

FABERGE, INCORPORATED,  
Opposer-Appellant,

APPEAL NO. 14-03-28  
INTER PARTES CASE NO. 1699  
Opposition to:

- versus -

Serial No.: 27128  
Date Filed: 05 March 1975  
Trademark: "FABERGE"  
Used On: Underwear, knee cap  
belt, hankies, supporters,  
anklets for men, women and  
children shirts, socks, pants  
necktie under Class 25

ASIA MARKETING CORP.,  
Respondent-Applicant-Appellee.  
X-----X

## DECISION

This concerns Decision No. 2003-22 dated 31 March 2003 rendered by the Director of the Bureau of Legal Affairs (Director) denying the opposition filed by the Opposer-Appellant FABERGE, INCORPORATED (Appellant) to Application Serial No. 27128 for the registration of the mark FABERGE of the Respondent-Applicant-Appellee ASIA MARKETING CORPORATION (Appellee).

The controversy involves the determination as to whether or not the registration of the mark FABERGE in the name of the Appellee will cause great and irreparable injury and damage to the Appellant.

Records show that the Appellee filed with the defunct Philippine Patent Office (PPO) on 05 March 1975 an Application for Registration of the trademark FABERGE with Application Serial No. 27128 for underwears, knee cap, belt, hankies, supporters, anklets for men, women and children shirts, socks, shoes, pants, neckties under Class 25 of the International Classification of Goods. Accordingly, the application was published for opposition on page 4545, Volume 78, No. 34 of the PPO Official Gazette dated 23 August 1982 which was release for circulation on 25 October 1982.

On 10 May 1983, Appellant filed a Verified Notice of Opposition alleging that:

1. The Appellant is the owner of the trademark FABERGE for perfume, face powder, face cream, lotion for the skin and hair shampoo in Class 3 under Certificate of Renewal Registration No. R-1158 issued by the Philippine Patent Office on 14 November 1970 (which is the renewal of original Philippine Certificate of Registration No. 2556 issued 14 November 1950), and for perfumes, cologne, lipstick, eye color, nail polishes under Certificate of Registration No. 20942 issued by the Philippine Patent Office on 17 December 1973.
2. The trademark FABERGE appearing on the label as actually used on the goods (for underwears, knee caps, belt, hankies, supporters, anklets for men, women and children shirts, socks, shoes, pant, necktie) of the Appellee, closely resembles – in fact, is identical to – Appellant's pending and unabandoned aforementioned mark FABERGE, as actually used on the goods of the Appellant.
3. A comparison of the labels bearing the mark FABERGE of the Appellee will cause confusion and mistake, and thus, induce the buying public to believe that the products bearing the mark of the Appellee are manufactured by herein Appellant.

4. The Appellant's abovementioned trademarks, which have been used in the Philippines as early as 01 August 1945 have already acquired a considerable amount of goodwill through long use thereof on the aforementioned products. The mark applied for registration by the Appellee is used on goods similar and / or related to those bearing the aforesaid registered trademarks of the Appellant herein; and
5. The Appellant believes that the registration of the mark FABERGE in the name of Appellee, ASIA MARKETING CORPORATION, will cause great and irreparable injury and damage to Appellant pursuant to Section 8 or Republic Act No. 166, as amended.

In its Answers filed on 12 July 1983, the Appellee interposed the following:

- 1.) Appellant has no valid legal cause of action against Appellee.
- 2.) Appellant is not licensed to do business in the Philippines and it is not actually doing business in the Philippines. Consequently, Appellant has no legal capacity or personality to file, much less prosecute, the above notice of opposition.
- 3.) Appellee adopted and has been using the trademark FABERGE for clothings – Class 25 in good faith.
- 4.) Under the principle of estoppel and / or laches, Appellant is now estopped from questioning the use as well as the ownership of the trademark FABERGE for use on clothings by Appellee
- 5.) The notice of opposition is fatally defective in that it fails to comply with the requirements of Section 8 of Republic Act. No. 166, as amended

Incidentally, with the issuance of Executive Order No. 133 on 27 February 1987 reorganizing the Department of Trade and Industry and its attached agencies, the Philippine Patent Office was merged with the then Technology Transfer Board, giving birth to the Bureau of Patents, Trademarks and Technology Transfer (BPTTTT). A decade later, on 01 January 1998, Republic Act No. 8293 also known as the Intellectual Property Code of the Philippines (IP Code) was enacted, abolishing the BPTTTT and transferring the latter's functions to the newly created Intellectual Property Office. Section 10 of the IP Code gives the Bureau of Legal Affairs of the IPO the mandate to hear and decide cases of opposition and cancellation of trademarks.

Accordingly on 31 March 2003, the BLA Director rendered the assailed Decision, the dispositive portion of which reads as follows:

“WHEREFORE, the Notice of Opposition to the registration of the trademark FABERGE is hereby DENIED. Consequently, Application Serial no. 27128 for the trademark FABERGE used on underwear, knee cap, belt, hankies, supporters, anklets for men, women and children shirts, socks, shoes, pants, neckties, under Class 25 in the name of ASIA MARKETING CORPORATION is hereby GIVEN DUE COURSE.

“Let the file wrapper of FABERGE subject matter of this case be forwarded to the Administrative, Financial and Human Resource Development Services Bureau (AFHRDSB) for appropriate action in accordance with this Decision, with a copy thereof to be furnished the Bureau of Trademarks (BOT) for information and to update its records.

SO ORDERED.”

Not satisfied with the decision of the Director, the Appellant filed the instant appeal contending that the justification used by the Director that the business of the parties are non-

competitive and their products are so unrelated that the use of identical trademarks is not likely to give rise to confusion, much less cause damage to Appellant, goes against the true intentions of the trademark laws, and sends a wrong signal to potential infringers of well-known marks. It also asserts that a junior appropriator such as the Appellee should not be allowed to take undue advantage and ride on the popularity of Appellant's mark which is an internationally well-known mark that has acquired considerable goodwill. The TRIPS Agreement, Appellant argues, extends the scope of protection of Article 6bis of the Paris Convention to include the use of well-known trademarks to dissimilar goods or services. Thus, according to the Appellant, the IP Code modified the doctrine on non-competing or unrelated goods to reflect the liberal view that trademark protection should extend even to non-competing or unrelated goods.

In its comment to the Appeal, the Appellee pointed out that the Certification of Non-Forum Shopping is fatally defective in that it was executed by counsel for the Appellant without any resolution of the board of directors of Appellant Corporation expressly authorizing said counsel to execute and sign said Certification of Non-Forum Shopping.

After consideration of the foregoing and review of the records of this case, this Office finds the appeal devoid of merit.

This Office resolves first the procedural issue raised by the Appellee that the Certificate of Non-Forum Shopping submitted by the Appellant is fatally defective. The Certification of Non-Forum Shopping executed and signed by the Appellant's counsel, claimed by the Appellee to be fatally defective, deserves a temperate consideration. Circular No. 28-91 was designed to serve as an instrument to promote and facilitate the orderly administration of justice and should not be interpreted with such absolute literalness as to subvert its own ultimate and legitimate objective or the goal of all rules of procedure – which is to achieve substantial justice as expeditiously as possible. The fact that the Circular requires that it be strictly complied with merely underscores its mandatory nature in that it cannot be dispensed with or its requirements altogether disregarded, but it does not thereby interdict substantial compliance with its provisions under justifiable circumstances. Otherwise stated, while the requirement of the certificate of non-forum shopping is mandatory, it must not be interpreted too literally so as to defeat the objective of preventing the undesirable practice of forum shopping. Technical rules of procedure should be used to promote, not frustrate justice. While the swift unclogging of court dockets is a laudable objective, the granting of substantial justice is an even more urgent ideal.

Going to the main issue of this case, this Office is not persuaded by the Appellant's claim that the registration of the mark FABERGE in the name of the Appellee will cause great and irreparable injury and damage to the former.

A rudimentary precept in trademark protection is that the right to a trademark is a limited one in the sense that others may use the same mark on unrelated goods. The pronouncement of the United States Supreme Court in the case of *American Foundries vs. Robertson* is enlightening, thus, "the mere fact that one person has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others on articles of a different description."

The owner's exclusive right to the use of a trademark generally refers to goods which, or in connection with which, the trademark is used and to those related thereto, and not to unrelated and non-competing goods. A certificate of registration of a mark or trade-name shall be prima facie evidence of the validity of the registration, the registrant's ownership of the mark or trade-name and of the registrant's exclusive right to use the same in connection with the goods, business or services specified in the certificate, subject to any conditions and limitations stated therein, which implies that trademark protection extends only to goods, business or services related to those specified in the certificate.

It is also well established under Philippine Jurisprudence that goods are related when they belong to the same class or have the same descriptive properties; when they possess the

same physical attributes or essential characteristics with reference to their form, composition, texture or quality. They may also be related because they serve the same purpose or are sold in grocery stores. Thus, biscuits were held related to milk because they are both food products. Soap and perfume, lipstick and nail polish are similarly related because they are common household nowadays. In one case, the High Court held that such trademark as "Ang Tibay" for shoes and slippers cannot be allowed to be used for shirts and pants because they belong to the same general class of goods. Soap and pomade, although non-competitive, were held to be similar or to belong to the same class, since both are toilet articles. But no confusion or deception can possibly result or arise when the name "Wellington" which is the trademark for shirts, pants, drawers and other articles of wear for men, women and children is used as a name of a department store.

In this instant case, this Office agrees with the Director in finding that there is no difficulty in arriving at a conclusion that the goods of the two parties connected with their respective trademark are distinct and different from each other. The mark FABERGE is used by the Appellee for underwears, knee caps, belts, hankies, supporters, anklets for men, women and children, shirts socks, shoes, pants, neckties in Class 25 while the Appellant uses the mark FABERGE for perfume, face powder, face cream lotion for the skin and hair, perfumes, cologne, lipstick, eye color, nail polishes in Class 3. As correctly observed by the Director, from the goods alone of the competing parties covered by the competing marks it is clearly shown that they fall under different classes, and that they do not serve the same purpose although they might flow through the same channel of trade like in a department store or mall but they definitely be displayed or shelved in different sections of the store, hence, are neither competing nor considered as related goods.

It is therefore clear from the foregoing that Appellant cannot claim exclusive right to use the mark FABERGE on goods that are not related to those specified in its certificate of registration.

This Office notes that the Appellant is no stranger to this kind of controversy as it had been party to a similar case that had been settled by the high court. In *Faberge, Incorporated vs. The Intermediate Appellate Court and Co Beng Kay*, the Supreme Court had held that the trademarks "BRUT" and "BRUT 33" used on anti-perspirant, personal deodorant, cream shave, after shave / shower lotion, hair spray and hair shampoo, on one hand, and the trademark "BRUTE" used on briefs on the other hand, are non-related and not competitive. In said case, the High Court held that one who has adopted and used a trademark on his goods does not prevent the adoption and use of the same trademark by others for products which are, and of, a different description as the protective mantle of the Trademark Law extends only to the goods used by the first user as specified in the certificate of registration. The Court pointed out that judging from the physical attributes of the products involved in said case, there can be no doubt that confusion or the likelihood of deception to the average purchaser is unlikely since the goods are non-competing and unrelated. A purchaser who is out in the market for the purpose of buying BRUTE brief would definitely be not mistaken of misled into buying BRUT after shave lotion or deodorant.

With respect to the claim of the Appellant that its trademark FABERGE is an internationally well-known mark, and thus, entitled to protection under Article 6bis of the Paris Convention, the Appellant is directed to the pertinent provision of the treaty that a mark, to be entitled to the benefits thereof, must be used for identical or similar goods. As discussed previously, the goods of the Appellee pertain to Class 25 while Appellant's goods fall under Class 3. They do not serve the same or similar purpose nor do they flow through the same channels of commerce. Neither the claim of the Appellant satisfies the criteria laid down in the IP code.

WHEREFORE, premises considered, there is no cogent reason to disturb Decision No. 2003-22 dated 31 March 2003 rendered by the Director of the Bureau of Legal Affairs. Accordingly, the instant appeal is DENIED and the appealed decision is hereby AFFIRMED.

Let a copy of this Decision be furnished the Director of the Bureau of Legal Affairs for appropriate action, and the trademark application as well as the records be returned to her for proper disposition. Further, let the Directors of the Bureau of Trademarks and the Administrative, Financial and Human Resource Development Service Bureau be furnished copies hereof for information and / or appropriate action.

SO ORDERED

December 8, 2004, Makati City, Philippines.

EMMA C. FRANCISCO  
Director General