

## INTELLECTUAL PROPERTY UPDATE

APRIL 2014

The accession of the Philippines to the Madrid Protocol (Madrid) will have its second anniversary this July 2014. While Madrid allows foreign trademark owners to directly designate the Philippines as one of the countries where their mark can be issued a grant of protection, the process may become tedious if the Intellectual Property Office of the Philippines' (IPOPHL) examiner issues a Provisional Refusal against the owner's international registration.

Below is a brief outline of the course of action available to foreign trademark owners faced with a Provisional Refusal.

### Time to Respond

Under Madrid, foreign trademark owners are given the same remedies as if they filed their application originally with the IPOPHL. Generally, they have *two months from the Date of Notification* given in the Notice of Provisional Refusal to reply thereto.

The Date of Notification is found on the upper right hand box of the Notice. This date should not be confused with the date when the owners (or their trademark agents) actually

## MAKING SENSE OF MADRID IN MANILA: OVERCOMING A PROVISIONAL REFUSAL

received the Notice from the WIPO's International Bureau.

However, if there is a lag between the time the IPOPHL stamped the Date of Notification and the time the International Bureau sent the Notice to the owner (or its agent), the latter would have less than the two months to reply to the Provisional Refusal.

If the owner or its agent foresees that it will take more than two months to respond to the Provisional Refusal, it may still ask for a one-time extension of two more months to reply. This request should be done through a Philippine agent (see below).

If no response is made within the period given, the IPOPHL will consider the application deemed abandoned and the owner or its agent has *three months* from the date of abandonment to ask for a revival of the application. The date of abandonment is counted from the last day of the period to

file a response (or after five months from the Date of Notification, assuming that the owner did not ask for a two-month extension).

### Grounds for Provisional Refusal

The Provisional Refusal can be based on either of two reasons, or both: (a) the mark has been found to be non-registrable on any of the grounds under the Intellectual Property Code of the Philippines (this is also known as an *ex-officio* Refusal); and (b) after the publication of the application in the IPOPHL's trademark gazette, an opposition to the application has been filed by a third party.

For an *ex-officio* Refusal, the owner or its agent will have to come up with an explanation why the IPOPHL's trademark examiner is incorrect in disallowing the registration of the mark. The owner's local agent must be able to put forward a sound legal argu-



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ment based on the cases decided by the Philippine Supreme Court.

If the explanation of the owner (through the local agent) is sufficient to rebut the objection of the IPOPHL examiner, the application will be published to allow the public to file an opposition. If there is no opposition filed within 30 days from publication, the IPOPHL will issue a statement of grant of protection for the International Registration.

On the other hand, if the examiner is not satisfied with the response, the application will still be published for opposition but only for the goods or services not covered by the Refusal. Where the Refusal covers all the goods or services indicated in the International Registration, the owner may have to decide whether to pursue an appeal with the Director of Trademarks and, if necessary, with the Director General of the IPOPHL.

### **Refusal on Opposition**

If the Refusal is based on an opposition, it means that a third party had filed a verified opposition with the IPOPHL against the International Registration after the publication of the application in the IPOPHL's trademark gazette.

The owner will then have to decide whether it wants to spend time exchanging pleadings with the opposi-

tor (in a process known as *inter partes* proceedings) or just abandon the International Registration insofar as the Philippines is concerned.

Trademark ownership in the Philippines, even under a First-To-File regime, is a function of both good faith registration and actual commercial use. A locally registered Philippine trademark procured through fraud may still be canceled if the actual foreign owner wants to assert its rights over the same mark.

If the third party opposition is based on a local ownership procured through fraud and the Philippine market is lucrative enough for the real foreign trademark owner, the latter should consider going through the opposition process and ask for the cancellation of the registration of the local mark. (Conversely, if the Philippine market is too small or negligible for the actual foreign owner of the mark, why bother?)

If, on the other hand, the third party opposition is legitimate (which means someone in the Philippines thought about the same trademark for the same class of goods or services as the foreign trademark owner), then the only question for the foreign trademark owner will be whether the Philippines is a market big enough to slug it out with the local owner.

### **Local Agent Required**

In both types of Provisional Refusal, the IPOPHL requires the appointment of a local agent to represent the foreign trademark owner. The IPOPHL has a published list of lawyers who completed the required course on Madrid [here](#).

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