

APPLE INC.,	}	IPC NO. 14-2007-00193
<i>Opposer,</i>	}	Opposition to:
	}	
- versus -	}	Serial No. : 4-2006-003820
	}	Date Filed : 06 April 2006
	}	Trademark : "DAILY APPLE
	}	and LOGO"
HERBANEXT INC.,	}	
<i>Respondent-Applicant.</i>	}	Decision No. 2008-161
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DECISION

This pertains to the Verified Notice of Opposition filed by Opposer, Apple Inc., a corporation organized and existing under the laws of California, U.S.A., having a principal place of business at No. 1 Infinite Loop, Cupertino, California 95014, U.S.A., to Application Serial No. 4-2006-003820 lodged by Respondent-Applicant, Herbanext, Inc., a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal place of business at D.C. Cruz Building, Magsaysay Avenue, APPLE and LOGO for class 35 as mentioned in their application form, which application was published for opposition in the February 23, 2007 issue of the Intellectual Property (IP) Philippines Official Gazette.

The grounds of the opposition are as follows:

- "1. The registration of the mark subject of this opposition is contrary to the provisions of Section 123.1 (d), (e) and (f) of Republic Act No. 8293, as amended, which prohibits the registration of a mark which:

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 a mark which:
- (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 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 interest of the owner of the registered mark are likely to be damaged by such use:

x x x

- “2. The Opposer is the owner of the marks “APPLE” and “APPLE DEVICE”. The “APPLE DEVICE” mark has the following general appearance of an apple with a bite removed:



The marks APPLE and APPLE DEVICE have been registered and applied for registration in the Opposer’s name with the Philippine Intellectual Property Office in various classes under the following trademark registrations:

Mark	Registration No.	Date Registered	Class of Goods
APPLE Design	040034	14 July 1988	09
APPLE	051466	4 September 1991	16
APPLE Logo	052113	6 February 1992	16
APPLE Logo	06219	1 December 1995	35
APPLE Logo (Solid Black)	4-2002-004056	11 March 2004	42
APPLE Center	4-1998-066348	1 July 2004	09
APPLE Center	4-1998-066349	5 December 2004	35
APPLE Logo (Black)	4-2002-002618	18 February 2006	09, 38
APPLE	4-2002-003950	18 February 2006	42
(These foregoing marks shall be referred to collectively as the “Apple Marks”.)			

The Opposer has also registered the Apple Marks with industrial property offices in other countries.

- “3. The word APPLE forming part of the Respondent-Applicant’s mark is almost identical to the Opposer’s APPLE mark. The apple figure which also forms part of the Respondent-Applicant’s mark has the following

appearance, which also includes the representation of a bite similar to that appearing in the Opposer's APPLE DEVICE mark:



The apple figure appearing in the Respondent-Applicant's nearly resembles the Opposer's APPLE DEVICE mark as to be likely to deceive or cause confusion. Hence, the registration of the Respondent-Applicant's mark will be contrary to the provisions of Section 123.1 (d) of Republic Act No. 8293.

- "4. Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293. The Opposer is domiciled in the United States of America. Both the Philippines and the United States of America are members of the Paris Convention for the Protection of Industrial Property.
- "5. The Opposer's APPLE and APPLE DEVICE marks are well-known and world famous marks. Hence, the registration of the Respondent-Applicant's mark will constitute a violation of Article *6bis* and *10bis* of the Paris Convention in conjunction with Section 3, 123.1 (e) and 123.1 (f) of Republic Act No. 8293.
- "6. The Opposer has used the APPLE and APPLE DEVICE marks in the Philippines and elsewhere prior to the filing date of the application subject of this opposition. The Opposer continues to use the APPLE and APPLE DEVICE marks in the Philippines and in numerous other countries.
- "7. The Opposer has also extensively promoted the APPLE and APPLE DEVICE marks worldwide. Over the years, the Opposer has obtained significant exposure for the goods and services upon which the APPLE and APPLE DEVICE marks are used in various media, including television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events.
- "8. The Opposer has not consented to the Respondent-Applicant's use and registration of the word "Apple" and the similar apple image which collectively form the mark subject of this opposition or any other mark identical or similar to the Opposer's APPLE and APPLE DEVICE marks.
- "9. The use by the Respondent-Applicant of the mark subject of this opposition in connection with retail store services will mislead the purchasing public into believing that the Respondent-Applicant's services, as well as the goods that are sold by it, are operated, produced by, originating from, or are under the sponsorship of the Opposer. Potential damage the Opposer will also be caused as a result of its inability to control the quality of the products and services offered or put on the market by Herbanext, Inc., under the DAILY APPLY & APPLE DEVICE mark.
- "10. The use by the Respondent-Applicant of the mark subject of this opposition in relation to its goods or services, whether or not identical, similar or loosely related to the Opposer's goods or services will take unfair advantage of dilute and diminish the distinctive character or reputation of the Opposer's APPLE and APPLE DEVICE marks.

“11. The denial of the application subject of this opposition is authorized under other provisions of Republic Act No. 8293.

Together with the verified Notice of Opposition, Opposer submitted the legalized and authenticated affidavit of Mr. Thomas R. La Perle, Senior Intellectual Property Counsel of Apple, Inc. attached with the following evidence:

Exhibit	Description
Exhibit “1”	True copy of an article entitled “1984” Revisited authored by Verne Gay
Exhibit “2”	True copy of the product label current use of the Apple Logo & Apple Word mark on one of the Apple’s hardware products.
Exhibit “3”	True copies of promotional brochures for Power Mac 64 and Power Mac 64 Cube brand products provided by Apple in various language.
Exhibit “4”	True copies of Apple’s Internet homepage, as well as homepage for a number of its various country specific domains Copies of promotional articles/announcements found in Apple’s website.
Exhibit “5”	True copy of a Mac OS 7.6 Installation Manual from 1997 in the English language. True copy of a Mac OS 8.5 Software products packaging from 1998 in the French language
Exhibit “6”	True copies of a selection of sample promotional materials, brochures for Apple’s Mac OS 9 in various European countries and Japan.
Exhibit “7”	True copies of excerpts from different countries specific domains.
Exhibit “8”	True copy of the Mac OS X version 10.1 upgrade compact disk packaging and version 10.3 Panther software packaging software
Exhibit “9”	Copy of press release relating to the Apple Store online store from the internet website. Copy of Apple’s announcement.
Exhibit “10”	Copy of list of International locations of Apple Store retail outlets. Copy of articles from Wired Magazine and at www.news.bbs.co.uk
Exhibit “11”	Watt Street Journal Magazine Article
Exhibit “12”	Copies of Apple’s announcement
Exhibit “13”	Copies of weird News Articles, Time Magazine articles and a variety of other examples of similarity positive media coverage of Apple Music initiative.
Exhibit “14”	Press releases.
Exhibit “15”	True copy of trademark status report for the entire pending applications and registration for the Apple & Apple Logo family of marks worldwide.
Exhibit “16”	Photocopies of Apple’s registrations in various countries.
Exhibit “17”	MACWORLD Computer industry publication.
Exhibit “18”	Print advertisements campaigns worldwide.

Exhibit "19"	USPTO's Annual Report for 1999 entitled "Century of American Invention", displays a select and few of the world's most famous brands, such as Apple Logo.
Exhibit "20"	True copy of the Smithsonian Institution National Museum of America History Websites front page.
Exhibit "21"	True copies of the rankings of Apple brand in various surveys. Worldwide decision that acknowledge the fame and recognition of the Apple and/or Apple Logo.
Exhibit "22"	True copy of relevant pages from Apple's Annual Report.
Exhibit "23"	Advertisements in the Philippines and pictures of store and signages depicting the Apple name and marks as used in the Philippines.

A Notice to Answer was issued on July 12, 2007 by registered mail to Respondent-Applicant and received it on July 04, 2007 and thus have until August 23, 2007 to submit an Answer. On August 2007, Respondent filed a motion for extension of time for thirty days and was granted by Honorable Office on September 03, 2007. The last day of period to file falls within a Saturday, hence the Answer was filed on September 24, 2007, the next working day.

It is duly noted that per Order No. 2007-2035 dated November 12, 2007. Opposer was declared to have waived the right to submit position paper and draft decision for its failure to attend the Preliminary Conference scheduled on November 08, 2007, despite due notice thereof.

Respondent-Applicant submitted as Exhibit "A" a certified true copy of the Certificate of Incorporation of herein Respondent-Applicant and its Articles of Incorporation of herein Respondent-Applicant and its Articles of Incorporation and By Laws as well as a certified true copy of its trademark application as Exhibit "B".

Suffice it to say that this Bureau being an administrative agency is not bound by the technical rules of procedure and evidence adopted in ordinary courts. Indeed, the thrust of this Bureau is to decide the case on the merits and not on mere technicality. This is predicated on the consideration that more than the mere convenience of the courts or of the other parties to the case, the ends of justice and fairness would be served thereby, (Yniguez, et. al. vs. Court of Appeals, G.R. No. 79766, August 10, 1989) having in regard a deliberate consideration for the administration of justice (Order No. 2007-2185).

ISSUES

Upon the pieces of evidence presented in their written interrogatories filed with the Bureau, two issues were raised:

- (a) Whether or not the Respondent-Applicant's "DAILY APPLE and LOGO" mark that is confusingly similar to Opposer's "APPLE" and "APPLE DEVICE" marks; and
- (b) Whether or not APPLE marks are well-known marks that is entitled to protection?

RULING

The opposition filed by the opposer has merits.

Section 123.1 (d), (e) and (f) of R.A. 8293 provided the following:

"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 a mark which:
 - (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 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 interest of the owner of the registered mark are likely to be damaged by such use:

x x x

It is worth mentioning at the outset that Opposer and Respondent-Applicant use the marks “APPLE and APPLE DEVICE” and “DAILY APPLE and LOGO” which name and mark is confusingly similar with on another on their respective goods, both under the same class 35.

A side by side comparison of Opposer’s and Respondent-Applicant’s respective marks is as follows:

Opposer’s APPLE marks

Respondent-Applicant’s mark



APPLE

Daily  Apple

As can be seen, the Respondent-Applicant's mark incorporates elements which is identical or confusingly similar to Opposer's mark, specifically:

- (a) The word element of Respondent-applicant's DAILY APPLE mark adopts the word "Apple" which is visually similar and phonetically identical to the APPLE word marks registered to Opposer.
- (b) The apple figure appearing on Respondent-Applicant's mark is visually similar to the APPLE DEVICE mark of Opposer as both marks represent an apple with a single leaf and a bite taken out of the right portion of the apple.
- (c) Applying the test of dominancy in determining confusing similarity, it is clear that the combination of the foregoing elements in the DAILY APPLE mark creates a likelihood of confusion or deception among the buying public.

Confusion is likely between two marks or trade names if their overall presentation or general appearance are such as would induce an ordinarily prudent purchaser to purchase one product or service in the belief that he is purchasing the other product or service (*Sterling Products International, Inc., vs. Farbenfabriken Bayer Aktiengesellschaft*, 27 SCRA 1214 [1369]). While the question of similarity or dissimilarity of marks or trade names is a question of opinion, it is determined by an examination and the comparison of the competing marks or trade names mainly on the basis of facsimiles, labels, or pictures. Testimony of expert witnesses as to the similarity or dissimilarity of the marks or trade names is not necessary (*Co Tiong Sa vs. Director of Patents*, 95 Phil. 1 [1954]; *Victoria Milling Co., Inc., vs. Ong SU*, 79 SCRA 207 [1977]).

In dominancy test, the question as to whether the two marks or trade names are confusingly similar is generally determined by the test of dominancy. The test of dominancy focuses on the similarity of the prevalent, essential or dominant features of the competing marks which might cause confusion (*Emerald Garment Manufacturing Corp., vs. Court of Appeals*, 251 SCRA 600 [1995]).

Similarity in size, form and color, while relevant, is not conclusive. If the competing mark contains the essential or dominant features of another mark and confusion and deception is likely to result, there is confusing similarity. Duplication or imitation is not necessary, nor is it necessary that the infringing label should suggest an effort to imitate. The question is whether the use of the mark involved would likely cause confusion or mistake in the mind of the public or deceive purchasers (*Co Tiong Sa vs. Director of Patents*, 95 Phil 1 [1954]).

In other words, to warrant a denial of an application for registration of a mark or trade name or to constitute infringement of a registered mark or trade name, the law does not require that the competing marks or trade names produced actual error or mistake. It is sufficient that there is a possibility or likelihood of the purchaser being mistaken or deceived. The universal test is whether the public is likely to be deceived. (*Co Tiong Sa vs. Director of Patents*, 95 Phil 1 [1954]; *American Wire & Cable Co., vs. Director of Patents*; 31 SCRA 544 [1970]; *Chua Che vs. Philippine Patents Office*, 13 SCRA 67 [1965]).

The Opposer likewise argues that its mark "APPLE" is a well-known mark, which deserves protection as a consequence of our adherence to the Paris Convention. In support of its position it submitted a list of various pending applications and registrations of the mark "APPLE" in many countries of the world including the Philippines (Exhs. 15 and 16), as well as

publications, articles, surveys, advertisements, promotional materials and clippings (Exhs. 2-14, 17-23).

One criterion for determining whether a mark is well-known is 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 (Rules On Trademarks, Service Marks, Trade Names and Marked or Stamped Containers).

This Bureau holds that the extent and geographical area of the promotion of opposer's APPLE, such as the advertising and publicity of goods under different classes which bear said mark through print media, broadcast media and the internet is such that said mark may be considered as well-known. Practically in all countries in the world, in continents from Europe to the Asia/Pacific Rim and from North and South America, its advertisements in a detailed manner bearing the mark APPLE and Apple and Device appear on the internet, which is practically without boundaries. These products bearing said mark may be accessed by anyone from anywhere.

Opposer is likewise entitled to protection according to Section 3 of the Intellectual Property Code of the Philippines:

Sec. 3. International Conventions and Reciprocity. – Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to national of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act. (n)

The Paris Convention provides in its Article *6bis* as follows:

Article *6bis*
Marks: *Well-known Marks*

- (1) The countries of the Union undertake, ex-officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitute reproduction, an imitation, or a translation, liable to create confusion of a mark considered to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitute a reproduction of any such well-known mark or an imitation liable to create confusion therewith.
- (2) A period of at least five (5) years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.
- (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of the marks registered or used in bad faith.

Article 10bis
Unfair Competition

- (1) The countries of the Union are bound to assure the nationals of such countries effective protection against unfair competition.

Thus, with respect to internationally well known marks, it is now settled that there is really such thing as international protection of marks. It is therefore now safe to say, marks registered abroad but which earned international goodwill are also protected within the Philippine territory even if they are not duly registered here. It is because our law says so. *Dura Lex Sed Lex [The Law May be Hard (or Harsh) But it is the Law]*.

Actually, Intellectual Property Code of the Philippines, Section 123.1 (e) is an exact reproduction of letter (g) of Rule 44 of the Rules of Practice in Trademark Cases, the implementing rules and regulations of the Intellectual Property Rights law. The mechanics of establishing a mark as an internationally known mark is provided in Rule 45 of the same implementing rules and regulations. The complete text to Rule 45 is provided in the aforesaid subheading. Sec. 123.1 (e) and (f) are further bolstered by Sec. 147.2, to wit:

“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 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. (n)” (Underscoring supplied).

As to whether a mark is well known, Rule 102 of the Rules & Regulations of Trademarks, Service Marks, Trade names and Marked or Stamped Containers provides the following:

Rule 102. Criteria for determining whether a mark is well-known.
– In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- 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 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 of 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 this mark is a well-known mark.

Being well-known, Opposer's marks are entitled to protection against trademark dilution as stated in *Levi Strauss & Co., vs. Clinton Apparelle*, 470 SCRA 236 (2005):

“Trademark dilution is the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of: (1) competition between the owner of the famous mark and other parties; or (2) likelihood of confusion, mistake or deception. Subject to the principles of equity, the owner of the famous mark is entitled to an injunction “against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.” This is intended to protect famous marks from subsequent uses that blur distinctiveness of the mark or tarnish or disparage it.”

It is concluded that through the rules and sections aforementioned above the Opposer's marks are internationally known mark and thus as stated in Section 147, the rights conferred to it are the following:

“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 the trademark is registered here such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, 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 the use of that mark in relation to 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. (n)

The property in trademark or trade name is a property appurtenant to a business or trade in connection with which the mark or trade name is used. There is no property in trademark or trade name apart from that of the business or trade in connection with which it is employed (*United Drug Co., vs. Theodore Retanus Co.*, 248 U.S. 90, 63 L. ed. 141; together with the right

to use the name under which the business is conducted Art. 521, Civil Code.) The trademark or trade name is the instrumentality to protect the continued enjoyment of man's trade reputation and the goodwill that flows from it, free from unwarranted interference by others (Hanover Star Mill Co., vs. MeChalf, 240 U.S., 403, 60, L. ed. 713).

WHEREFORE, in view of the foregoing, the Verified Notice of Opposition filed by Opposer APPLE INC., is hereby SUSTAINED. Consequently, Application Serial No. 4-2006-003820 filed on April 6, 2006 by HERBANEXT, INC., for the registration of the trademark "DAILY APPLE and LOGO" for Class 35, is as it is hereby REJECTED.

Let the filewrapper of the trademark "DAILY APPLE and LOGO" subject matter under consideration be forwarded to the Bureau of Trademarks (BOT) for appropriate action in accordance with this Decision.

SO ORDERED.

Makati City, 03 September 2008.

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