

ALLIED DOMECQ ESPANA S.A.,	}	IPC No. 14-2006-00040
Opposer,	}	Opposition to:
	}	Ser No. 4-2003-006191
-versus-	}	Date Filed: 11 July 2003
	}	TM: "FUNDACION"
SELESTAR COMPANY, INC.,	}	
Respondent-Applicant.	}	Decision No. 2007-04

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DECISION

Before this Bureau is a Verified Notice of Opposition filed by Allied Domecq España S.A., a corporation duly organized under the laws of Spain, with head office address at Mateo Inurria, 15 28036 Madrid (Spain) against the application for the registration of the trademark "FUNDACION" for goods in Class 33, namely, brandy, liquor, and wine under Application Serial No. 4-2003-006191 on 11 July 2003 and published for opposition in the Intellectual Property (IP) Philippines e-Gazette which was officially released on October 28, 2005.

The grounds for opposition are as follows:

1. The registration of the trademark "FUNDACION" in the name of the respondent-applicant violates opposer's rights of and interests of Opposer over its trademark FUNDADOR and will therefore cause great and irreparable injury and damage to herein opposer pursuant to Section 134 of the Intellectual Property (IP) Code;
2. The trademark "FUNDACION LABEL" of Respondent-Applicant so resembles opposer's "FUNDADOR" trademark as to be likely, when applied to or used in connection with the goods offered by respondent-applicant, to deceive or cause confusion;
3. The use by respondent-applicant of the trademark "FUNDACION" on goods that are identical to goods that are produced/distributed and sold by opposer, will mislead the public into believing that such goods are manufactured, distributed by, or sourced from or under sponsorship of the opposer;
4. The trademark "FUNDACION" of the Respondent-applicant is so confusingly similar with opposer's "FUNDADOR" trademark, its registration in the name of the respondent-applicant will violate and run counter to Section 123.1 (e) and (f) of the IP Code and Article 6bis of the Paris Convention for the Protection of Industrial Property;
5. Opposer's mark FUNDADOR is a well-known not only in the Philippines but internationally and as such are entitled to broad protection under Article 6bis of the Paris Convention and Article 16 of the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), as well as Section 123.1(e) of the IP Code.
6. Respondent-Applicant Selestar Company, Inc. is not entitled to own and register the trademark FUNDACION as it only acts as the importer/distributor of FUNDACION as it only acts as the importer/distributor of FUNDACION brandy products in the Philippines.

Opposer relied on the following facts to support its opposition:

- a. The Opposer and its predecessor-in-interest, are and have been the owner of the FUNDADOR trademark since it was first used on brandy in Jerez, Spain as early 1874 and in the Philippines in 1902 long before the date of first use of the trademark FUNDACION by Respondent-Applicant.
- b. The Opposer and its predecessor-in-interest, have used the FUNDADOR trademark for brandy not only in Spain, their home country but also in many countries around the world,

including the Philippines, and the registration of the trademark FUNDACION will greatly damage and prejudice opposer in the use and said FUNDADOR mark in the Philippines.

- c. Respondent's FUNDACION trademark is used for brandy which is identical to the goods on which the Opposer uses its FUNDADOR trademark, so much so that the public will be confused and may assume that the goods of Respondent-Applicant are goods of the Opposer.
- d. By virtue of Opposer's prior use and registration of the trademark FUNDADOR in the Philippines and its prior registration and continued use of said mark in other parts of the world, the said FUNDADOR trademark has become popular and internationally well-known and have established immense goodwill for the Opposer the long, continued and extensive use of, and the large amounts spent by Opposer in popularizing the trademark FUNDADOR worldwide has generated an immense goodwill for the said trademark in the Philippines and many other countries of the world, acquired general international consumer recognition as belonging to the owner and source, i.e. the opposer and makes opposer's FUNDADOR trademark become strong and distinctive not ordinary, common and weak trademark.
- e. This strong and distinctive character of the FUNDADOR trademark will now be diluted, whittled away, diminished, if not tarnished by the trademark FUNDACION of the Respondent-Applicant.
- f. Opposer's FUNDADOR trademark has long been registered and used and advertised not only in Spain and in the Philippines but virtually in every country of the world where a system of trademark registration exists. As such the said trademark is a well-known mark, entitled to protection under the Intellectual Property Code of the Philippines and Article 6bis of the Paris Convention for the Protection of Industrial Property.
- g. The trademark FUNDACION of the Respondent-Applicant is so confusingly similar to Opposer's FUNDADOR trademark and when applied or used with the goods of Respondent-Applicant will likely cause confusion or mistake or deceive the public in general as to the source or origin of respondent-applicant's goods to such extent that the goods covered by the mark FUNDACION will be mistake by the unwary public as to the goods offered by the Opposer or will cause the general public to believe that the herein Respondent-Applicant is affiliated or connected with the Opposer's business.
- h. The mark FUNDACION of the Respondent-applicant is a flagrant and veritable imitation of Opposer's FUNDACION MARK so that its use in the goods of respondent-applicant will indicate that Respondent-applicant's goods are the same or connected with the goods of herein Opposer as to falsely suggest a connection with the existing business of opposer and therefore may result in defrauding opposer of its long established business. A side by side comparison of the labels of the FUNDACION and the FUNDADOR marks shows striking similarities on the fonts used, color scheme or combination of the product labels and the general design and appearance on the products.
- i. The goods covered by the mark FUNDACION of the Respondent-Applicant move in the same trade channel as those of Opposer's FUNDADOR mark and will make it more likely for the general public to confuse one for the other considering the similarity of Respondent-Applicant's mark with Opposer's FUNDADOR trademark.
- j. The trademark FUNDACION of the Respondent-Applicant is so confusingly similar to Opposer's FUNDADOR marks such that it may have been adopted and used by Respondent-Applicant with the intention of riding on the long established goodwill of the FUNDADOR mark of the Opposer.

- k. Moreover, Respondent-Applicant is not the true owner of the trademark FUNDACION as it is only the importer/distributor of the FUNDACION brandy products in the Philippines. Being an importer distributor respondent-applicant is not entitled, under our trademark law and jurisprudence, to register under its name the subject FUNDACION mark in the Philippines.

On July 25, 2006, Respondent-Applicant filed its Answer admitting the opening paragraph insofar as the filing of Application Serial No. 4-2003-006192 on July 11, 2003 for the registration of the mark "FUNDACION" and the publication thereof in the IPO e-Gazette officially released for circulation on October 28, 2005' specially denying the rest of the allegations; and alleging the following special and affirmative defenses:

"4.1 The Notice of Opposition was not properly verified and the Certification of Non-Forum Shopping is fundamentally defective. There is no proof that Ms. Marta Garcia Alba who signed the verification and certification has been duly authorized by opposer to do so. The authenticate certificate of Production of Document attached to the Notice of Opposition does not show that Ms. Alba has been authorized by the Board of directors of Opposer to execute and sign the Verification and certification.

"4.2 Opposer did not comply with Section 7.1 of Office Order No. 79. Thus:

4.2.1 Its judicial existence has not been properly established and proved, as its Exhibits "B" (supposedly, the Amended Articles of Association) and "C" (Company Profile), have not been authenticated not accompanied by duly signed and notarized English translation, in violation of Sections 24, 25 and 33 of Rule 132 of the Rules of Court. In addition, Exhibits "B" and "C" are mere Xerox copies;

4.2.2 There is no clear and convincing and admissible proof that its trademark FUNDADOR and FUNDADOR Label are internationally well-known and in the Philippines:

4.2.2.a. Its Exhibits "D" to "D-116" are neither originals nor certified copies, but are mere Xerox copies;

4.2.2.b. Its Exhibits "E" and "F" are neither originals nor certified copies, but are mere Xerox copies.

"4.3 Exhibit "G", the Affidavit of Mr. Jose Luis Camano, although notarized and authenticated, remains pure hearsay since it is not supported by any admissible evidence. Annexes "A" to "F" do not form part of the Affidavit of Mr. Camano when it was notarized and authenticated;

"4.4. Pursuant to Section 7.3 of office order No. 79, for failure to comply with Section 7.1 of said Order, the above Notice of opposition should be dismissed.

Consequently, this case was set for preliminary conference on September 6, 2006. For failure of the parties to reach an amicable settlement, the preliminary conference was terminated on October 17, 2006 and the parties were directed to submit their respective position papers and if desired, draft decision within ten (10) days from receipt of the written order (Order No. 2006-1491 dated October 25, 2006) issued by this Bureau. Respondent-Applicant submitted its Position Paper on November 27, 2006. Thus, this case is now deemed submitted for decision.

Before delving into the merits of this case, the procedural/technical issues raised by respondent-applicant against the opposition will first be addressed.

Respondent-Applicant alleges that the Verification that the Certification of Non-Forum Shopping had been signed by Eliza Gomez de Bonilla Gonzalez, Vice-President and in-house lawyer of herein Opposer without any board resolution or power of attorney empowering her to do so.

The Verification and Certification as well as the Special Power of Attorney all signed by Ms. Eliza Gomez de Bonilla Gonzalez were duly executed and irrefutable documents as the Philippine consul in Spain authenticated it. Being duly executed and irrefutable documents, the truth of its contents may be relied upon absent any allegation/s of fraud, duress, intimidation, or undue influence. It was notarized by Enrique Franch Valverde, Madrid Notary Public, who attested to the following: 1) Eliza Gomez de Bonilla Gonzalez is the Corporate Vice-Secretary and in-house lawyer of opposer' that she is authorized to cause the preparation of the Notice of Opposition and to execute the Verification and Certification of Non-Forum Shopping; and that a resolution was passed and made effective as a corporate act by the Board of Allied Domecq España S.A., herein Opposer; and that pursuant to this Board Resolution she gives a power of attorney to Padlan Salvador Coloma & Associates to represent herein Opposer before this Bureau in the instant case. Said Notary Public notarized said documents and stated for the record that Eliza Gomez de Bonilla Gonzalez acknowledged the signature on the documents to be hers; and that Eliza Gomez de Bonilla Gonzalez is familiar with the documents' contents, and freely and voluntarily give her consent to the giving of force and effect the contents of the documents according to law. Further, said Notary Public bore witness that he knows Eliza Gomez de Bonilla Gonzalez; and that her consent has been freely given.

It can be said therefore that although opposer did not attach the Board Resolution or Secretary's Certificate to the verified NOTICE OF OPPOSITION authorizing Eliza Gomez de Bonilla o file said pleading on behalf of opposer, this Bureau holds that she is authorized to file on behalf of opposer the verified NOTICE OF OPPOSITION. Moreover, "verification is simply intended to secure an assurance that the allegations in the pleading are true and correct and not the product of the imagination or a matter of speculation, and that the pleading is filed in good faith. Meanwhile, the purpose of the aforesaid certification is to prohibit and penalize the evils of forum shopping. *We see no circumvention of these objectives by the vice president's signing the verification and certification without express authorization from any existing board resolution.*

Anent the issue posed by respondent-applicant as to the non-admissibility of the exhibits/annexes for being certified copies of mere photocopies, this Bureau shall rule thereon as may be called for in the ensuing discussion.

Having disposed of the technical issues which do not merit the denial nor dismissal of the instant opposition, this Bureau shall now proceed to resolve the substantive issues.

The main issue to be resolved in this case is whether or not Respondent-Applicant's mark "FUNDACION" is confusingly similar to Opposer's mark "FUNDADOR" which violates the provisions of Republic Act 8293 otherwise known as the Intellectual property Code of the Philippines, the law governing the instant opposition considering that the application was filed during the effectivity of the said statute.

Sec. 123 (d) of RA 8293 states to wit:

"Sec. 123. Registrability – 123.1 A mark cannot be registered if it:

x x x

(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;

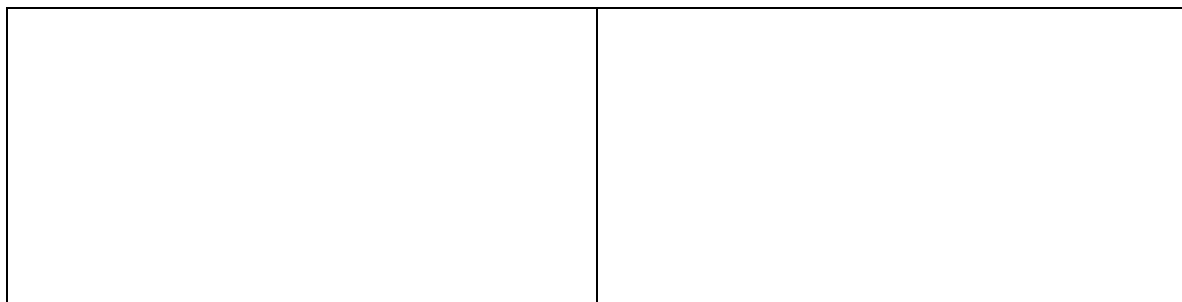
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(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar 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;

In determining whether the trademarks are confusingly similar, a comparison of the words is not the only determinant factor. The discerning eye of the observer must focus not only on the predominant words but also on the other features appearing in both labels in order that he may draw his conclusion whether one is confusingly similar to the other.

A comparison of the mark of the Opposer, "FUNDADOR", and that of the Respondent-Applicant, "FUNDACION" would show that the competing marks are different from each other as to composition, spelling and pronunciation as well as in meaning. Their similarity lies in the class of goods that the marks cover which is under Class 33 of the International Classification of the goods and the first two (2) syllables of both marks, which is "FUNDA". Nonetheless, the pronunciations of the two marks are entirely different so that it can hardly be said that it will bring about confusion, as to mistake one for the other. Likewise, the two marks appear in strikingly different contexts and project wholly different aural and visual displays.

A graphic comparison between Opposer's mark/label and Respondent-applicant's mark showing that they are not identical to each other is provided hereunder:



Opposer's mark/label

Respondent-Applicant's mark

In addition, the products involved in the case at bar are brandy, liquor and wine. Definitely, the discerning eye of the relevant public would notice the dissimilarity between the two contending marks, the class of purchasers of consumers of liquor, brandy or wine is, to some extent, discriminating in terms of taste and preferences such that any variation in the appearance especially when early discernible in sound, words and appearance will not likely affect their buying decision. That if they will prefer more of Respondent's product it will not be because they are confused or deceived, but because they find the competing product to their taste.

Accordingly, the casual buyer is predisposed to be more cautious and discriminating in and would prefer to mull over his purchase. Confusion and deception, then, is less likely. Thus, in the case of Asia Brewery vs. C.A. and San Miguel Corporation (GR No. 103543, July 5, 1993) the Supreme Court states that the ruling in Del Monte would not apply to beer which is not usually picked up from a store shelf but ordered by brand by the beer drinker himself from the

storekeeper or waiter in a pub or restaurant which is applicable in this case considering that the goods on which both marks FUNDADOR and FUNDACION are use in brandy, liquor and wine.

Lastly, to bolster its Opposition, Opposer claims that its trademark is well known. We disagree.

Section 123.1, paragraph (e) of the Intellectual Property Code provides 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.

Anent thereto, the then Minister of Trade and Industry, Hon. Roberto V. Ongpin, issue the Ongpin Memorandum which establishes the guidelines in the implementation of Article 6*bis* of the Treaty of Paris relating to the protection of Intellectual property rights regarding well known marks. These conditions are:

- a.) the mark must be internationally known;
- b.) the subject of the right must be a trademark, not a patent or copyright or anything else;
- c.) the mark must be for use in the same or similar kinds of goods; and
- d.) the person claiming must be the owner of the mark.

Opposer alleges through its witness, Jose Luis Camano Silva, that “ALLIED DOMECC ESPAÑA S.A., including the various exclusive and authorized importers and distributors of its FUNDADOR Brandy product in other countries of the world or territories have spent large sum of money in popularizing, marketing, promoting and protecting the trademark Fundador and the product Fundador; that in particular, the costs and expenses incurred in promoting and marketing the trademark Fundador and the product Fundador brandy in the Philippines for the last five (5) years amounted to P1,132,376.00”. However, Opposer had not shown evidence of commercial use of the trademark as supported by advertisements, the establishment of factories, sales offices, distributorships and the like in the Philippines. No evidence was presented to prove these claims. Furthermore, even if Opposer submitted photocopies of registrations of its mark in the Philippines and in different countries (Exhs. D, D-1 to D-116) it had not validly established its claim that the mark “FUNDADOR” is an internationally well-known mark.

Moreover, assuming arguendo that the mark FUNDADOR is internationally well-known and in the Philippines, still, it cannot be used as a bar to prevent the registration of FUNDACION since as lengthily discussed, this Bureau finds that FUNDACION is neither identical nor confusingly similar to FUNDADOR, neither does it constitute a translation of the mark FUNDADOR hence, Opposer cannot claim the protection of an internationally well-known mark. To reiterate, in the case of Philip Morris Inc. vs. Fortune Tobacco Corporation, G.R. No. 158859, 27 June 2006, the Supreme Court held that:

“The likelihood of confusion is the gravamen of trademark infringement. But the likelihood of confusion is a relative concept, the particular, and sometimes, peculiar circumstances of each case being determinative of its existence, thus, in trademark infringement cases more than in other litigation precedents must be evaluated in the light of each peculiar case.”

WHEREFORE, in view of the foregoing, the Notice of Opposition filed by the Opposer, ALLIED DOMECC ESPAÑA S.A. is hereby DENIED. Accordingly, Application Serial No. 4-2003-006191 filed by Selestar Company, Inc. on July 11, 2003 for the mark “FUNDACION” used on liquor, wine or brandy under Class 33, is as it is hereby GIVEN DUE COURSE.

Let the filewrapper of "FUNDACION" subject matter of this case together with this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, January 18, 2007.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs
Intellectual Property Office