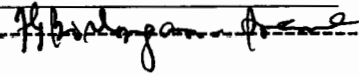


**G.R. No. 204605 – INTELLECTUAL PROPERTY ASSOCIATION OF THE PHILIPPINES, *Petitioner* v. HON. PAQUITO OCHOA, in his capacity as Executive Secretary, HON. ALBERT DEL ROSARIO, in his capacity as Secretary of the Department of Foreign Affairs, and HON. RICARDO BLANCAFLOR, in his capacity as the Director General of the Intellectual Property Office of the Philippines, *Respondents*.**

Promulgated:

July 19, 2016

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### CONCURRING OPINION

**PERLAS-BERNABE, J.:**

I concur.

However, I wish to briefly expound on the reasons as to why the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks<sup>1</sup> (Madrid Protocol) should be classified as an executive agreement and not a treaty. Therefore, it need not be concurred in by at least two-thirds of all the Members of the Senate in order to be valid and effective.<sup>2</sup>

Section 122 of Republic Act No. (RA) 8293<sup>3</sup> or the “Intellectual Property Code of the Philippines” (IP Code) provides that “[t]he rights in a mark shall be acquired through **registration** made validly in accordance with the provisions of this law.”

For applicants not domiciled in the Philippines, Section 124 of the IP Code requires “[t]he appointment of an agent or representative”:

Section 124. Requirements of application. – 124,1, The application for the registration of the mark shall be in Filipino or in English and shall contain the following:

x x x x

(e) The appointment of an agent or representative, if the applicant is not domiciled in the Philippines;

x x x x

<sup>1</sup> Adopted at Madrid on June 27, 1989, as amended on October 3, 2006 and on November 12, 2007. See <[http://www.wipo.int/wipolex/en/wipo\\_treaties/text.jsp?file\\_id=283484](http://www.wipo.int/wipolex/en/wipo_treaties/text.jsp?file_id=283484)> (last accessed on April 6, 2016).

<sup>2</sup> Section 21, Article VII of the 1987 Constitution reads: “Section 21. No treaty or international agreement shall be valid and effective unless concurred in by at least two-thirds of all the Members of the Senate.”

<sup>3</sup> Entitled “AN ACT PRESCRIBING THE INTELLECTUAL PROPERTY CODE AND ESTABLISHING THE INTELLECTUAL PROPERTY OFFICE, PROVIDING FOR ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES” (January 1, 1998).

The rationale therefor is explicated in Section 125 of the same law: it is through the resident agent or representative that notices and processes in the proceedings are duly served upon the person of the non-domiciliary:

Section 125. Representation; Address for Service. – If the applicant is not domiciled or has no real and effective commercial establishment in the Philippines, he shall designate by a written document filed in the office, the name and address of a Philippine resident who may be served notices or process in proceedings affecting the mark. x x x.

However, through the Philippines' accession to the Madrid Protocol and hence, adoption of the Madrid System for the International Registration of Marks (Madrid System),<sup>4</sup> an applicant who is not domiciled in the Philippines but a national of a Contracting Party is now given the option to file his application in the IP Office of his own home country and thereupon, secure protection for his mark. Articles 2 and 3 of the Madrid Protocol pertinently provide for the basic procedure and effect of registering through the Madrid System:

#### Article 2

##### Securing Protection through International Registration

(1) Where an **application for the registration of a mark has been filed with the Office of a Contracting Party, or where a mark has been registered in the register of the Office of a Contracting Party**, the person in whose name that application (hereinafter referred to as “the basic application”) or that registration (hereinafter referred to as “the basic registration”) stands may, subject to the provisions of this Protocol, **secure protection for his mark in the territory of the Contracting Parties, by obtaining the registration of that mark in the register of the International Bureau of the World Intellectual Property Organization** (hereinafter referred to as “the international registration,” “the International Register,” “the International Bureau” and “the Organization,” respectively), provided that,

(i) where the basic application has been filed with the Office of a Contracting State or where the basic registration has been made by such an Office, the person in whose name that application or registration stands is a national of that Contracting State, or is domiciled, or has a real and effective industrial or commercial establishment, in the said Contracting State,

x x x x

#### Article 3bis

##### Territorial Effect

**The protection resulting from the international register shall extend to any Contracting Party only at the request of the person who files the international application or who is the holder of the international**

<sup>4</sup> The Madrid System for the International Registration of Marks is governed by the Madrid Agreement, concluded in 1891, and the Protocol relating to that Agreement, concluded in 1989. The system makes it possible to protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties. <[http://www.wipo.int/treaties/en/registration/madrid\\_protocol/](http://www.wipo.int/treaties/en/registration/madrid_protocol/)> (last visited April 6, 2016).

**registration.** However, no such request can be made with respect to the Contracting Party whose Office is the Office of origin. (Emphases supplied)

As per the posting of the World Intellectual Property Organization (WIPO), there are three (3) basic stages to the registration process:<sup>5</sup>

**Stage 1 – Application through your National or Regional IP Office (Office of origin)**

Before you can file an international application, you need to have already registered, or have filed an application, in your “home” IP office.

The registration or application is known as the **basic mark**. You then need to submit your international application through this same IP Office, which will certify and forward it to WIPO.

**Stage 2 – Formal examination by WIPO**

WIPO only conducts a formal examination of your international application. Once approved, your mark is recorded in the International Register and published in the WIPO Gazette of International Marks. WIPO will then send you a certificate of your international registration and notify the IP Offices in all the territories where you wish to have your mark protected.

It is important to note that the scope of protection of an international registration is not known at this stage in the process. It is only determined after substantive examination and decision by the IP Offices in the territories in which you seek protection, as outlined in Stage 3.

**Stage 3 – Substantive examination by National or Regional IP Offices (Office of the designated Contracting Party)**

The IP Offices of the territories where you want to protect your mark will make a decision within the applicable time limit (12 or 18 months) in accordance with their legislation. WIPO will record the decisions of the IP Offices in the International Register and then notify you.

If an IP Office refuses to protect your mark, either totally or partially, this decision will not affect the decisions of other IP Offices. You can contest a refusal decision directly before the IP Office concerned in accordance with its legislation. If an IP Office accepts to protect your mark, it will issue a statement of grant of protection.

The international registration of your mark is valid for 10 years. You can renew the registration at the end of each 10-year period directly with WIPO with effect in the designated Contracting Parties concerned.

As may be gleaned therefrom, the non-domiciliary’s filing of an application in the IP Office of his home country is only the initial step to secure protection for his mark. Significantly, the application, after having been formally examined by the WIPO, has to be referred to the national or regional IP Office of the country in which the applicant seeks protection for the conduct of substantive examination.

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<sup>5</sup> < [http://www.wipo.int/madrid/en/how\\_madrid\\_works.html](http://www.wipo.int/madrid/en/how_madrid_works.html) > (last visited April 6, 2016.)

Ultimately, it is the latter office (in our case the Intellectual Property Office of the Philippines [IPOP HL]) which decides to accept or refuse registration. This is reflected in Article 5 of the Madrid Protocol which provides that “any Office of a Contracting Party which has been notified by the International Bureau of an extension to that Contracting Party x x x shall have the right to declare in a notification of refusal that protection cannot be granted in the said Contracting Party to the mark which is the subject of such extension”:

Article 5  
Refusal and Invalidation of Effects of International Registration in Respect of  
Certain Contracting Parties

**(1) Where the applicable legislation so authorizes, any Office of a Contracting Party which has been notified by the International Bureau of an extension to that Contracting Party, under Article 3ter(1) or (2), of the protection resulting from the international registration shall have the right to declare in a notification of refusal that protection cannot be granted in the said Contracting Party to the mark which is the subject of such extension. Any such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property, in the case of a mark deposited direct with the Office which notifies the refusal. However, protection may not be refused, even partially, by reason only that the applicable legislation would permit registration only in a limited number of classes or for a limited number of goods or services.**

x x x x (Emphases supplied)

In this regard, it bears stressing that the grounds for refusal of protection enumerated in the Paris Convention, specifically under Article 6*quinquies* (B)<sup>6</sup> thereof, are substantially the same grounds for refusal for registration of marks as

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<sup>6</sup> Article 6*quinquies* of the Paris Convention reads:

Article 6*quinquies*  
Marks: Protection of Marks Registered in One Country of the Union in the  
Other Countries of the Union

x x x x

B. Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

- (i) when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;
- (ii) when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the *bona fide* and established practices of the trade of the country where protection is claimed;
- (iii) when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such provision itself relates to public order.

This provision is subject, however, to the application of Article 10*bis*.

x x x x

✓

enumerated under Section 123.1<sup>7</sup> of the IP Code. This further strengthens the classification of the Madrid Protocol as a mere executive agreement and not as a treaty, considering that it does not introduce any substantive alterations to our local law on trademarks, *i.e.*, the IP Code.

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<sup>7</sup> Section 123.1 of the IP Code reads:

Section 123. *Registrability.* – 123.1. A mark cannot be registered if it:

- (a) 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;
- (b) 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;
- (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;
- (d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:
  - (i) The same goods or services, or
  - (ii) Closely related goods or services, or
  - (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;
- (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;
- (f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered 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 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: *Provided further*, That the interests of the owner of the registered mark are likely to be damaged by such use;
- (g) Is likely to mislead the public, particularly as to the nature, quality, characteristics or geographical origin of the goods or services;
- (h) Consists exclusively of signs that are generic for the goods or services that they seek to identify;
- (i) 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;
- (j) 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;
- (k) 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;
- (l) Consists of color alone, unless defined by a given form; or
- (m) Is contrary to public order or morality.

Thus, based on the foregoing, nothing precludes a Contracting Party, such as the Philippines, from imposing its own requirements for registration, such as that of the appointment of a resident agent or representative under Section 125 of the IP Code as above-discussed.

In fact, the IPOPHL made it clear, in Office Order No. 139, Series of 2012<sup>8</sup> or the “Philippine Regulations Implementing the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks,” that the substantive examination of a mark applied for protection under the Madrid System shall be undertaken in accordance with the IP Code and relevant trademark regulations:

Rule 9. *Allowance of a Mark; Publication for Opposition.* – Where the Philippines has been designated in an international registration, **the IPOPHL shall undertake the substantive examination of the mark in accordance with the IP Code and the TM Regulations.** Upon completion of the substantive examination and the mark is allowed, the mark shall be published for purposes of opposition in the IPOPHL’s e-Gazette. Opposition proceedings shall be governed by the provisions of the IP Code, the TM Regulations, the BLA Regulations, and the Uniform Rules on Appeal.

Rule 10. *Ex-officio Provisional Refusal of Protection.* – Where the IPOPHL finds that, **in accordance with the IP Code and the TM Regulations, the mark that is the subject of an international registration designating the Philippines cannot be protected,** the IPOPHL shall, before the expiry of the refusal period under Article 5(2)(b) of the Madrid Protocol, notify the International Bureau of a provisional refusal of protection following the requirements of the Madrid Protocol and the Common Regulations. The holder of that international registration shall enjoy the same remedies as if the mark had been filed for registration directly with the IPOPHL. (Emphases supplied)

Therefore, even without delving into the issue of its legal standing, there is no merit in petitioner Intellectual Property Association of the Philippines’ supposition that the Madrid Protocol conflicts with Section 125 of the IP Code.<sup>9</sup> As the *ponencia* aptly pointed out, “[t]he *Madrid Protocol* does not amend [or] modify the IP Code on the acquisition of trademark rights[,] considering that the applications under the *Madrid Protocol* are still examined according to the relevant national law”, and “in [this] regard, the IPOPHL will only grant protection to a mark that meets the local registration requirements.”<sup>10</sup>

In *Commissioner of Customs v. Eastern Sea Trading*,<sup>11</sup> the difference between treaties and executive agreements was explained as follows:

International agreements involving political issues or changes of national policy and those involving international arrangements of a permanent character usually take the form of treaties. But international agreements embodying

<sup>8</sup> Dated July 25, 2012.

<sup>9</sup> See *Ponencia*, pp. 3-5, 13.


<sup>10</sup> *Ponencia*, p. 13.

<sup>11</sup> 113 Phil. 333 (1961).

adjustments of detail carrying out well-established national policies and traditions and those involving arrangements of a more or less temporary nature usually take the form of executive agreements.<sup>12</sup>

As herein explained, the Madrid Protocol only provides for a centralized system of international registration of marks, which, in no way, denies the authority of the Philippines, through the IPOPHL, to substantively examine and consequently, grant or reject an application in accordance with our own laws and regulations. Hence, it does not involve a change in our national policy, which necessitates the need for a treaty. Its attribution as an executive agreement was therefore correct, negating the existence of any grave abuse of discretion tantamount to lack or excess of jurisdiction.

**ACCORDINGLY**, I vote to **DISMISS** the petition for *certiorari*.

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

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**FELIPA B. ANAMA**  
CLERK OF COURT, EN BANC  
SUPREME COURT

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<sup>12</sup> Id. at 338.