engaged in business in the Philippines, may bring an opposition, as long as the country of which he, she or it is a national, or is domiciled or has a real and effective industrial establishment in, is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law.

1.19 Revocation, Change, Amendment or Correction of an Application

An application may be amended to correct formalities, to overcome objections made by the examiner, or for other reasons arising in the course of examination. Amendments requested during examination pertaining to the reproduction of the mark may be permitted only if warranted, but may not be made if the mark or the nature of the mark is substantially altered. Amendment by addition of goods and/or services related to those originally filed and which fall under the same class may be allowed. Amendment by deletion is likewise allowed.

1.20 Assigning an Application or Granting a Licence

It is possible to assign an application for a trade mark or grant a licence in relation to it during the application process.

1.21 Remedies Against the Trade Mark Office

Applicants may appeal a final refusal of the examiner to the Director of Trade Marks.

The period to file a notice of appeal is two months from the mailing date of the notice of final refusal, which may be extended for a period not exceeding a maximum period of four months from the mailing date of the notice of final refusal.

Within two months of the date of filing of the notice of appeal, the applicant-appellant must file a brief of the case authorities and arguments on which he or she relies to support the appeal. If the Director of Trade Marks maintains the examiner's rejection, an appeal can be filed to the Director General of the Intellectual Property Office, and subsequently to the Court of Appeals and finally to the Supreme Court.

1.22 Use in Commerce Prior to Registration

Prior use of a trade mark is not required for the filing of an application. However, a declaration of actual use (DAU) of the trade mark with evidence to that effect must be filed within three years of the filing date of the application, extendible for six months. Otherwise, the application shall be refused or the mark shall be removed from the Register by the Director of Trade Marks.

To maintain the registration, two other types of DAUs are required to be filed. These are the Fifth Anniversary DAU and the Renewal DAU.

The Fifth Anniversary DAU must be submitted within one year of the fifth anniversary of the date of registration (ie, between the fifth and sixth year after the date of registration). For an international (Madrid) registration that designates the Philippines, the DAU must be submitted within one year of the fifth anniversary of the date of the statement of grant of protection.

For a national registration, the Renewal DAU must be submitted within one year of the date of renewal of the registration. For an international (Madrid) registration that designates the Philippines, the Renewal DAU must be submitted within one year of the date of renewal of the international registration.

To support the DAU, the following shall be accepted as proof of actual use of the mark:

- labels of the mark as these are used;

- downloaded pages from the website clearly showing that the goods are being sold or the services are being rendered in the Philippines;
- photographs (including digital photographs printed on ordinary paper) of goods bearing the marks as they are actually used, or of the stamped or marked container of goods and of the establishment/s where the services are being rendered;
- brochures or advertising materials showing the actual use of the mark on the goods being sold or services being rendered in the Philippines;
- receipts or invoices of sale of the goods or services rendered or other similar evidence of use, showing that the goods are placed on the market or the services are available in the Philippines; or
- copies of contracts for services showing the use of the mark.

1.23 Dividing a Trade Mark

Any application referring to several classes of goods and/or services referred to as the 'initial application' may be divided by the applicant into two or more applications referred to as 'divisional applications' by distributing among the latter the classes referred to in the initial application. However, a single class shall not be subdivided, except where the examiner determines that the goods and/or services fall under a different class. The request to divide an application must be submitted at any time prior to publication of the mark for opposition.

1.24 Term of Protection

A certificate of registration shall remain in force for ten years. The renewal of registration may be made at any time within six months before the expiry of the period for which the registration was issued or renewed, or it may be made within six months after such expiry on payment of a surcharge.

1.25 Requirements for an Exhaustion

A registered trade mark may exist in perpetuity as long as the renewal requirements are complied with and the mark is not abandoned. However, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, renewal may be refused.

1.26 The Madrid System

The Philippines is a contracting party to the Madrid Protocol. The holder of an international trade mark registration may designate the Philippines as a jurisdiction where protection for the mark is sought. Where an international registration designating the Philippines is a collective mark, a copy of the agreement governing the use of such collective mark shall be submitted directly by the holder of the international registration to the (IPOP) within two months of the date of international registration with the International Bureau.

The international registration will not be examined unless the agreement is received by the IPOPHL.

1.27 Provision of Incorrect Information

If, during the examination of the application, the examiner finds a factual basis to reasonably doubt the veracity of any indication or element in the application, he or she may require the applicant to submit sufficient evidence to remove the doubt.

Whenever a mistake is made in a registration and occurred in good faith through the fault of the applicant, the Intellectual Property Office may issue a certificate of correction upon the payment of the prescribed fee, provided that the correction does not involve any change in the registration that requires republication of the mark.

1.28 Updating or Refreshing a Design Mark

A registered design mark cannot be amended to update or refresh it. However, the use of the mark in a form different from the form in which it is registered, but which does not alter its distinctive character, shall not be a ground for cancellation or removal of the mark and shall not diminish the protection granted to the mark.

1.29 Symbols to Denote Registration

The registrant of a trade mark shall give notice that the same is registered by displaying with the mark the words 'registered mark' or the symbol ®.

2. Assignment and Licensing

2.1 Assignment Requirements or Restrictions

An application for registration of a mark, or its registration, may be assigned or transferred. The assignment of the application or registration of a mark shall be in writing and require the signatures of the contracting parties.

2.2 Procedure for Assigning a Trade Mark

The original document of assignment, other instrument or licence and its translation, if necessary, is required to be submitted to, and shall be retained by, the Intellectual Property Office. Assignments and transfers of registrations and applications for registration shall be recorded upon payment of the required fee. A notice of recordal shall be subsequently issued to the party filing the instrument.

2.3 Registration or Recording of the Assignment

Assignments and transfers shall have no effect against third parties until they are recorded at the Intellectual Property Office.

2.4 Trade Marks & Security

There are no provisions in the Intellectual Property Code referring to or prohibiting trademarks being given as a secu-

urity, or being subject to rights in rem, assigned by way of security, or levied in execution. Thus, the rules governing property in general are applied.

2.5 Licensing Requirements or Restrictions

Trade mark registrations or applications for registration may be subject to a licence contract. A licence contract must provide for effective control by the licensor of the quality of the goods or services of the licensee in connection with which the mark was used, and must comply with certain mandatory provisions and prohibited clauses under the Intellectual Property Code.

If the licence contract does not provide for such quality control, or if such quality control is not effectively carried out, the licence contract shall not be valid.

The Intellectual Property Office shall not take cognisance of any request for recordal of a trade mark licence contract/agreement where the validity, enforceability or any issue involving such agreement has become the subject of a judicial proceeding.

2.6 Procedure for Licensing a Trade Mark

Prior to its recordal, a trade mark licence agreement shall be filed with the Documentation, Information and Technology Transfer Bureau (DITTB) of the Intellectual Property Office for clearance. Within a period of ten days, the DITTB shall determine whether such agreement violates any of the prohibited clauses or mandatory provisions under the Intellectual Property Code. If an agreement submitted for clearance does not violate any of the prohibited clauses or mandatory provisions, the DITTB shall issue a certificate of clearance and the agreement shall be recorded.

Should any provision in the licence contract or agreement violate any of the prohibited clauses or mandatory provisions, the DITTB shall issue a notice to the parties in the agreement informing them of the violation and requiring them to comply with the pertinent provision of the Intellectual Property Code prior to recordal.

2.7 Registering or Recording a Licence

A licence contract shall be submitted to the Intellectual Property Office, which shall keep its contents confidential but shall record it and publish a reference thereto. A licence contract shall have no effect against third parties until such recording is effected.

2.8 Obstacles to the Granting of a Perpetual Licence

There is no provision of law prohibiting a trade mark owner from granting a perpetual licence.

2.9 Other Requirements for a Licence or Assignment to be Valid

There are no provisions in the Intellectual Property Code requiring or prohibiting a trade mark owner from assigning or licensing the goodwill along with the trade mark.

3. Opposition Procedure

3.1 Legal Grounds and Timeframes for Filing an Opposition

Any person who believes that he or she would be damaged by the registration of a mark may, upon payment of the required fee and within 30 days of the publication of the application in the Electronic Gazette of the Intellectual Property Office, file an opposition to the application with the Office.

Upon proper motion anchored on meritorious grounds, which must be expressly indicated in the motion, and the payment of the filing fee for opposition and other applicable fees, an additional period of 30 days within which to file the opposition may be granted. A second motion for extension of 30 days may also be granted on meritorious grounds and upon payment of the applicable fees. A third and last motion for extension of 30 days may be granted on compelling grounds and upon payment of the applicable fees, provided that in no case the filing of the opposition exceeds 120 days from the date of the publication.

3.2 Ability to File an Opposition

Any natural or juridical person who believes that he, she or it would be damaged by the registration of a mark may file a written notice of opposition to a trade mark application.

There is no requirement that parties must be represented by an attorney. The filing fee for an opposition is approximately USD350 regardless of the number of classes of goods and/or services. The filing fee for each Motion for Extension is USD40.

3.3 Opposition Procedure

An opposition is commenced by filing a notice of opposition, or a motion for extension of time to file a notice of opposition, with the Bureau of Legal Affairs (BLA) of the Intellectual Property Office. The opposition must be in writing, verified and accompanied by a certification of non-forum shopping. The opposer must file only the original of the opposition with proof of service to the respondent or its representative/agent on record. The opposition must indicate the following:

- the names and addresses of the opposer and the other parties, including the respondent;
- the assigned application number and the filing date of the trade mark application opposed; and

- the ultimate facts constituting the opposer's cause or causes of action and the relief sought.

If the opposition or petition is determined to be compliant with the requirements, the BLA shall immediately issue a notice to answer, addressed to and served upon the respondent or representative/agent on record. The respondent must file a verified answer within 30 days from receipt of a copy of the notice to answer, with proof of service thereof to the opposer or petitioner. The answer must also be in writing, verified and accompanied by a certification of non-forum shopping. The respondent shall attach the affidavits of witnesses and other documentary or object evidence to the answer.

Opposition proceedings are summary in nature. If the answer is filed on time and/or the defects are completed or cured, the case shall be referred to alternative dispute resolution (ADR) in accordance with the existing applicable rules of the Intellectual Property Office. If the case was referred to but was not resolved or dismissed through ADR, the hearing/adjudication officer shall, immediately after receiving the records of the case, issue an order setting the conduct of the preliminary conference for the purpose of facilitating the resolution of the case through stipulations, clarifications and simplification of issues, and the submission and/or presentation of the original or certified true copies of affidavits, documents, and other evidence if necessary. The parties themselves, or their duly authorised representatives, are required to appear during the preliminary conference.

Upon the termination of the preliminary conference, the adjudication officer shall issue an order in open court, requiring the parties to submit their respective position papers within ten days of the issuance of the order in open court. After the lapse of the ten-day period within which to file the position paper, and with or without the parties having submitted the same, the case is deemed submitted for decision. The adjudication officers shall issue the decisions or final orders within 60 days of the date the case is deemed submitted for decision.

3.4 Legal Remedies Against the Decision of the Trade Mark Office

Within ten days of receipt of the decision or final order, a party may file an appeal to the director of the Bureau of Legal Affairs, together with the payment of the applicable fees. The appeal shall be immediately denied if it is filed out of time and/or is not accompanied by the payment of the applicable fee. After receipt of the appeal, the director shall issue an order for the adverse party to file comment within a non-extendible period of ten days of receipt of the order. The director shall decide on the appeal within 30 days of the lapse of the period for the filing of a comment. Within 30 days of receipt of the decision by the director, a party

may file an appeal to the director general of the Intellectual Property Office.

A party may appeal the decision of the director general to the Court of Appeals, and, thereafter, appeal the decision of the Court of Appeals to the Supreme Court.

4. Initiating a Lawsuit

4.1 Actions Available to Pursue Infringement

When a trade mark is registered, the various remedies of a trade mark owner against infringement are:

- civil or administrative case for infringement or unfair competition;
- criminal case for infringement or unfair competition;
- search and seizure;
- Intellectual Property Office visitation;
- preliminary injunction and final injunction; and
- recovery of damages.

If the trade mark is not registered, the various remedies of a trade mark owner against infringement are:

- civil or administrative case for unfair competition;
- criminal case for unfair competition;
- search and seizure;
- preliminary injunction and final injunction; and
- recovery of damages.

4.2 Courts/Tribunals in Which Infringement Proceedings Can be Initiated

At the option of the trade markowner, infringement proceedings can be initiated before the regular courts or the Intellectual Property Office.

4.3 Effect of Decisions by Trade Mark Office on Infringement Actions

Decisions by specialised administrative agencies, such as the Intellectual Property Office, are normally given weight by courts. Thus, it may be permissible to cite decisions of the Intellectual Property Office to help establish the likelihood of confusion between two marks.

4.4 Declaratory Judgment Proceedings

A declaratory judgment is not available to an infringer. At most, the infringer can file a declaratory relief petition if he or she can show that his or her rights will be affected by a statute, executive order or regulation, ordinance or any other governmental regulation.

4.5 Courts with Jurisdiction to Hear Trade Mark Matters

Trade mark infringement and unfair competition cases, whether civil or criminal, can be filed first with the Regional

Trial Court, then appealed to the Court of Appeals, then further appealed to the Supreme Court.

Trade mark infringement cases that are administrative in nature, and thus filed with the Intellectual Property Office, are first filed with the Bureau of Legal Affairs of the Intellectual Property Office, then appealed to the Director General of the Intellectual Property Office, then appealed to the Court of Appeals, then finally appealed to the Supreme Court.

4.6 Prerequisites to Filing a Lawsuit

It is not necessary to file a demand letter or engage in mediation prior to filing a lawsuit. However, in certain instances when the parties are in the same or an adjacent locality, mediation (barangay conciliation) is mandatory if a civil case will be filed.

Trade mark registration is required to file an infringement lawsuit. However, the owner of an unregistered trade mark can file an unfair competition case.

Actual or constructive notice of the trade mark's registration is needed to obtain damages from the infringer.

4.7 Legal Representation for Parties to Trade Mark Litigation

Trade mark litigation matters require the parties to be represented by a lawyer. In criminal cases, the court will appoint a lawyer to represent the accused if the accused cannot engage a lawyer on his or her own.

4.8 Interim or Preliminary Injunctions

A temporary restraining order or preliminary injunction can be issued by the regular courts in an infringement or unfair competition case, as long as:

- the right of the complainant is clear and unmistakable;
- the invasion of right sought to be protected is material and substantial; and
- there is an urgent and paramount necessity for the writ to prevent serious damage.

4.9 Protection for Potential Defendants

When a preliminary injunction is issued, the defendant is protected by a bond posted by the trade mark owner. The defendant may also cause the lifting of the preliminary injunction by posting a counter-bond.

4.10 Obtaining Information and Evidence

Relevant information and evidence can be obtained from the other party or a third party through discovery proceedings. Discovery proceedings can commence upon the court's acquisition of jurisdiction over the defendant.

There are various modes of discovery, such as:

- depositions;
- interrogatories;
- requests for admission;
- production or inspection of documents or things; and
- physical and mental examination of persons.

4.11 Initial Pleading Standards

Initial pleadings (or a complaint) involving trade marks should indicate the parties' details, allegations constituting the infringement, relief desired and the date of the initial pleading.

The allegations can only be a statement of ultimate facts upon which the trade mark owner relies for his or her claims. The details of the trade mark registration or ownership should thus be included, with the trade mark registration preferably attached. Acts showing that an infringement has been committed should also be demonstrated. The trade mark owner's capacity to sue must also be alleged. Any statements involving evidentiary facts are omitted.

The initial pleading should also contain a verification and certification of non-forum shopping.

Additional claims or modifications to the initial pleading may be done through the filing of an amended or supplemental pleading.

A defendant in a trade mark action can initiate a lawsuit in response, such as a claim for damages against the wrongful filing of the complaint or the cancellation of the trade mark owner's registration.

4.12 Representative or Collective Actions

A class suit is allowed in trade mark cases when "the subject matter of the controversy is one of common or general interest to many persons so numerous that it is impracticable to join all as parties. [A] number of them which the court finds to be sufficiently numerous and representative as to fully protect the interests of all concerned may sue or defend for the benefit of all. Any party in interest shall have the right to intervene to protect his individual interest." (Section 12, Rule 3, Rules of Court).

4.13 Restrictions on Assertion of Rights by Trade Mark Owners

Under the civil law concept of abuse of right, the wrongful filing of lawsuits can expose the trade mark owner to the payment of damages to the defendant.

5. Infringement

5.1 Parties to an Action for Infringement

The necessary party in a trade mark infringement suit are the trade mark owner and the infringer. A licensee may also sue

for trade mark infringement, if allowed by the trade mark owner.

5.2 Factors in Determining Infringement

Whether the infringer used the dominant feature of the trade mark owner's mark is normally considered in determining whether infringement has been committed.

5.3 Requirement to Establish Use of a Sign as Trade Mark by Defendant

The following must be proven to establish trade mark infringement:

- trade mark registration;
- the trade mark is reproduced or imitated by the infringer;
- the infringing mark is used in trade, such as using it in connection with the sale, offering for sale, or advertising of any goods, business or services;
- the use or application of the infringing mark is likely to cause confusion to consumers; and
- the infringer acted without the consent of the trade mark owner.

5.4 Defences Against Infringement

The defences that can be raised in a trade mark infringement suit are:

- invalidity of the trade mark registration;
- consumers not being likely to be confused by the infringer's use of the mark; and
- prior use in good faith by the defendant.

5.5 Role of Experts and/or Surveys

To help prove the well-known status of a trade mark, survey evidence may be submitted to show the acquired distinction of the mark or the reputation acquired by the said mark.

However, the court is not bound to adopt the findings of the survey evidence. Instead, the court shall consider the entirety of the evidence.

5.6 Trade Mark Infringement as an Administrative or Criminal Offence

An administrative case for trade mark infringement is filed with the Intellectual Property Office, while a civil case for trade mark infringement is filed with the regular courts. In either of these cases, the trade mark owner can seek preliminary injunction, damages and destruction of the infringing goods. It is the choice of the trade mark owner whether or not to file an administrative or a civil case.

A criminal case for trade mark infringement is first filed with the prosecutor's office. If the public prosecutor finds probable cause that the crime of infringement has been committed, the public prosecutor will file an information with the regular courts. Trial will then commence. A criminal

search and seizure may also be conducted to support the criminal case.

5.7 Customs Seizures of Counterfeits or Criminal Imports

Customs enforcement is possible to protect trade marks. For customs enforcement, it is required that the trade mark first be registered with the Intellectual Property Office, and only thereafter registered with the Bureau of Customs (BOC).

The BOC may either act on complaints by trade mark owners or detain suspected counterfeits on its own. The trade mark owner must then provide the BOC timely confirmation that the goods are indeed counterfeit.

An administrative proceeding will take place, allowing the trade mark owner and importer to present evidence regarding the infringement. If infringement is found, the goods will be destroyed.

6. Revocation/Cancellation

6.1 Remedies and Reasons for Revocation/Cancellation

Any person who believes that he or she is or will be damaged by the registration of a mark may file a petition to cancel such registration with the Bureau of Legal Affairs of the Intellectual Property Office.

6.2 Role of the Trade Mark Office and Civil Courts

A cancellation action may only be brought before the Bureau of Legal Affairs of the Intellectual Property Office.

6.3 Statutory Limitation or Time Period for Filing Actions

A petition for cancellation of the registration of a mark may be filed:

- within five years of the date of registration of the mark;
- at any time, if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of the Intellectual Property Code, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or
- at any time, if the registered owner of the mark fails, without legitimate reason, to use the mark within the Philippines, or to cause it to be used in the Philippines by virtue of a licence during an uninterrupted period of at least three years.

6.4 Parties Able to Initiate Revocation/Cancellation Proceedings

A cancellation action may be initiated by any person who believes that he or she is or will be damaged by the registration of a mark, including juridical persons.

Any foreign national or juridical person, whether or not engaged in business in the Philippines, may bring a petition cancellation, as long as the country of which he, she or it is a national, is domiciled or has a real and effective industrial establishment in is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law.

6.5 Partial Revocation/Cancellation

In cancellation cases where the ground for cancellation is that the registered mark has become the generic name for the goods or services, if the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed.

6.6 Amendment in Revocation/Cancellation Proceedings

A registration may be amended as a consequence or condition of an amicable settlement between the parties arrived at during the mediation proceedings. Upon request of a registrant or the registrant's authorised representative or agent, and payment of the prescribed fee, the amendment of a registration may be permitted, provided that the amendment does not materially alter the character of the mark.

6.7 Combining Revocation/Cancellation and Infringement

A cancellation case may not include a claim for infringement, because a cancellation case is not the proper venue to hear infringement actions. However, in any action involving a registered mark, the court may determine the right to registration, order the cancellation of a registration in whole or in part, and otherwise rectify the register with respect to the registration of any party. In an administrative case for violation of laws involving intellectual property rights, including infringement of mark, the Director of the Bureau of Legal Affairs may impose the cancellation of any registration granted by the Intellectual Property Office, or the suspension of the validity thereof for a period of time not to exceed one year.

Cancellation cases and cases for violation of laws involving intellectual property rights filed with the Bureau of Legal Affairs of the Intellectual Property Office, and infringement cases filed with regular courts, may follow different timelines and may be affected by the dockets in different courts or tribunals.

7. Trial & Settlement

7.1 Special Procedural Provisions for Trade Mark Proceedings

The Intellectual Property Office of the Philippines (IPOP HL, for brevity) has issued several office orders and circulars that provide for the special procedures that cover trade mark related proceedings. These are:

- the Regulations on Inter Partes Proceedings (effective 5 October 1998, amended), primarily governing trade mark cancellation and trade mark opposition proceedings;
- the Rules and Regulations on Administrative Complaints for Violations of Laws Involving Intellectual Property Rights (effective 2 December 1998, as amended), primarily governing administrative complaints filed with the IPOP HL's Bureau of Legal Affairs (BLA, for brevity) involving trade mark infringement, unfair competition, and other trade mark related offences under the Intellectual Property Code; and
- IPOP HL's Uniform Rules on Appeal (effective 15 March 2002), governing all appellate proceedings for IP-related complaints/cases filed with the IPOP HL and involving appellate proceedings within the IPOP HL's structure (eg, appeals to the IPOP HL's Office of the Director General of the decision of the IPOP HL's BLA Director).

In regular courts, the Rules of Procedure for Intellectual Property Rights Cases govern in trade mark proceedings.

7.2 Decision Maker in Cases

Complaints filed with the Intellectual Property Office at the first instance (generally with the Bureau of Legal Affairs) are decided by the designated adjudication officer. The parties have no influence as to the adjudication officer assigned to a particular case.

7.3 Options for Settlement

With respect to trade mark-related matters initiated with the IPOP HL, all inter partes cases (eg, trade mark cancellation, trade mark opposition), administrative complaints for violations of laws involving intellectual property rights (eg, administrative complaints for trade mark infringement, unfair competition, and false designation of origin, etc), and all appellate proceedings with the IPOP HL of the foregoing cases are required to undergo mandatory mediation proceedings as provided under the IPOP HL's Rules of Procedure for IPO Mediation Proceedings (effective 2010). In the event that mandatory mediation proceedings prove to be unsuccessful, parties to inter partes cases filed with the IPOP HL are required to undergo preliminary conferences pursuant to the Regulations on Inter Partes Proceedings, whereby one of the items discussed is the possibility of amicably settling the case.

7.4 Other Court Proceedings

Section 151.2 of Republic Act No 8293, or the Intellectual Property Code of the Philippines, provides that "Notwithstanding the foregoing provisions, the court or the administrative agency vested with jurisdiction to hear and adjudicate any action to enforce the rights to a registered mark shall likewise exercise jurisdiction to determine whether the registration of said mark may be cancelled in accordance with this Act. The filing of a suit to enforce the registered mark with the proper court or agency shall exclude any other court or agency from assuming jurisdiction over a subsequently filed petition to cancel the same mark. On the other hand, the earlier filing of petition to cancel the mark with the Bureau of Legal Affairs shall not constitute a prejudicial question that must be resolved before an action to enforce the rights to same registered mark may be decided."

8. Remedies

8.1 Remedies for the Trade Mark Owner

Under the current laws of the Philippines, criminal, civil and administrative cases can be filed against persons or individuals who commit violations of intellectual property rights. Independent of the civil and administrative sanctions imposed by law, a criminal penalty of imprisonment from two to five years and a fine ranging from PHP50,000 to PHP200,000 shall be imposed on any person who is found guilty of unfair competition (Section 168 in relation to Section 156 of the Intellectual Property Code).

Sections 156, 157, and 158 of the Intellectual Property Code outline the remedies available in case of violations covered by said law, as follows:

"156.1. The owner of a registered mark may recover damages from any person who infringes his rights, and the measure of the damages suffered shall be either the reasonable profit which the complaining party would have made, had the defendant not infringed his rights, or the profit which the defendant actually made out of the infringement, or in the event such measure of damages cannot be readily ascertained with reasonable certainty, then the court may award as damages a reasonable percentage based upon the amount of gross sales of the defendant or the value of the services in connection with which the mark or trade name was used in the infringement of the rights of the complaining party.

156.2. On application of the complainant, the court may impound during the pendency of the action, sales invoices and other documents evidencing sales.

156.3. In cases where actual intent to mislead the public or to defraud the complainant is shown, in the discretion of the court, the damages may be doubled.

156.4. The complainant, upon proper showing, may also be granted injunction.

157.1. In any action arising under this Act, in which a violation of any right of the owner of the registered mark is established, the court may order that goods found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or destroyed; and all labels, signs, prints, packages, wrappers, receptacles and advertisements in the possession of the defendant, bearing the registered mark or trade name or any reproduction, counterfeit, copy or colorable imitation thereof, all plates, molds, matrices and other means of making the same, shall be delivered up and destroyed.

157.2. In regard to counterfeit goods, the simple removal of the trademark affixed shall not be sufficient other than in exceptional cases which shall be determined by the Regulations, to permit the release of the goods into the channels of commerce.

158. In any suit for infringement, the owner of the registered mark shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is likely to cause confusion, or to cause mistake, or to deceive. Such knowledge is presumed if the registrant gives notice that his mark is registered by displaying with the mark the words “Registered Mark” or the letter R within a circle or if the defendant had otherwise actual notice of the registration.”

For administrative cases filed with the IPOPHL’s Bureau of Legal Affairs, ie, complaints where the total damages claimed are not less than PHP200,000, the following are the imposable administrative penalties under the Intellectual Property Code:

- the issuance of a cease and desist order which shall specify the acts that the respondent shall cease and desist from and shall require him or her to submit a compliance report within a reasonable time, which shall be fixed in the order;
- the acceptance of a voluntary assurance of compliance or discontinuance as may be imposed;
- the condemnation or seizure of products which are the subject of the offence;
- the forfeiture of paraphernalia and all real and personal properties which have been used in the commission of the offence;
- the imposition of administrative fines in such amount as deemed reasonable by the Director of the Bureau of Legal Affairs of the IPOPHL, which shall in no case be less than PHP5,000 nor more than PHP150,000. In addition, an additional fine of not more than PHP1,000 shall be imposed for each day of continuing violation;

- the cancellation of any permit, licence, authority, or registration which may have been granted by the Office, or the suspension of the validity thereof for such period of time as the Director of the Bureau of Legal Affairs of the IPOPHL may deem reasonable, which shall not exceed one year;
- the withholding of any permit, licence, authority, or registration which is being secured by the respondent from the IPOPHL;
- the assessment of damages;
- censure; and
- other analogous penalties or sanctions.

8.2 Rights and Remedies for the Prevailing Defendant

Article 2208 of the Civil Code provides:

“In the absence of stipulation, attorney’s fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

1. When exemplary damages are awarded;
2. When the defendant’s act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
3. In criminal cases of malicious prosecution against the plaintiff;
4. In case of a clearly unfounded civil action or proceeding against the plaintiff;
5. Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff’s plainly valid, just and demandable claim;
6. In actions for legal support;
7. In actions for the recovery of wages of household helpers, labourers and skilled workers;
8. In actions for indemnity under workmen’s compensation and employer’s liability laws;
9. In a separate civil action to recover civil liability arising from a crime;
10. When at least double judicial costs are awarded; and
11. In any other case where the court deems it just and equitable that attorney’s fees and expenses of litigation should be recovered.

In all cases, the attorney’s fees and expenses of litigation must be reasonable.”

8.3 Types of Remedies

Similar sets of legal remedies are available for all types of trade marks.

9. Appeal

9.1 Special Provisions for the Appellate Procedure

For administrative complaints for violations of intellectual property rights (eg, trade mark infringement and unfair competition cases) and inter partes cases filed with the IPOPHL, the appellate procedure is primarily governed by the IPOPHL's Uniform Rules on Appeal (effective 15 March 2002). This governs all appellate proceedings for IP-related complaints/cases filed with the IPOPHL and involving appellate proceedings within the IPOPHL's structure (eg, appeals to the IPOPHL's Office of the Director General of a decision of the Director of the Bureau of Legal Affairs of the IPOPHL). Appellate proceedings for decisions promulgated by the regular trial courts for cases involving criminal and/or civil actions for IPR violations, are primarily governed by the Rules of Court.

9.2 Scope of the Appellate Review

In general, an appeal would entail a legal review of the case. Factual findings of the lower courts and tribunals are generally accorded weight by the appellate courts or bodies, except where there is misappreciation of facts and/or grave abuse of discretion.

9.3 Time Period for an Appeal of a Trial Court Decision

Appellate proceedings normally take some time before they are resolved by appellate courts or tribunals. This is in view of the current backlog of cases resulting from the fact that any case can be appealed to the appellate court/tribunal as a matter of recourse. Normally, if a case reaches the Philippines Supreme Court, the entire proceedings (ie, from filing of the complaint at the first instance with the lower court/tribunal until securing the final decision of the Supreme Court) would take around eight to ten years.

10. Other Trade Mark Issues

10.1 Dilution as a Ground to Oppose Trade Mark Registration

Under the Intellectual Property Code, it can be argued that 'dilution' is considered as a form of unfair competition or 'passing-off'. Section 168 of the Intellectual Property Code provides:

"168.2. Any person who shall employ deception or any other means contrary to good faith by which he shall pass off the goods manufactured by him or in which he deals, or his business, or services for those of the one having established such goodwill, or who shall commit any acts calculated to produce said result, shall be guilty of unfair competition, and shall be subject to an action therefor.

168.3. In particular, and without in any way limiting the scope of protection against unfair competition, the following shall be deemed guilty of unfair competition:

a. Any person, who is selling his goods and gives them the general appearance of goods of another manufacturer or dealer, either as to the goods themselves or in the wrapping of the packages in which they are contained, or the devices or words thereon, or in any other feature of their appearance, which would be likely to influence purchasers to believe that the goods offered are those of a manufacturer or dealer, other than the actual manufacturer or dealer, or who otherwise clothes the goods with such appearance as shall deceive the public and defraud another of his legitimate trade, or any subsequent vendor of such goods or any agent of any vendor engaged in selling such goods with a like purpose;

b. Any person who by any artifice, or device, or who employs any other means calculated to induce the false belief that such person is offering the services of another who has identified such services in the mind of the public; or

c. Any person who shall make any false statement in the course of trade or who shall commit any other act contrary to good faith of a nature calculated to discredit the goods, business or services of another."

10.2 Marks Famous Outside the Nation But Not Registered Within It

The Intellectual Property Code provides protection to 'famous marks' that are unregistered with the IPOPHL. The relevant provision in the Intellectual Property Code of trade mark registrability recognises this, to wit:

"123.1. A mark cannot be registered if it:

[...] e. Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark."

10.3 Geographic Indicators

The Intellectual Property Code considers geographic indicators as a type of collective mark. Subsection 121.2 of Intellectual Property Code defines a collective mark as "any visible sign [...] capable of distinguishing the origin or any other common characteristic, including the quality of goods or services of different enterprises which use the sign under

the control of the registered owner of the collective mark.” Section 167 of the Intellectual Property Code outlines the general procedure for securing from the IPOPHL registration of a collective mark.

10.4 Certification Marks

Certification marks are classified as ‘collective marks’ under Subsection 121.2 of the Intellectual Property Code, as cited in **10.3 Geographic Indicators**, above. Section 167 of the Intellectual Property Code outlines the general procedure for securing from the IPOPHL registration of a collective mark.

10.5 Use of a Surname as a Mark

There are no special rules governing using one’s own surname as a trade mark. The general rules on trade mark registrability as outlined under the Intellectual Property Code shall apply with respect to use of surnames, in particular:

“123.1. A mark cannot be registered if it:

[...] c. Consists of a name, portrait or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the Philippines, during the life of his widow, if any, except by written consent of the widow.”

11. Costs

11.1 Costs Before Filing a Lawsuit

Prior to filing a lawsuit, especially for complaints for violations of intellectual property rights (such as trade mark infringement and unfair competition) to be filed with the IPOPHL or regular trial courts, the following are cost items that should be considered:

- warning/demand letters or cease-and-desist letters – normally, this may entail between USD500 and USD1,000 per target (assuming that the services of an external counsel are secured and no additional investigation is done prior to the preparation and releasing/service of the letter);
- investigation work – normally conducted with the assistance of third-party investigators prior to enforcement action and/or filing of a complaint, the cost estimate usually varies depending on the nature of the products and/or services being infringed and the number of targets (including the location of the targets), and may average between USD3,500.00 and USD5,000.00 per target; and
- enforcement work and post-enforcement investigation work – the cost for these activities varies depending on the nature of the products and/or services subject to the enforcement action/investigation work and the number of targets, as well as their respective locations, and may average between USD5,000 and USD 8,000 per target.

11.2 Costs for Bringing an Infringement Action

Except when the complaint includes a claim for damages, filing an infringement action does not entail additional substantial costs on top of the items described in the previous item.

11.3 Costs of Litigation

Article 2208 of the Civil Code provides:

“Article 2208. In the absence of stipulation, attorney’s fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

1. When exemplary damages are awarded;
2. When the defendant’s act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;
3. In criminal cases of malicious prosecution against the plaintiff;
4. In case of a clearly unfounded civil action or proceeding against the plaintiff;
5. Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff’s plainly valid, just and demandable claim;
6. In actions for legal support;
7. In actions for the recovery of wages of household helpers, laborers and skilled workers;
8. In actions for indemnity under workmen’s compensation and employer’s liability laws;
9. In a separate civil action to recover civil liability arising from a crime;
10. When at least double judicial costs are awarded; and
11. In any other case where the court deems it just and equitable that attorney’s fees and expenses of litigation should be recovered.

In all cases, the attorney’s fees and expenses of litigation must be reasonable.”

12. Alternative Dispute Resolution

12.1 Prevalence of ADR

With respect to trade mark-related matters initiated with the IPOPHL, all inter partes cases (eg, trade mark cancellation, trade mark opposition), administrative complaints for violations of laws involving intellectual property rights (eg, administrative complaints for trade mark infringement, unfair competition, and false designation of origin, etc), and all appellate proceedings with the IPOPHL concerning the foregoing cases are required to undergo mandatory mediation proceedings as provided under the IPOPHL’s Rules of Procedure for IPO Mediation Proceedings (effective 2010). In the event that mandatory mediation proceedings prove to be unsuccessful, parties to inter partes cases filed with the IPOPHL are required to undergo preliminary confer-

ences pursuant to the Regulations on Inter Partes Proceedings, whereby one of the items discussed is the possibility of amicably settling the case.

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13. Trade Marks and Other Intellectual Property

13.1 Protection by Copyright

The Intellectual Property Code recognises the interplay of various intellectual property rights. For example, it is possible that a trade mark which is also visually artistic in its rendition (eg, logos, emblems) can be separately protected as more than one copyrightable work. Moreover, it is also possible that a trade mark which is depicted in a three-dimensional object (such as marked or stamped containers) possess qualities that will qualify the same object for industrial design registration ('look and feel' of the object). What is essential is that all the criteria for each of the protectable intellectual property rights are met, notwithstanding the fact that all such elements or criteria are possessed in one object.