

CALIFORNIA MANUFACTURING  
CO., INC.,

Opposer,

INTER PARTES CASE NO. 1311

OPPOSITION TO,

- versus

Application Serial No. 34078  
Filed : December 28, 1977  
Applicant : Dante Y. Go  
Trademark : GROCER'S CHOICE  
Used on : Food products

DANTE Y. GO,  
Respondent-Applicant.

x-----x

DECISION NO. 88-50 (TM)  
July 20, 1988

### DECISION

For decision is the motion filed by Opposer seeking reconsideration of the decision dismissing the above-captioned case, the dispositive portion of which reads:

“Considering, therefore, that Respondent’s application is for the registration of a tradename in order to identify his business but what has been opposed as the evidences submitted by both parties would show is the registration of a trademark which is not the bone of controversy, this Office is constrained to dismiss the instant case for lack of cause of action.

WHEREFORE, the subject Opposition is, as it is, hereby DENIED and Application Serial No. 34078 filed on December 28, 1977 by Dante Y. Go be given due course for the registration of a tradename as such, without prejudice to whatever course of action the Opposer may take under premises.” (Underscoring supplied)

Opposer through counsel submitted in his motion that “though apparently logical, the decision dismissing the case in unjustified, erroneous and grossly oppressive to the rights of Opposer’s”, setting forth the following grounds:

I. MOTU PROPIO DISMISSAL OF THE OPPOSITION ON A GROUND NOT ALLOWED ALLEGED IN A MOTION TO DISMISS IS NOT ALLOWED UNDER THE RULES OF COURT.

II. BOTH TESTIMONIAL AND DOCUMENTARY EVIDENCE PRESENTED BY RESPONDENT OVERWHELMINGLY PROVE THAT THE MARK SOUGHT TO BE REGISTERED IS BEING USED BY APPLICANT MORE AS A TRADEMARK RATHER THAN AS A TRADENAME.

III. THE EQUITABLE RULE ON ESTOPPEL PRECLUDES THIS HONORABLE OFFICE FROM DISMISSING THE CASE ON THE GROUND OF TECHNICAL INFIRMITIES.

IV. THE BASIC ISSUE PRESENTED BY ALL THE PLEADINGS OF BOTH PARTIES IS THE LIKELIHOOD OF CONFUSION OF RESPONDENT’S MARK OR TRADENAME WITH THAT OF OPPOSER’S WHICH ISSUE WAS EXTENSIVELY LITIGATED BY BOTH PARTIES BUT WHICH WAS UNFORTUNATELY NEVER TRAVERSED BY THE DECISION OF THIS HONORABLE COURT.”

Relevant facts of this case are as follows:

Movant California Manufacturing Co., Inc. is the Opposer to the application of Dante Y. Go, Respondent-Applicant, for the registration of the tradename "GROCER'S CHOICE" within a basket device for quality food products, which application was filed on December 8, 1977 and assigned Application Serial No. 34078 (Class 35, published circulated as such in the June 25, 1979 issue of the Official Gazette, Volume 75, No. 26, Page 5276 on August 25, 1979).

Claiming to be damaged in the event of registration, Opposer alleged, among others, the following grounds to support Notice of Opposition, to wit:

"1. The trademark GROCER'S CHOICE of respondent-applicant is confusingly similar to the trademark LADY'S CHOICE which Opposer owns and has not abandoned; (Underscoring supplied)

x

x

x

4. The adoption and use of the trademark GROCER'S CHOICE by respondent-applicant will cause confusion or mistake or deceive purchasers as to the source or origin of the products of respondent-applicant."

In his Answer filed on May 29, 1981, Respondent-Applicant denied all the material allegations and averred that his "trademark consisting of 'GROCER'S CHOICE WITHIN A BASKET DEVICE' has been and is continuously in use in trade in the Philippines on quality food products since October 8, 1977 x x x."

Believing issues to have been joined, this Office called this case for pre-trial. Failing to reach an amicable settlement, parties went into trial, adduced testimonial and documentary evidences and together with their respective memoranda, submitted the case for decision.

Finding that the application sought to be opposed was for a tradename and not a trademark, and believing there was no sufficient cause of action, this Office came out with Decision No. 83-67 on May 3, 1983 denying opposition and giving due course to Application Serial. No, 34078, without prejudice to whatever cause of action the Opposer may take under the premises; hence, this motion for reconsideration filed by Opposer, which, Respondent-Applicant failed to comment to date despite Order No. 83-465 mailed to him on November 9, 1983,

Opposer in his motion for reconsideration alleges that motu proprio dismissal of the Opposition not alleged in a motion to dismiss is not allowed under the Rules of Court except in instances where plaintiff fails to (a) appear during trial, (b) prosecute his action within a reasonable length of time, and (c) comply with the Rules or any order of the Court, citing the case of Manila Herald Publishing Co, vs. Ramos (88 Phil, 94),

We find the first allegation to be untenable. As a general rule, courts -- in dismissing a case on grounds enumerated in the Rules of Court ---- require that a motion to dismiss be filed by either of the litigating parties. Exception to this rule, however, are instances provided by the Rules when the court may, on its own motion, dismiss a case, namely, (a) lack of jurisdiction. (Sec, 2, Rule 9), and (b) failure to prosecute (Sec, 3, Rule 17).

The then Director, in finding no sufficient cause of action for the Opposition, may have also believed that he had no jurisdiction to decide on a controversy which was non-existent. An Opposition was filed against the registration of the trademark "GROCER'S CHOICE" when in fact there was no such registration applied for. And, having in mind that the prior filing of an application and publication of the same for opposition are jurisdictional requirements, took it upon himself to dismiss the case motu proprio.

Moreover, neither the Opposer nor the then Director could expect Respondent-Applicant to file a motion to dismiss because the Rules of Practice, which is of primary application in inter partes proceedings, prescribes filing of the same, stating that:

“No motion to dismiss on any of the grounds enumerated in the Rules of Court shall be entertained. Instead, such ground, shall be pleaded as affirmative defenses, then resolution of which shall be made in the decision on the merits. The Hearing Officer may, for good cause shown, conduct a hearing on any of the affirmative defenses, if this will promote expediency in the resolution of the pending case.” (Rule 169-C (d); underscoring supplied)

Though it may appear that the Director in dismissing the case is justified under the Rules, he nevertheless erred in so doing. It is provided in the Rules of Practice in Trademark Cases that:

“x x x The Director or Hearing Officer shall not be bound by the strict rules of procedure and evidence therein contained but may adopt, in the absence of an application rule herein, such mode or proceeding which is consistent with the requirement of fair play and conducive to the speedy disposition of cases.” (Rule 169)

As ruled by the Supreme Court in the case of Operators, Inc., vs. Director of Patents (No. L-17901, Oct, 29, 1965, 15 SCRA 147), an application for registration under the Trademark Law is not an ordinary litigious controversy between parties. Public interest is involved and all questions as to whether or not the law is satisfied may be considered by the Patent Office or the court even though not specifically raised by either of the parties. And as reiterated in the case V Ras vs. Sua (25 SCRA 153), the rule is well settled that it is not the caption of the pleading but the allegation thereof that determines the nature of the action (Peo vs. Matondo, L-12873, Feb. 24, 1961; Cajofe vs. Fernandez, L-15709, Oct, 19, 1960), that even without the prayer for a specific remedy, proper relief may nevertheless be granted by the court if the facts alleged in the complaint and the evidence introduced so warrant.

In furtherance therefore to the requirement of fair play and speedy disposition of cases, it was incumbent upon the Director or the Hearing Officer so assigned to have called the parties' attention to the technical infirmity or formal defect when he detected the same and caused the taking of proper remedial action, e.g., amendment of the application of registration of “GROCER’S CHOICE” from tradename to trademark rather than summarily dismissing the same.

As maintained by the Opposer and as supported by the records of this case, while the Respondent applied for registration of the tradename “GROCER’S CHOICE”, what was really intended by the latter was registration of a trademark. This is found evident in his pleadings and exhibits admitted as evidence which are, comprised mostly of “GROCER’S CHOICE” labels, advertisements in magazines, and newspapers, brochures, etc. The same clearly shows that the use of “GROCER’S CHOICE” within a basket device was to identify his goods and distinguish them from the goods of the Opposer; hence, for trademark purposes. Also, the fact that Respondent-Applicant is operating under the name and style of “Sugarland, International Products” instead of “Grocer’s Choice” tends to negate the original application by Respondent-Applicant in using “GROCER’S CHOICE” as tradename and tends to strengthen the conclusion that the same was intended as a trademark.

At this juncture, it is important that we define the terms “tradename” and “trademark” and possibly differentiate one from the other. Republic Act No. 166 defines tradename and trademark as follows:

“SEC. 38. Words and terms defined and construed, x x x

The term ‘trade-name’ includes individual names and surnames, firm, names, trade-names, devices, or words used by manufacturers, industrialists, merchants,

agriculturists, and others to identify their business vocations or occupation; the names or titles lawfully adopted and used by natural or juridical persons, unions, and any manufacturing, industrial, commercial, agricultural or other organizations engaged in trade or commerce.

The term 'trade-mark' includes any word, name, symbol, emblem, sign or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured, sold, or dealt in by others." (Underscoring supplied)

The difference between tradename and trademark as defined by the law therefore lies primarily on their purpose, i.e., tradename is to identify applicant's business, vocation or occupation, while trademark is to identify applicant's goods and distinguish them from those manufactured, sold, or dealt in by others. As discussed above, the advertised "GROCER'S CHOICE" was sought registration for the latter purpose.

The use of "GROCER'S CHOICE" either as trademark or tradename, however, was never put as an issue during the trial. This is understandable as both parties during the trial continuously referred to "GROCER'S CHOICE" as trademark. A fortiori Application Serial No. 34078 should have been ordered amended (i.e., from tradename to trademark) for reasons already mentioned above by the Director by authority of the Rules of Practice which states that:

"175. Amendment of application or registration during proceedings. – An Application involved in a contested proceeding may not be amended, nor may a registration be amended or disclaimed in part, except upon the written consent of other party or parties and the approval of the Director, or except upon motion only brought and considered." (Underscoring supplied)

Relative to the allegations by Opposer that the equitable rule on estoppel precludes this Office from dismissing the case on ground of technical infirmity, suffice it to say that it is a well-known and settled rule in our jurisdiction that the State cannot be estopped by the omission, mistake or error of its officials or agents, if there was, in fact (Rep. vs. Aquino, 120 SCRA 186; Dir. of Lands vs. CA, 129 SCRA 689; Rep. vs. Court of Appeals, 89 SCRA Luciano vs. Estrella, 34 SCRA 769; Rep. vs. Phil. Rabbit, 32 SCRA 211; Rep. vs. Marcos, 52 SC-RA 238, etc.).

It is not the doctrine of estoppel that should have prevented this Office from dismissing the case on the basis of technical defect but its unyielding duty and commitment to administer and uphold justice. As elucidated by the Supreme Court in the case of Alonzo vs. Villamor (16 Phil. 315), "Defect in more form cannot possibly prejudice so long as the substantial is clearly evident. Form is a method of speech used to express substance and make it clearly appear. There is nothing sacred about processes or pleadings, their forms or contents. Their sole purpose is to facilitate the application of justice to the rival claims of contending parties. They were created, not to hinder and delay, but to facilitate and promote the administration of justice. In other words, they are a means to an end. x x x When they have the character of the one and become the other, the administration of justice is at fault and courts are correspondingly remiss in the performance of their obvious duty."

Going to the substantive issue of this case of whether or not there exists confusing similarity between the Respondent-Applicant's trademark "GROCER'S CHOICE" and the Opposer's trademark "LADY'S CHOICE", the applicable provision is Section 4(d) of Republic Act 166, which provides:

"SEC. 4. Registration of trademarks, trade-names and service-marks on the principal register, -x x x The owner of a trade-mark, trade-name or service-mark used to distinguish his goods, business or services of others shall have the right to register the same on the principal unless, it:

(d) Consists of or comprises a mark or trade-name which so resembles a mark or trade-name registered in the Philippines or a mark or trade-name previously used in the Philippines by another and not abandoned, as to be likely, when applied to or used in connection with goods, business or services of the applicant, to cause confusion or mistake or to deceive purchasers x x x."

A close and careful consideration of the records sets forth the following findings, to wit:

1. No confusion would exist even if "LADY'S CHOICE" and "GROCER'S CHOICE" appear simultaneously and side by side with each other in the market;
2. Both marks may co-exist independently from each other without giving rise to confusion among consumers as both differ in meaning, sound, appearance, color pictorial representation, size, shape and container; and
3. The only similarity between them is the common use of the word "CHOICE".

In resolving whether or not there exists a confusing similarity between the marks "LADY'S CHOICE" and "GROCER'S CHOICE", the test of dominancy is applicable. Under this test, the essential or dominant features of the alleged confusing and similar marks are compared and assessed of possible similarity that could create confusion.

As defined by jurisprudence, the essential or dominant feature of a composite mark is that portion to which purchasing public would undoubtedly refer in asking for goods sold under that composite mark and/or the dominant and controlling item most likely to create lasting impression (In re Holiday Syrups, Inc., 195 USPQ 733).

As exemplified in the case of Best Bakery Inc. vs. Campbel Taggat, Inc. (199 USPQ 252), "HEARTH GRAINS", in which remaining word of composite marks "GRAINS" comprises unregistrable disclaimed matter that adds nothing to distinguish ability of that composite mark.

The public, when buying products bearing either of the marks "LADY'S CHOICE" and "GROCER'S CHOICE", in order to be understood, does not merely say "CHOICE" but has to qualify the same by stating either "LADY'S" or "GROCER'S". Therefore, the dominant features of these two marks are the words "LADY'S" and "GROCER'S", respectively.

The word "LADY" invariably induces upon a purchaser's mind a woman of good breeding or the mistress of a household. On the other hand, the word "GROCER" suggests a wholesaler, dealer or a storekeeper who offers for sale food, household, supplies and other related goods. Needless to say, these two words differ from each other, i.e., they have different meanings and connotations. Ergo, the public could not confuse one for the other. Necessarily, this negates infringement and/or damage alleged by the Opposer.

As has been held in the case of Seven-Up Co. vs. O-So Grape Co. (CA-G.R. No. 45783-R, March 25, 1977), which is also applicable in this case, the Court of Appeals categorically pronounces that:

"x x x it is untenable that as suggested by petitioner-appellant, the buying public would be confused between the products 'Seven-Up and 'Bubble Up' merely because of the presence of the word 'UP' in both products. x x x When customers want to buy Seven-Up they do not just say 'UP' but the full name of the product, Seven-Up, otherwise, they would not be understood by the retailers. This is certainly more credible than that endeavored to be established by the petitioner-appellant to the effect that end-users, when, ordering a 'Seven-Up' or softdrink, only use or utter the word 'UP' thus eliminating the prefix 'Seven'. Similarly, the different 'Cola products' are not referred to as 'Cola' but with the prefix attached, as 'Coca-Cola', 'Pepsi-Cola' or 'RC Cola'.

If ever, they are referred to by the prefix only, like 'Pepsi' and the like. Hence, no confusion arises between the various 'Cola' products,"

Finding that registration of trademark "GROCER'S CHOICE" would not constitute infringement to the existing mark "LADY'S CHOICE" of the Opposer, Decision No. 83-67 is hereby AMENDED, denying the Opposition and ordering registration of trademark "GROCER'S CHOICE" after Respondent-Applicant would have so amended his application from trade-name to trademark in accordance with the requirements of the law.

Let the records of this case be forwarded to the Application, issuance and Publication Division for appropriate action in accordance with this Decision

SO ORDERED.

IGNACIO S. SAPALO  
Director