

Republic of the Philippines
SUPREME COURT
Manila
EN BANC

G.R. No. L-28744 April 29, 1971

ACOJE MINING CO., INC., petitioner-applicant,

vs.

THE DIRECTOR OF PATENTS, respondent.

Manuel M. Antonio and Roman G. Pacia for petitioner.

Office of the Solicitor General Antonio P. Barredo, Assistant Solicitor General Frine' C. Zaballero, Solicitor Antonio M. Martinez and Attorney Amado L. Marquez for respondent.

FERNANDO, J.:

The issue before us is simple and uncomplicated. May petitioner Acoje Mining Company register for the purpose of advertising its product, soy sauce, the trademark LOTUS, there being already in existence one such registered in favor of the Philippine Refining Company for its product, edible oil, it being further shown that the trademark applied for is in smaller type, colored differently, set on a background which is dissimilar as to yield a distinct appearance? The answer of the Director of Patents was in the negative. Hence this appeal which we sustain in the light of the controlling norm as set forth in the *American Wire & Cable Co. case*.¹ The facts as set forth in the appealed decision follow: "On September 14, 1965, Acoje Mining Co., Inc. a domestic corporation, filed an application for registration of the trademark LOTUS, used on Soy Sauce, Class 47. Use in commerce in the Philippines since June 1, 1965 is asserted. The Chief trademark Examiner finally rejected the application by reason of confusing similarity with the trademark LOTUS registered in this Office under Certificate of Registration No. 12476 issued in favor of Philippine Refining CO., Inc., another domestic corporation. The cited mark is being used on edible oil, Class 47."² The matter was then elevated to respondent Director of Patents who, on January 31, 1968, upheld the view of the Chief Trademark Examiner and rejected the application of Petitioner on the ground that while there is a difference between soy sauce and edible oil and there were dissimilarities in the trademarks due to type of letters used as well as in the size, color and design employed, still the close relationship of the products, soy sauce and edible oil, is such "that purchasers would be misled into believing that they have a common source."³

This petition for its review was filed with this Court on March 6, 1968. After the submission of the briefs on behalf of petitioner and respondent, the case was deemed submitted. As set forth at the outset the decision of respondent Director of Patents is reversed.

The decisive test as to whether an application for a trademark should be affirmatively acted upon or not is clearly set forth in the decision already referred to, promulgated barely a year ago. In the language of Justice J. B. L. Reyes, who spoke for the Court in *American Wire & Cable Co. v. Director of Patents*:⁴ "It is clear from the above-quoted provision that the determinative factor in a contest involving registration of trade mark is not whether the challenging mark would *actually* cause confusion or deception of the purchasers but whether the use of such mark would *likely* cause confusion or mistake on the part of the buying public. In short, to constitute an infringement of an existing trade-mark patent and warrant a denial of an application for registration, the law does not require that the competing trademarks must be so identical as to produce actual error or mistake; it would be sufficient, for purposes of the law, that the similarity between the two labels, is such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it."⁵

Can it be said then that petitioner's application would be likely to cause confusion or mistake on the part of the buying public? The answer should be in the negative. It does not defy common sense to assert that a purchaser would be cognizant of the product he is buying. There is quite difference between soy sauce and edible oil. If one is in the market for the former, he is not likely to purchase the latter just because of the trademark LOTUS. Even on the rare occasions that a mistake does occur, it can easily be rectified. Moreover, there is no denying that the possibility of confusion is remote considering the difference in the type used, the coloring, the petitioner's trademark being in yellow and red while that of the Philippine Refining Company being in green and yellow, and the much smaller size of petitioner's trademark. When regard is had for the principle that the two trademarks in their entirety as they appear in their respective labels should be considered in relation to the goods advertised before registration could be denied, the conclusion is inescapable that respondent Director ought to have reached a different conclusion. Petitioner has successfully made out a case for registration.⁶

WHEREFORE, the decision of respondent Director of Patents of January 31, 1968 is reversed and petitioner's application for registration of its trademark LOTUS granted. Without costs.

Concepcion, C.J., Reyes, J.B.L., Dizon,, Makalintal, Zaldivar, Castro, Teehankee, Villamor and Makasiar, JJ., concur.

Barredo, J., took no part.

Footnotes:

1 L-26557, Feb. 18, 1970, 31 SCRA 544.

2 Appendix to the Brief for the Petitioner, pp. I and II.

3 *Ibid*, p. IV.

4 L-26557, Feb. 18, 1970, 31 SCRA 544.

5 *Ibid*, pp. 547-548.

6 Cf. Bristol Myers Co. v. Director of Patents L-21587, May 19, 1966, 17 SCRA 128.