

ALLIED DOMECQ ESPANA S.A.,	}	IPC No. 14-2005-00077
Opposer,	}	Opposition to:
	}	Appln. Ser. No. 4-2004-011151
-versus-	}	Date Filed: November 25, 2004
	}	
	}	TM: "FUNDACION LABEL"
SELESTAR COMPANY, INC.,	}	
Respondent-Applicant.	}	
x-----x		Decision No. 2006 – 149

DECISION

This refers to the verified NOTICE OF OPPOSITION, the original of which was filed by opposer on August 22, 2006.

The verified NOTICE OF OPPOSITION pertains to an opposition to the application for registration of the trademark "FUNDACION LABEL" for goods in Class33, namely, brandy, liquor, and wine under Application Serial No. 4-2004-011151 lodged by Selestar Company, Inc. and published for opposition in the Intellectual Property (IP) Philippines e-Gazette which was officially released on April 20, 2005.

Opposer Allied Domecq España S.A. is a corporation organized under the laws of Spain with office address at Mateo Inurria, 15 28036 Madrid, Spain.

The grounds for opposition are as follows:

1. The registration of the trademark "FUNDACION LABEL" in respondent-applicant's name violates opposer's rights and interests over said trademark and will thus cause great and irreparable injury and damage to opposer pursuant to Section 134 of the Intellectual Property (IP) Code;
2. Respondent-applicant's trademark "FUNDACION LABEL" so resembles opposer's "FUNDADOR" trademark as to be likely to deceive or cause confusion when applied to or used in connection with the goods offered by respondent-applicant;
3. Respondent-applicant's trademark "FUNDACION LABEL" is so confusingly similar with opposer's "FUNDADOR" trademark that the former's registration in respondent-applicant's name will violate Section 123.1 (e) and (f) of the IP Code and Article 6bis of the Paris Convention for the Protection of industrial Property;
4. The use by respondent-applicant of the trademark "FUNDACION LABEL" on goods that are identical to goods produced/distributed and sold by opposer, will mislead the public into believing that such goods are manufactured, distributed by, or sourced from or under opposer's sponsorship;
5. Respondent-applicant's "FUNDACION LABEL" trademark is used for brandy which is identical to the goods on which opposer uses its "FUNDADOR" trademark so much so that the public will be confused and may assume that respondent-applicant's goods and business are opposer's goods and business;
6. Respondent-applicant's "FUNDACION LABEL" is a flagrant and veritable imitation of opposer's "FUNDADOR" trademark such that the use on the goods of the former will indicate that respondent-applicant's goods are the same or connected with opposer's goods as to falsely suggest a connection with the existing business of opposer and may, therefore, result in defrauding opposer of its long-standing business;

7. A side by side comparison of the labels of "FUNDACION LABEL" and "FUNDADOR" trademarks shows striking similarities on the fonts used, color scheme, or combination of the product labels and on general design and appearance of the products;
8. Respondent-applicant's "FUNDACION LABEL" is so confusingly similar to opposer's "FUNDADOR" trademark such that the former may have been adopted and used by respondent-applicant with the intention of riding on the long-established goodwill of opposer's "FUNDADOR" trademark;
9. Opposer's "FUNDADOR" trademark is a well-known mark not only in the Philippines but also internationally and as such is entitled to broad protection under Article 6bis of the Paris Convention, Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and Section 123.1 of the IP Code;
10. By virtue of opposer's prior use and registration of the trademark "FUNDADOR" in the Philippines; and its prior registration and continued use in other parts of the world, said "FUNDADOR" trademark has become popular and internationally well-known, and has established immense goodwill for opposer;
11. Respondent-applicant is not entitled to own and register the trademark "FUNDACION LABEL" as it only acts as the importer/distributor of "FUNDACION" brandy products in the Philippines;
12. Opposer and its predecessors-in-interest are and have always been the owner of the "FUNDADOR" trademark since it was first used on brandy in Jerez, Spain in 1874 and in the Philippines in 1902;
13. Opposer and its predecessor-in-interest have used the "FUNDADOR" trademark for brandy not only in Spain and in the Philippines but also in many countries, and the registration of the trademark "FUNDACION LABEL" will greatly damage and prejudice opposer in the use of said "FUNDADOR" mark in the Philippines;
14. 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 said trademark in the Philippines and in many countries; acquired general international consumer recognition as belonging to the owner and source, i.e., opposer; and makes opposer's "FUNDADOR" trademark become strong and distinctive, not ordinary, common, and weak; and
15. The strong and distinctive character of the "FUNDADOR" trademark will now be diluted, whittled away, or diminished, if not tarnished, by the "FUNDACION LABEL" trademark.

On May 8, 2006, respondent-applicant filed an ANSWER admitting opposer's allegations in regard to the filing of the instant application for registration and the publication thereof in the IP Philippines e-Gazette; specifically denying the rest of the allegations in the NOTICE OF OPPOSITION; affirmatively alleging that the subject trademark was adopted and has been used by it in good faith and in accordance with law, was filed in good faith and examined and approved for publication in accordance with the Intellectual Property (IP) Code and its Implementing Rules and Regulations; and alleging the following special and affirmative defenses:

1. The NOTICE OF OPPOSITION has not been 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, and the Certificate of Production of Document does not show that Ms. Marta Garcia Alba has been authorized by opposer's Board of Directors to execute and sign the Verification and Certification;

2. Opposer's judicial existence has not been properly established and proved: Exhibits "B" (the Amended Articles of Association) and "C" (Company Profile), which are photocopies, have neither been authenticated nor accompanied by duly signed and notarized English translation in violation of Sections 24, 25 and 33 of Rule 132 of the Rules of Court;
3. The trademark "FUNDADOR" and "FUNDADOR LABEL" are not well-known either internationally or in the Philippines: Opposer has not presented any clear, convincing, and admissible evidence showing the use of the trademark "FUNDADOR" and "FUNDADOR LABEL" in the international market and in the Philippines;
4. Exhibit "G" (Affidavit of Mr. Jose Luis Camano), though notarized and authenticated, remains pure hearsay as it is not supported by any admissible evidence; and
5. Annexes "A" to "F" which are mere photocopies do not form part of the Affidavit of Mr. Jose Luis Camano.

With the filing of the ANSWER is a COMPLIANCE attached to which are respondent-applicant's documentary evidences.

The preliminary conference was set and terminated on May 31, 2006 during which the parties were directed to file their respective position papers and, if desired, draft decisions within a non-extendible period of ten (10) days from receipt of the order. Neither party submitted its position paper and/or draft decision within the reglementary period.

Respondent-applicant raised technical issues for the denial/dismissal of the opposition which this Office must first pass upon before ruling on the substantive issues, if called for, after having passed upon said technical issues.

The Certificate of Production of Document is a duly executed and genuine document as the Philippine Consul in Spain authenticated it. Being a duly executed and genuine document, 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) Marta Garcia Alba has the necessary legal capacity to enter into said Certificate of Production of Document as a current and registered Secretary to opposer's Board of Directors; 2) said Marta Garcia Alba stated that she wishes to place on record the existence of two (2) documents not notarized, the first of which is to give a power of attorney to Padlan Salvador Coloma & Associates and the second of which is to set out representations all in relation to an objection to the registration of the trademark "FUNDACION LABEL" in the IP Philippines Register; and 3) said Marta Garcia Alba required the aforesaid Notary Public, among others, to authenticate her signature on the documents and set out in advance for the purpose her representations regarding acknowledgment of the signature. Said Notary Public accepted the request made of him and stated for the record that Marta Garcia Alba acknowledged the signature on the documents to be hers; and that Marta Garcia Alba is familiar with the documents' contents, and freely and voluntarily gave 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 known Marta Garcia Alba; that her consent has been freely given; and that the execution of the Certificate of Production of Document and its attachments conform to the law and the will of Marta Garcia Alba.

It can be gathered, thus that though opposer did not attach a Board Resolution or Secretary's Certificate to the verified NOTICE OF OPPOSITION authorizing Marta Garcia Alba to file said pleading on behalf of opposer, the authenticated Certificate of Production of Documents shows that said Marta Garcia Alba is authorized to file on behalf of opposer the verified NOTICE OF OPPOSITION.

Marta Garcia Alba's authority to file on behalf of opposer the verified NOTICE OF OPPOSITION presupposes that opposer's legal existence has been properly established. Moreover, there is an explicit indication in the Certificate of Production of Document that opposer is a single shareholder company with registered office in Madrid, holder of a Spanish Taxpayer's Identification Code, and formed for an indefinite duration by a deed executed by it, having had amended its Articles of Association according to law.

As to the issue posed by respondent-applicant of the non-admissibility of Jose Luis Camano's affidavit and the photocopies annexes thereto, this Office shall rule thereon as may be called for in the ensuing discussion.

Having disposed of the technical issues, which do not merit the denial and dismissal of the instant opposition, this Office now proceeds to resolve the substantive issues.

The main issues to be resolved are as follows:

- 1) Whether respondent-applicant's mark "FUNDACION LABEL" is so confusingly similar to opposer's mark "FUNDADOR" as to likely deceive or cause confusion to the public who may believe or assume that respondent-applicant's goods are opposer's goods and that respondent-applicant's business is opposer's, or connected with, opposer's business; and
- 2) Whether Application Serial No. 4-2004-011151 for the registration of the mark "FUNDACION LABEL" should be allowed registration.

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.

Applying the foregoing rule, it appears that although the first two (2) syllables of both marks are the same, however, the degree of similarity ends there. A closer examination of Respondent-applicant's mark/label "FUNDACION" discloses that it gives a different aural, visual and commercial impression when compared to Opposer's mark/label "FUNDADOR" as shown below:

OPPOSER'S MARK/LABEL

RESPONDENT'S MARK/LABEL

A comparison between the two marks would show the difference between the two contending marks:

- (a) In Respondent-applicant's "FUNDACION" mark all the letters are in upper case and of the same sizes. Opposer's mark "FUNDADOR" although all the letters are also capitalized, the first letter "F" bigger than the rest of the other letters.
- (b) By mere pronouncing of the marks, it could hardly be said that it will provoke confusion as to mistake one for the other. The last syllable of

Respondent's mark is uttered in a long vowel sound, while the last syllable of the Opposer's mark is not.

- (c) The shapes of the labels where both marks appear are different. Opposer's label is rectangular while Respondent-applicant's label is not.
- (d) In Opposer's mark, the word "FUNDADOR" is placed inside a prominent rectangular box whereas Respondent's mark is not. At the top of the mark FUNDADOR is a blank figure or logo whereas at the top of the word FUNDACION is a designed figure or logo.
- (e) There appears to be other phrases, words and figures printed in Opposer's label such as "R.E. 202 CA", "Bottled in Spain IMPORTED Solera Brandy", "Pedro Domecq" "1L." and "36% vol." Below the word "Solera" in Opposer's mark/label appears the name Pedro Domecq and under it are the words Brandy de Jerez.

Whereas, Respondent's label carries no such phrases, words and/or figures.

- (f) The place of manufacturing is likewise printed on Opposer's label.

"Produced and Bottled in San Ildefonso, 3 Jerez De la frontera-Spain"

At first glance, it is obvious that there is a marked difference between FUNDADOR of Opposer and FUNDACION of respondent-applicant. The placement of Opposer's mark within other identifying but prominent phrases, words and/or figures in its label becomes relevant. Thus, the two marks appear in strikingly different contexts and project wholly different aural and visual displays. Indubitably, the discerning eye of the relevant public would notice the dissimilarity between the two contending marks. Therefore, although the first two syllables of both marks maybe similar, in all likelihood the aural, appearance and visual context in which Respondent-Applicant's "FUNDACION" mark will distinguish the marks in the consumer's mind.

Moreover, the products involved in the case at bar are brandy, liquor and wine. The class of purchasers or 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 easily discernible in sound, word and appearance will not likely affect their buying decision. That if they prefer Respondent's product, it will not be because they are confused or deceived due to the mark, 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 stated 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 being used in brandy, liquor and wine.

Opposer argues that FUNDADOR is a well-known mark and as such, protected under the Sections 147.1 and 147.2 in relation to Section 123(e) of Republic Act 8293. The law provides:

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

- (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; xxx”

“Sec. 147. Rights Conferred

147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use, of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

147.2. The exclusive right of the owner of a well-known mark defined in Subsection 123.1(e) which is registered in the Philippines, shall extend to goods and services which are not similar to those in respect of which the mark is registered: Provided, That use of that 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.”

Only the competent authority of the Philippines can cite a mark as “well-known”. In accordance with the High Court’s pronouncement in *Mirpuri v. Court of Appeals* (318 SCRA 516), the competent authority would either be the registering authority or the courts of the country if the issue comes before it. Furthermore, Rule 102 of the Rules and Regulations in Trademarks set the following criteria or any combination to be taken in account in determining well known-ness:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and

(l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

Under the law, to be considered well-known, a mark must not only be well-known internationally but also in the Philippines. Opposer alleges through its witness, Jose Luis Camano Silva, that "ALLIED DOMEQ 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 promotion 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, it failed to submit evidence of the use of its mark through commercial sales or advertisings in the Philippines. No evidence was presented to prove these claims. Although Opposer submitted photocopies of registrations of its mark in the Philippines and in different countries (Exh. D, D-1 to D-116) it had not validly established its claim that the mark "FUNDADOR" is an internationally well-known mark.

Moreover, even if the mark FUNDADOR can be argued and proven to be 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 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. 158589, 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 DOMEQ ESPAÑA S.A. is hereby DENIED. Accordingly, Application Serial No. 4-2004-011151 filed by Selestar Company, Inc. on November 25, 2004 for the mark FUNDACION LABEL used on goods "liquor, wine or brandy" under Class 33, is as it is hereby GIVEN DUE COURSE.

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

SO ORDERED.

Makati City, 22 December 2006.

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