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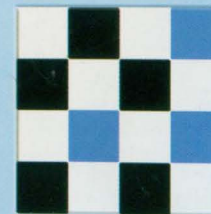
Intellectual Property
for Business Series
Number 1



MAKING A MARK



An Introduction to Trademarks
for Small and Medium-sized
Enterprises



MAKING A MARK

An Introduction to Trademarks for Small and Medium-sized Enterprises

Intellectual Property Office of the Philippines

Publications in the Intellectual Property for Business series:

1. Making a Mark: An Introduction to Trademarks for Small and Medium-sized Enterprises. IP Philippines publication
2. Looking Good: An Introduction to Industrial Designs for Small and Medium-sized Enterprises. IP Philippines publication
3. Inventing the Future: An Introduction to Patents for Small and Medium-sized Enterprises. IP Philippines publication
4. Creative Expression: An Introduction to Copyright and Related Rights for Small and Medium-sized Enterprises. IP Philippines publication

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Introduction

Making A Mark is the first in a series of guides on Intellectual Property for Business. It is devoted to trademarks, a central element in the marketing and branding strategy of any company.

This guide explains trademarks from a business perspective. Its practical approach and explanations utilize examples and pictures to enhance the reader's understanding. Small and Medium-sized Enterprises (SMEs) are encouraged to use the guide to integrate their trademark strategy into their overall business strategy.

This guide has been adapted to the Philippine context by the Intellectual Property Office of the Philippines from the international version developed by the World Intellectual Property Organization to enable users to understand its importance with facility and ease.

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1. Trademarks

What is a Trademark?

A trademark is any visible sign capable of distinguishing the goods or services produced or provided by one enterprise from those of other enterprises.

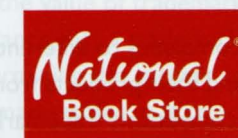
Any distinctive **words, letters, numerals, drawings, pictures, shapes, colors, logotypes, labels or combinations** used to distinguish goods or services may be considered a trademark. In some countries, **advertising slogans** are also considered trademarks and may be registered as such at national trademark offices. An increasing number of countries also allow for the registration of less traditional forms of trademarks, such as single colors, three-dimensional signs (shapes of products or packaging), audible signs (sounds) or olfactory signs (smells). However, many countries including the Philippines have set limits on what can be registered as a trademark, generally only allowing for signs that are visually perceptible or that can be represented graphically.

Examples

Word:



Courtesy: Toby's Sports



Courtesy: National Book Store

Combination of letters with logotype:



Courtesy: Andok's Litson Manok

What are trademarks for?

The main function of a trademark is to enable consumers to identify a product (whether a good or a service) of a particular company so as to distinguish it from other identical or similar products provided by competitors. Consumers who are satisfied with a given product are likely to buy or use the product again in the future. For this, they need to be able to distinguish easily between identical or similar products.

By enabling companies to differentiate themselves and their products from those of the competitor, trademarks play a pivotal role in the branding and marketing strategies of companies,

contributing to the definition of the image, and reputation of the company's products in the eyes of consumers. The image and reputation of a company create trust which is the basis for establishing a loyal clientele and enhancing a company's goodwill. Consumers often develop an emotional attachment to certain trademarks, based on a set of desired qualities or features embodied in the products bearing such trademarks.

Trademarks also provide an incentive for companies to invest in maintaining or improving the quality of their products in order to ensure that products bearing their trademark have a positive reputation.

The Value of Trademarks

A carefully selected and nurtured trademark is a valuable business asset for most companies. For some, it may be the most valuable asset they own. Estimates of the value of some of the world's most famous trademarks such as Coca-Cola or IBM exceed 50 billion dollars each. This is because consumers value trademarks, their reputation, their image and a set of

desired qualities they associate with the mark, and are willing to pay more for a product bearing a trademark that they recognize and which meets their expectations. Therefore, the very ownership of a trademark with a good image and reputation provides a company with a competitive edge.



Courtesy: Goldilocks Bakeshop, Inc.

The Right to a Trademark

The right to a trademark is granted when its owner registers it with the Intellectual Property Philippines office (IP Philippines). In return, the trademark enjoys a 10-year term of protection, which can be renewed for succeeding periods of 10 years. A trademark owner has the right to prohibit any unauthorized person or entity from using his mark.

Why should your company protect its trademark(s)?

While most businesses realize the importance of using trademarks to differentiate their products from those of their competitors, not all realize the importance of protecting them through registration.

Registration, under the relevant trademark law, gives your company the exclusive right to prevent others from marketing identical or similar products under the same or a confusingly similar mark.

Without trademark registration, your investments in marketing a product may become wasteful as rival companies may

use the same or a confusingly similar trademark for identical or similar products. If a competitor adopts a similar or identical trademark, customers could be misled into buying the competitor's product thinking it is your company's product. This could not only decrease your company's profits and confuse your customers, but may also damage the reputation and image of your company, particularly if the rival product is of inferior quality.

Given the value of trademarks and the importance that a trademark may have in determining the success of a product in the marketplace, it is critical to make sure that it is registered in the relevant market(s).

In addition, it is much easier to license a registered trademark to other companies, thus providing an additional source of revenue for your company, or may be the basis for a franchising agreement.

On occasion, a registered trademark with a good reputation among consumers may also be used to obtain funding from financial institutions that are increasingly aware of the importance of brands for business success.

Trademarks

- ensure that consumers can distinguish between products;
- enable companies to differentiate their products;
- are a marketing tool and the basis for building a brand image and reputation;
- may be licensed to provide a direct source of revenue through royalties;
- are a crucial component of franchising agreements;
- may be a valuable business asset;
- encourage companies to invest in maintaining or improving product quality;
- may be useful for obtaining financing.

2. Protecting Trademarks

How can your company protect its trademark(s)?

Trademark protection can be obtained through registration or, in some countries, also through use. Even where trademarks can be protected through

use, you are well advised to register the trademark by filing the appropriate application form at the IP Philippines.

Registering a trademark will provide stronger protection, particularly in case of conflict with an identical or confusingly similar trademark. The services of a trademark agent are often very useful (and sometimes compulsory) for the registration of a trademark.

How can a company register a trademark?

Any person, whether an individual or a legal entity, can apply for registration of a trademark with the IP Philippines by submitting a duly completed Trademark Application Form and paying the proper fees. The form will require information on the contact details of the applicant, a graphic illustration of the mark, a description of the goods and services and/or class(es) for which the company wishes to trademark registration, among others.

Is the registration of the trade name of your company sufficient?

Many people believe that by registering their business and its trade name at the

business registry, this name would also be automatically protected as a trademark. This is a rather common misconception. It is important to understand the difference between trade names and trade marks.

A trade name is the full name of your business. Example, "Blackmark Philippines, Inc." and it identifies your company. It often ends with Inc. or other similar abbreviations that denote the legal character of the company.

A trademark, however, is the sign that distinguishes the product(s) of your company. A company may have various trademarks. For instance, Blackmark Philippines, Inc. may sell one of its products as BLACKMARK but another as REDMARK. Companies may use a specific trademark to identify all their products, a particular range of products or one specific type of product. Some companies may also use their trade name, or a part of it, as a trademark. They should, in that case, register it as a trademark.

Who is authorized to apply for trademark registration?

In general, any person who intends to use a trademark or to have it used by

third parties can apply for registration. It can be either an individual or a legal entity.

Is it compulsory to register a company's trademarks?

While it is not compulsory, it is highly advisable, as registration provides the exclusive right to prevent unauthorized use of the trademark.

What are the main reasons for rejecting an application?

While selecting a trademark it is helpful to know which categories of signs are usually not acceptable for registration. In the Philippines, applications for trademark registration are usually rejected on what are commonly referred to in other countries as "absolute grounds" in the following cases:

- **Generic terms.** For example, if your company intends to register the trademark CHAIR to sell chairs, the mark would be rejected since "chair" is the generic term for the product.
- **Descriptive terms.** These are words that are usually used in

trade to describe the product in question. For example, the mark SWEET is likely to be rejected for marketing chocolates as being descriptive. In fact, it would be considered unfair to give any single chocolate manufacturer exclusivity over the word "sweet" for marketing its products.

Similarly, qualitative or laudatory terms such as RAPID, BEST, CLASSIC or INNOVATIVE are likely to give rise to similar objections unless they are part of an otherwise distinctive mark. In such cases, it may be necessary to include a disclaimer clarifying that no exclusivity is sought for that particular part of the mark.

- **Deceptive trademarks.** These are trademarks that are likely to deceive or mislead consumers as to the nature, quality or geographical origin of the product. For example, marketing margarine under a trademark featuring a COW would probably be rejected, as it would be considered misleading for consumers, who are likely to associate the mark with dairy products (i.e. butter).

- **Marks considered to be contrary to public order or morality.** Words and illustrations that are considered to violate commonly-accepted norms of morality and religion are generally not allowed to be registered as trademarks.

- **Flags, armorial bearings, official hallmarks and emblems of states and international organizations** which have been communicated to the International Bureau of WIPO are usually excluded from registration.

Applications in the Philippines are also rejected on what other countries classify as "relative grounds" - when the trademark conflicts with prior trademark rights. Having two identical (or very similar) trademarks for the same type of product could cause confusion among consumers. IP Philippines' Bureau of Trademark checks for conflict with existing marks, including unregistered well-known marks, as a regular part of the registration process. If the trademark is considered to be identical or confusingly similar to an existing one for identical or similar products, it will be rejected or cancelled, as the case may be.

It would, therefore, be wise to avoid using trademarks that risk being considered confusingly similar to existing marks.

What should be kept in mind when selecting or creating a trademark?

Selecting or creating an appropriate trademark is a critical step, as it is an important element of the marketing strategy of your business. So what is an appropriate trademark for your product(s)? Evidently, there are no hard and fast rules. But the following five-point checklist may be useful.

Five Point Checklist for Selecting Your Trademark

- Check that your trademark of choice meets all the legal requirements for registration.
- Do a trademark search to make sure that it is not identical or confusingly similar to existing trademarks.
- Make sure the trademark is easy to read, write, spell and remember and is suitable to all types of advertising media.
- While selecting one or more words as your trademark, you should also take into consideration the implications of selecting certain types of words.
- Coined or "fanciful" words. These are invented words without any intrinsic or real meaning. Coined words have the advantage of being easy to protect, as they are more likely to be considered inherently distinctive. On the negative side, however, they may be more difficult to remember for consumers, requiring greater effort to advertise the products.
- Make sure the mark does not have any undesired connotations in your own language or in any of the languages of potential export markets.
- Check that the corresponding domain name (i.e. Internet address) is available for registration.



Courtesy: Zesto Corporation

- **Arbitrary marks:** These are words that have a meaning that has no relation to the product they advertise. While these types of marks will also be easy to protect, they may also require heavy advertising to create the association between the mark and the product in the minds of consumers.

Example: The trademark ELEPHANT for marketing mobile phones.

- **Suggestive marks.** These are marks that hint at one or some of the attributes of the product. The appeal of suggestive marks is that they act as a form of advertising. As light risk, however, is that IP Philippines may consider a suggestive mark to be too descriptive of the product.

Example: The trademark SUNNY for marketing electric heaters would hint at the fact that the product is meant to radiate heat and keep your house warm. However, some trademark registries may find the mark too descriptive and thus may not register it.

Irrespective of the type of mark you choose, it is important to avoid imitating existing trademarks. A slightly altered competitor's trademark or a misspelled well-known or famous mark is unlikely to be registered.

Example: EASY WEAR is a registered trademark for teenage clothing. It would be unwise to try to sell the same or similar products using the trademark EEZYWARE as it would probably be considered confusingly similar to the existing mark and is unlikely to be registered.

What are the steps involved in registering a trademark?

The steps involved in registering a trademark are:

1. **Filing of Application.** Applications must be filed with the Bureau of Trademarks of the IP Philippines. A duty officer is assigned to receive the request for registration. Once the application is submitted to the duty officer, a formality examination takes place. In a formality examination, the duty officer checks if the application complies with the following requirements needed for the grant of a filing date:
 - a. An express or implicit indication that the registration of a mark is sought;
 - b. The identity of the applicant;
 - c. Indications sufficient to contact the applicant or his representative, if any;
 - d. A reproduction of the mark whose registration is sought; and
 - e. The list of goods or services for which the registration is sought.
2. **Search.** The application undergoes a search process. Through search, it will be known whether the trademark applied for has similar or identical marks.
3. **Substantive Examination.** An examiner will be assigned to assess the registrability of the application pursuant to the laws and the rules. The examiner communicates with the applicants through mail. When all requirements are complied with, the mark is allowed. Otherwise, the application is rejected.
4. **Publication for Purposes of Opposition.** After allowance by the examiner, the application is published in the IP Philippines Gazette to give a chance to those who might be damaged by the registration of the mark to oppose the registration.
5. **Registration.** Upon certification by the Director of the Bureau of Legal Affairs that no notice of opposi-

The duty officer then issues an order of payment to the applicant. An application number is issued after payment of the filing fee.

tion, whether or not verified and whether or not by means of the original copy, has been filed within thirty (30) days from the date of release for circulation of the IP Philippines Gazette publishing the application for opposition, and upon payment of the required fee, the office shall issue the certificate of registration. The issuance of the certificate of registration shall be published in the IP Philippines Gazette and shall be entered on the records of the IP Philippines.

The certificate of registration is valid for ten (10) years from the date of registration.

6. Renewal. The mark may be renewed for succeeding periods of ten (10) years by filing a request for renewal and paying the required renewal fees. However, the registration may be canceled if the trademark is not used. The law requires that a declaration of actual use and evidence to that effect be filed within three (3) years from the application date and within one (1) year from the fifth anniversary of the date of registration of the mark.

Trademark application requirements*

- a. A request for registration
- b. The name and address of the applicant
- c. The name of a State of which the applicant is a national or where he has domicile, and the name of a State in which the applicant has a real and effective industrial or commercial establishment, if any
- d. Where the applicant is a juridical entity, the law under which it is organized and existing
- e. The appointment of an agent or representative, if the applicant is not domiciled in the Philippines
- f. Where the applicant claims the priority of an earlier application, an indication of:
 - i. The name of the state which whose national office the earlier application was filed or if filed with an office, the name of that office
 - ii. The date on which the earlier application was filed
 - iii. Where available, the application number of the earlier application

- g. Where the applicant claims color as a distinctive feature of the mark, a statement to that effect as well as the names of the color or colors claimed and an indication, in respect of each other, of the principal parts of the mark which are in that color
- h. Where the mark is a three-dimensional mark, a statement to that effect
- i. One or more reproductions of the mark or some parts of the mark, as prescribed in the Regulations
- j. A transliteration or translation of the mark or of some parts of the mark, as prescribed in the Regulations
- k. The names of the goods or services for which the registration is sought, grouped according to the classes of the Nice Classification, together with the number of the class of the said Classification to which each group of goods or services belongs
- l. A signature by, or other self-identification of, the applicant or his representative

*Sec. 124, Intellectual Property Code

How long does it take to register a trademark?

On the average, it takes ten (10) months to register a trademark. This turn-around-time includes the time of filing to issuance of certificate of registration. Make sure that you apply for registration of a trademark well in advance so that its registration is secured in time for its use in the advertising and marketing of the relevant products.

What are the costs associated with trademark creation, protection and use?

It is important to keep in mind, and properly budget, the costs related to trademark creation and registration:

- There may be costs associated with the creation of a logo or word to be used as a trademark, as many companies outsource this task.
- There may be costs for conducting a trademark search.
- There are costs associated with the registration process, which vary depending on the categories of products. The Bureau of Trademark will provide you with

A Well-classified System

While filling in your trademark application form you are required to indicate the goods and/or services for which you wish to register your trademark and to group them according to classes. These refer to the classes in the trademark classification system. The trademark classification system allows for the storage of data on registered trademarks in an orderly manner in relation to the types of goods or services. This makes it easier to retrieve information from trademark databases. It is critical to register your trademark in all classes in which you intend to use your trademark.

The most widely used classification system is the International Trade-mark Classification system (the so-

called Nice system for classification of word marks), which has 34 classes for goods and a further 11 for services. Information on the Nice classification system is available in Annex III. See also: www.wipo.int/classifications/en/nice/about/.

Example:

How are products classified? Let us take an example. If your company is producing knives and forks, then your trademark application should be made for the corresponding goods in class 8. If, however, you wish to market other kitchen utensils (such as containers, pans or pots) using the same trademark you will also have to register the mark for the corresponding goods in class 21. In the Philippines, the applicant may file a multi-class application for the product/s.

the detailed costs of trademark registration.

- Companies choosing to use a professional trademark agent to assist in the registration process

would face additional costs but would probably save significant time and energy in following the registration process.

How can you find out if your chosen trademark might conflict with other registered trademarks? What is a trademark search?

Before submitting an application for registering a trademark, you should ensure that a proper trademark search has been carried out. This is done to make sure that the trademark you intend to use, or a similar one, is not already registered by another company for identical or similar products.

You can either make a trademark search yourself or hire the services of a trademark agent. Either of you can do the free search through the IP Philippines or through a commercially operated trademark database. In whatever manner it is done, bear in mind that any such trademark search is only preliminary. It may be difficult to make sure that your trademark of choice is not “confusingly similar” to existing validly-registered trademarks. This is why the guidance of an experienced trademark agent, who is familiar with the practice of the trademark office and court decisions, may be very helpful.

Outsourcing Trademark Creation

Designing a trademark is a creative process. Usually, a creator automatically owns the copyright over creative or artistic works, such as the artwork of a trademark. Therefore, when the creation of a trademark is outsourced, it is best to clarify issues of copyright ownership in the original agreement and/or to make sure the copyright over the trademark is formally assigned to your company.

Before going to an agent you may wish to check the IP Philippines online trademark database which you may use to conduct a preliminary search. A list of trademark databases is available at www.ipophil.gov.ph or <http://ipophil.gov.ph/tmsearch2/>.

Trademarks are grouped into “classes” according to the goods or services they serve to identify (see the international classification system in Annex III). You may therefore begin by familiarizing yourself with the 45 different trademark classes.

Do you need a trademark agent to file a trademark application?

IP Philippines does not require you to hire a trademark agent to file an application; you may file the application yourself. However, IP Philippines requires an applicant who is not domiciled in the Philippines to engage the services of a Philippine resident trademark agent skilled in conducting trademark searches and familiar with the detailed procedure for trademark registration. If you apply for trademark registration abroad you may be required to have a trademark agent who is resident in the relevant country.

The relevant National or Regional Intellectual Property Office (see Annex II) will be able to advise you on the need, if any, to be represented by an agent and provide you with a list of officially approved trademark agents.

For how long is your registered trademark protected?

Registered trademarks in the Philippines are protected for 10 years. Registration may be renewed provided renewal fees are paid on-time. Make sure that someone in your company is made responsible for ensuring timely renewal of trademark registrations in all countries of continuing interest to your business.

Is trademark registration in the Philippines valid internationally?

The legal rights arising out of a trademark registration are normally limited to the territory to which they pertain; so, ordinarily, valid registration of a trademark in the Philippines gives you rights only in the Philippines unless your mark is considered to be a well-known mark.

Should you consider protecting your trademark abroad?

All the main reasons for registering your trademark in the Philippines also apply to the commercialization of your products in foreign markets. It is, therefore, highly advisable to register your trademark abroad if you wish to be granted a license to use in other countries. Exporting goods bearing a distinctive trademark will enable your products to be recognized in foreign markets, allowing your company to build a reputation and image among foreign consumers, which may result in higher profits.

How can you register the trademark of your company abroad?

Once you have registered the trademark of your company in the Philippines there are two main ways to register the trademark in other countries:

The National Route: Your business may apply to the trademark office of each country in which it is seeking

protection by filing the corresponding application in the required language and paying the required fees. As indicated earlier, a country may require you to use the services of a locally-based trademark agent for this purpose.

The Regional Route: If you wish to apply for protection in countries which are members of a regional trademark system you may apply for registration, with effect in the territories of all member countries, by filing an application at the relevant regional office. The regional trademark offices are:

- The African Regional Industrial Property Office
- The Benelux Trademark Office
- The Office for the Harmonization of the Internal Market of the European Union
- The Organisation Africaine de la Propriété Intellectuelle.
- The Madrid System for the International Registration of Marks

3. Types of Trademarks

Trademarks are marks used to distinguish certain goods as those produced by a specific enterprise.

Service marks are used to distinguish certain services as those provided by a specific enterprise.

Collective marks are used to distinguish goods or services produced or provided by members of an association.

Well-known marks are considered to be well-known in the market and as a result benefit from stronger protection.

What are service marks?

A **service mark** is very similar in nature to a trademark. Both are distinctive signs; trademarks distinguish the goods of one enterprise from those of others, while service marks fulfil the same function in relation to services. Services may be of any kind, such as financial, banking, travel, advertising or catering, to name a few. Service marks can be registered, renewed, cancelled, assigned and licensed under the same conditions as trademarks.

Example of service mark:



Courtesy: Smart Communications, Phils



Courtesy: Philippine National Bank

What are collective marks?

A **collective mark** is generally owned by an association or cooperative whose members may use the collective mark to market their products. The association generally establishes a set of criteria for using the collective mark (e.g., quality standards) and permits individual companies to use the mark if they comply with such standards. Collective marks may be an effective way of jointly

marketing the products of a group of enterprises which may find it more difficult for their individual marks to be recognized by consumers and/or handled by the main distributors.

An application for registration of a collective mark shall designate that the application is for a collective mark and shall be accompanied by a copy of the agreement governing the use of the collective mark, if one is available.

What are well-known marks?

Well-known marks are marks that are considered to be well-known internationally and in the Philippines by competent authority. 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 which has been obtained as a result of the promotion of the mark.

Well-known marks generally benefit from stronger protection. For example, well-known marks may be protected even if they are not registered in the Philippines. In addition, while marks are generally protected against confusingly similar marks only if used for identical or similar products, well-known marks

that are registered in the Philippines are protected against confusingly similar marks for even dissimilar products. The main purpose of this stronger protection is to prevent companies from free-riding on the reputation of a well-known mark and/or causing damage to its reputation or goodwill.

Example:



Courtesy: Jollibee Food Corporation

Jollibee is a trademark of a leading fast-food chain in the Philippines. Jollibee would then benefit from automatic protection in countries where well-known marks enjoy stronger protection. The protection would also be available for unrelated goods and services. That is to say that if another company decides to market other products, ranging from T-shirts to sunglasses, using the Jollibee mark, it will have to seek the authorization of Jollibee Food Corporation or risk being sued for infringement of trademark rights.

4. Using Trademarks

Can you register a trademark in the Philippines without having used it?

You may apply for registration before you have used the trademark in the Philippines. But in most cases, a trademark that has not been used for a given period of time (generally three to five years) following registration may be taken off the trademark register. This means you could lose your rights in your trademark.

TM or ®?

The use of ®, TM, SM or equivalent symbols next to a trademark is not a requirement and generally provides no further legal protection. Nevertheless, it may be a convenient way of informing others that a given sign is a trademark, thus warning possible infringers and counterfeiters. The ® symbol is used once the trademark has been registered, whereas TM denotes that a given sign is a trademark; SM is sometimes used for service marks.

How should you use trademarks in advertising?

If your mark is registered with a specific design or font, make sure that the trademark is used exactly as it is registered. Monitor its use closely as it is crucial for the image of your company's products. It is also important to avoid using the trademark as a verb or noun so that it does not come to be perceived by consumers as a generic term.

Can your company use the same trademark for different products?

Different trademarks may be used for the different products lines of a company. Depending on its branding strategy, each company will decide whether to use the same trademark for its products, extending the brand every time a new product is released, or to use a different mark for each product line.

Extending an existing brand to new products enables the new product to benefit from the image and reputation of the mark. However, the use of a new mark, more specific and relevant to the new product, may also prove advantageous and enable the company to target

the new product to a specific customer group (e.g. children, teenagers, etc.) or to create a specific image for the new product line.

Different companies adopt different strategies. Whatever your choice, you should make sure that your trademark is registered for all categories of goods and/or services for which it is, or will be, used.



Courtesy: Splash Corporation

Splash Corporation is a formidable marketing company in the beauty, personal and healthcare industries. From its humble beginnings, it is now known for its strong brand management of extensively researched, pioneering and innovative products. Splash grew to a multi-billion peso company fueled by its keen understanding of its consumers.

What should be kept in mind when using trademarks on the Internet?

The use of trademarks on the Internet has raised a number of controversial legal problems with no easy or uniform solution. One important problem stems from the fact that trademark rights are territorial (that is, they are only protected in the country or region where the mark has been registered or used), whereas the reach of the Internet is global. This creates problems when it comes to settling disputes between persons or companies legitimately owning identical or confusingly similar trademarks for identical or similar goods or services in different countries. Legislation in this area is still developing and treatment may differ from one country to another.

What is a domain name and how does it relate to trademarks?

An important problem concerns the conflict between trademarks and domain names. Domain names are Internet addresses, and are commonly used to find websites. For example, the domain name 'wipo.int' is used to locate the

WIPO website at www.wipo.int.

Over time, domain names have come to constitute business identifiers thus often coming into conflict with trademarks. Often national laws, or courts, treat the registration of the trademark of another company or person as a domain name as trademark infringement, popularly known as cybersquatting. If this happens, then, your business may not only have to transfer or cancel the domain name, but it may also have to pay damages or a heavy fine. Therefore, it is important that you choose a domain name which is not the trademark of another company, particularly a well-known trademark.

In order to find out whether a particular trademark is already protected, you can directly contact the Bureau of Trademark which operate Internet searchable trademark databases. A list of such databases is available on <http://www.ipophil.gov.ph/>.

If the trademark of your company is being used in a domain name or is being cybersquatted by another individual or company, you may take action to stop such misuse/infringement of the rights of your company. In such a case, one option would be to use IP Philippines



very popular online administrative procedure for domain name dispute resolution at <http://www.ipophil.gov.ph/>. This website includes a model complaint as well as a legal index to domain name cases that have already been decided.

Can you license your trademark to other companies?

Trademarks can be licensed to other companies. In such cases, the trademark owner retains ownership and merely agrees to the use of the trademark by one or more other companies. This is usually done on payment of royalties and involves the consent of the trademark owner, which is usually specified in a formal licensing agreement. Depending on the nature of the agreement, the licensor often retains some degree of control over the licensee to guarantee

that a certain quality is maintained.

In practice, trademark licenses are frequently granted within broader licensing agreements, for example, franchising agreements or agreements including the licensing of other intellectual property rights such as patents, know-how and some degree of technical assistance for the production of a given product.

What does a franchising agreement have to do with trademarks?

The licensing of a trademark is central to a franchising agreement. In franchising agreements the degree of control of the trademark owner over the franchisee is generally greater than is the case for standard trademark licensing agreements. In the case of franchising, the franchiser allows another person (the franchisee) to use his way of doing business (including trademarks, know-how, customer service, software, shop decoration, etc.) in accordance with a set of prescriptions and in exchange for compensation or royalty.

Example:



Courtesy: Lots' A Pizza

A restaurant selling pizza operates under the trademark Lots' a Pizza. It has developed a system for preparing and selling these products, which are sold in large volumes and in a uniform manner. The system includes various factors that contribute to the success of Lots' a Pizza restaurants, including recipes and methods of preparing meals that result in a product of consistent quality, the design of employees' uniforms, the design of the buildings, the design of packaging, and management and accounting systems. Lots' a Pizza imparts its knowledge and experience to its franchisees and retains the right to supervise and control local franchises. As a crucial component of the franchising agreement the franchisees will also be authorized and obliged to use the Lots' a Pizza trademark.

Is there any restriction in selling or assigning the trademark of your company to another company?

It is increasingly possible to sell or assign a trademark independently from the business that currently owns it. In the case of sale or assignment of a trademark, it may be required to deposit a copy of the agreement, or parts of it, at the trademark office.

Do you need to register all small modifications to your trademark?

Many trademarks, including some of the most famous, have slightly changed or evolved over the years in order to modernize the image of a company or adapt to new advertising media. Marks may be changed or adapted, but your company will have to be careful and consult with the Bureau of Trademark as to whether a specific change will require the submission of a new application and payment of relevant fees.

5. Enforcing Trademarks

What should your business do if its trademark is being used by others without authorization?

The burden of enforcing a trademark is mainly on the trademark owner. It is up to your company as a trademark owner to identify any infringement and to decide what measures should be taken to enforce trademark rights.

It is always useful to seek expert advice if you believe that someone is infringing your trademark. An intellectual property lawyer would be the right person to give you information on the existing options in the Philippines and, presumably, also in neighboring countries to initiate action against counterfeiting and infringement and will provide you with advice on how to enforce your rights.

If you are faced with infringement of your trademark rights, then you may choose to begin by sending a letter (commonly known as a "cease and desist letter") to the alleged infringer informing him/her of the possible

existence of a conflict. In writing such a letter, the assistance of a trademark lawyer is recommended.

If your business considers the infringement to be willful and knows the location of the infringing activity, then it may wish to take surprise action by obtaining, with the help of a trademark lawyer, a search and seize order (usually, from a competent court or the police) to conduct a raid without prior notice to the allegedly offending company/person.

The infringer may be compelled by the judicial authorities to inform you of the identity of persons involved in the production and distribution of the infringing goods or services and their channels of distribution. As an effective deterrent to infringement, the judicial authorities may order, upon your request, that infringing goods and materials be destroyed or disposed of outside the channels of commerce without compensation of any sort.

In order to prevent the importation of counterfeit trademark goods, border enforcement measures are available through the Bureau of Customs of the Philippines. As a trademark owner, your company may seek the assistance of the

aforesaid Customs Bureau before the counterfeit goods have been distributed.

In some instances, an effective way of dealing with infringement is through arbitration or mediation. Arbitration generally has the advantage of being a less formal, shorter and cheaper procedure than court proceedings, and an arbitral award is more easily enforceable internationally. An advantage of mediation is that the parties retain control of the dispute resolution process. As such, it can help to preserve good business relations with another enterprise with which your company may like to collaborate in the future. For more information on arbitration and mediation, see the website of IP Philippines at <http://www.ipophil.gov.ph/>.

ANNEX I – Useful websites

For more information on:

- Philippine IP laws and services www.ipophil.gov.ph
- intellectual property issues from a business perspective www.wipo.int/sme
- trademarks in general www.wipo.int/about-ip www.inta.org (International Trademark Association)
- the practical aspects relating to the registration of trademarks see Annex II or www.wipo.int/directory/en/urls.jsp
- Madrid system for the International Registration of Marks www.wipo.int/madrid
- International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement www.wipo.int/classifications (under Nice Agreement)
- International Classification of the Figurative Elements of Marks under the Vienna Agreement www.wipo.int/classifications (under Vienna Agreement)
- the conflict between trademarks and domain names and on alternative dispute resolution procedures for domain names www.arbiter.wipo.int/domains www.icann.org.

A list of the online trademark databases maintained by industrial property offices throughout the world is available at www.arbiter.wipo.int/trademark

ANNEX II – Internet Addresses

National and Regional Intellectual Property Offices

African Intellectual Property Organization	www.oapi.wipo.net
Algeria	www.inapi.org
Albania	www.alpto.gov.al
Andorra	www.omp.a.ad
Argentina	www.inpi.gov.ar
Armenia	www.aipa.am/en
Australia	www.ipaustralia.gov.au
Austria	www.patentamt.at
Bahrain	www.gulf-patent-office.org.sa/bahrainframe.htm
Barbados	www.caipo.org
Belarus	www.belgospatent.org/english/about/history.html
Belgium	www.mineco.fgov.be
Belize	www.belipo.bz
Benelux	www.boip.int
Benin	www.oapi.wipo.net
Bolivia	www.senapi.gov.bo
Botswana	www.aripo.org
Brazil	www.inpi.gov.br
Bulgaria	www.bpo.bg
Burkina Faso	www.oapi.wipo.net
Burundi	www.oapi.wipo.net
Cambodia	www.moc.gov.kh
Cameroon	www.oapi.wipo.net
Canada	www.opic.gc.ca
Central African Republic	www.oapi.wipo.net
Chad	www.oapi.wipo.net
Chile	www.dpi.cl
China	www.sipo.gov.cn
China (Hong Kong -SAR)	www.ipd.gov.hk
China (Macao)	www.economia.gov.mo
China (Marks)	www.saic.gov.cn
Colombia	www.sic.gov.co
Congo	www.oapi.wipo.net
Costa Rica	www.registronacional.go.cr

Côte d'Ivoire www.oapi.wipo.net
 Croatia www.dziv.hr
 Cuba www.ocpi.cu
 Cyprus www.mcit.gov.cy/mcit/drcor/drcor.nsf
 Czech Republic www.upv.cz
 Democratic Republic of the Congo www.oapi.wipo.net
 Denmark www.dkpto.dk
 Dominican Republic www.seic.gov.do/onapi
 Egypt www.egypo.gov.eg
 El Salvador www.cnr.gobs.sv
 Estonia www.epa.ee
 Eurasian Patent Office www.eapo.org
 European Union (Office for Harmonization in the Internal Market – OHIM) www.oami.eu.int
 Finland www.prh.fi
 France www.inpi.fr
 Gabon www.oapi.wipo.net
 Gambia www.aripo.org
 Georgia www.sakpatenti.org.ge
 Germany www.dpma.de
 Ghana www.aripo.org
 Greece www.obl.gr
 Honduras www.sic.gob.hn/pintelec/indice.htm
 Hungary www.mszh.hu/english/index.html
 Iceland www.patent.is/focal/webguard.nsf/key2/indexeng.html
 India www.ipindia.nic.in
 Indonesia www.dgip.go.id
 Ireland www.patentsoffice.ie
 Israel www.justice.gov.il
 Italy www UIBM.gov.it
 Jamaica www.jipo.gov.jm
 Japan www.jpo.go.jp
 Jordan www.mit.gov.jo
 Kazakhstan www.kazpatent.org/english
 Kenya www.aripo.org
 Kuwait www.gulf-patent-office.org.sa
 Lao People's Democratic Republic www.stea.la.wipo.net
 Latvia www.lrpv.lv
 Lebanon www.economy.gov.lb

Lesotho www.aripo.org
 Liechtenstein www.european-patent-office.org
 Lithuania www.vpb.lt
 Luxembourg www.etat.lu/ec
 Malawi www.aripo.org
 Malaysia www.mipc.gov.my
 Mali www.oapi.wipo.net
 Mexico www.impi.gob.mx
 Monaco www.european-patent-office.org/patlib/country/monaco
 Montenegro www.yupat.sv.gov.yu
 Morocco www.ompic.org.ma
 Mozambique www.aripo.org
 Namibia www.aripo.org
 Nepal www.ip.np.wipo.net
 Netherlands www.octrooicentrum.nl
 New Zealand www.iponz.govt.nz
 Niger www.oapi.wipo.net
 Norway www.patentstyret.no
 Oman www.gulf-patent-office.org.sa
 Panama www.digerpi.gob.pa
 Peru www.indecopi.gob.pe
 Philippines www.ipophil.gov.ph
 Poland www.business.gov.pl/Intellectual,property,protection,90.html
 Portugal www.inpi.pt
 Qatar www.gulf-patent-office.org.sa
 Republic of Korea www.kipo.go.kr
 Republic of Moldova www.agepi.md
 Romania www.osim.ro
 Russian Federation www.rupto.ru
 Saint Vincent and the Grenadines 196.1.161.62/govt/cipo/index.asp
 Saudi Arabia www.gulf-patent-office.org.sa
 Senegal www.oapi.wipo.net
 Serbia www.yupat.sv.gov.yu
 Sierra Leone www.aripo.org
 Singapore www.ipos.gov.sg
 Slovak Republic www.indprop.gov.sk
 Slovenia www.uil-sipo.si/Default.htm
 Somalia www.aripo.org

7. Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.
8. Hand tools and implements (hand-operated); cutlery; side arms; razors.
9. Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signaling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire extinguishing apparatus.
10. Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopedic articles; suture materials.
11. Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.
12. Vehicles; apparatus for locomotion by land, air or water.
13. Firearms; ammunition and projectiles; explosives; fireworks.
14. Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewelry, precious stones; horological and chronometric instruments.
15. Musical instruments.
16. Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives

for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.

17. Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.
18. Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
19. Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.
20. Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.
21. Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes.
22. Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.
23. Yarns and threads, for textile use.

Note

at the following url: <http://www.wipo.int/classification/publications/nice/en/publication>

24. Textiles and textile goods, not included in other classes; bed and table covers.
25. Clothing, footwear, headgear.
26. Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
27. Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).
28. Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.
29. Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats.
30. Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.
31. Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.
32. Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.
33. Alcoholic beverages (except beers).
34. Tobacco; smokers' articles; matches.

Services

35. Advertising; business management; business administration; office functions.
36. Insurance; financial affairs; monetary affairs; real estate affairs.
37. Building construction; repair; installation services.
38. Telecommunications.
39. Transport; packaging and storage of goods; travel arrangement.
40. Treatment of materials.
41. Education; providing of training; entertainment; sporting and cultural activities.
42. Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services.
43. Services for providing food and drink; temporary accommodation.
44. Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.
45. Personal and social services rendered by others to meet the needs of individuals; security services for the protection of property and individuals.

In January 2006, 73 states were party to the Nice Agreement. They have adopted and apply the Nice Classification for the purposes of the registration of marks.

Note:

For up-to-date information, visit website at the following urls: www.wipo.int/classifications/fulltext/nice8/enmain.htm and www.wipo.int/madrid/en/contact.html

34. Textiles
35. Advertising business
36. Finance, insurance, monetary, financial and related services
37. Building construction; repair; installation services
38. Telecommunications
39. Textile packaging and storage of goods; level transportation; classes; decorations for Christmas
40. Treatment of materials
41. Education; providing of training; arrangement; sports and cultural activities
42. Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; telecommunications; research and development in nanotechnology
43. Services for providing food and drink; temporary accommodation
44. Medical services; veterinary services; health and beauty care for human beings or animals; agriculture, horticulture and forestry services; husbandry
45. Personal and social services rendered by individuals to members of the community; security services for the protection of property and individuals
46. In January 2006, 73 states were party to the Nice Agreement (1957) and apply the Nice Classification for the purposes of the registration of marks.
47. Textiles

Note:

For up-to-date information, visit website at the following url: www.wipo.int/classification/text/nice8/en/index.htm and www.wipo.int/madrid/en/contact.html

Other business oriented content and publication on intellectual property are on the WIPO's SMEs website at www.wipo.int/sme/en

Free electronic monthly newsletter of the SMEs Division are available at www.wipo.int/sme/en/documents/wipo_sme_newsletter_html