

INTERNATIONAL HAIR GOODS, INC., Opposer,	}	Inter Partes Case No. 3206
	}	Opposition to:
-versus-	}	Appln. Serial. No. : 56477
	}	Date Filed : May 23, 1985
	}	Trademark : "NEWMAN"
NEWMAN PHILIPPINES, INC., Respondent-Applicant.	}	For: Wigs, hairpieces, accessories
x-----x	}	
NEWMAN PHILIPPINES, INC., Opposer,	}	Inter Partes Case No. 3706
	}	Opposition to:
-versus-	}	Appln. Serial. No. : 56470
	}	Date Filed : May 23, 1985
	}	Trademark : "NEW MAN"
INTERNATIONAL HAIR GOODS, INC., Respondent-Applicant.	}	For: Men's hairpiece
x-----x	}	Decision No. 2002-28

DECISION

This pertains to the above-captioned consolidated Oppositions, to wit:

An Opposition filed by INTERNATIONAL HAIR GOODS, INC., a corporation organized and existing under the laws of the State of Minnesota, with principal office at 6811 Flying Cloud Drive, Eden Prairie, Minnesota, 5534, U.S.A., against the registration of the trademark "NEWMAN" for wigs, hairpieces and accessories, bearing Application Serial No. 56477 and filed on 23 May 1985 in the name of NEWMAN PHILIPPINES, INC., a corporation organized and existing under the laws of the Republic of the Philippines, with address at Suite 201-202 San Lorenzo Arcade, 924, Pasay Road, Makati, Metro Manila; and

An Opposition filed by NEWMAN PHILIPPINES, INC., a corporation organized and existing under the laws of the Republic of the Philippines, with address at Suite 201-202 San Lorenzo Arcade, 924, Pasay Road, Makati, Metro Manila, against the registration of the trademark "NEW MAN" for men's hairpieces, bearing Application Serial No. 56470 and filed on 23 May 1985 in the name of INTERNATIONAL HAIR GOODS, INC., a corporation organized and existing under the laws of the State of Minnesota, with principal office at 6811 Flying Cloud Drive, Eden Prairie, Minnesota, 5534, U.S.A.

The application for the trademark NEWMAN, subject of Inter Partes Case No. 3206 was published on Page 86, Volume I, No. 5, April-June 1988 issue of the Official Gazette, which was officially released for circulation by the Bureau of Patents Trademarks and Technology Transfer (BPTTT) on 18 July 1988; while the application for the trademark NEW MAN, subject of Inter Partes Case No. 3706 was published on Page 32, Volume IV, No. 4, July-August 1991 issue of the Official Gazette, which was officially released for circulation by the Bureau of Patents Trademarks and Technology Transfer (BPTTT) on 31 August 1991.

The grounds for INTERNATIONAL HAIR GOODS, INC.'s opposition to the registration of the trademark NEWMAN, by NEWMAN PHILIPPINES, INC. are as follows:

- "1. The trademark NEWMAN is owned by the Opposer having acquired the rights and interests thereon from its registered owner in the U.S.A. under U.S. Certificate of Registration No. 913909 issued on June 8, 1971 and having used in the Philippines through the authorized representatives of its predecessors in interest since September 1, 1977 and being the transferee of a

pending application for registration of the same mark NEWMAN HAIR with the Bureau of Patents, Trademarks and Technology Transfer under Trademark Application Serial No. 56470 filed on May 23, 1985 for goods falling under class 26 such as wigs, toupee, hairpieces.

- “2. The registration of the trademark NEWMAN in the name of the Respondent-Applicant will mislead the purchasing public as said mark is a veritable copy of Opposer’s well known mark NEWMAN HAIR for goods falling under Class 26 and, therefore, if so registered will violate and runs counter to Section 4(d) and Section 37 of Republic Act No. 166 as amended.
- “3. Registration of the mark NEWMAN in the name of Respondent-Applicant is an act of competition contrary to honest practices in industrial and commercial matters and constitutes unfair competition.”

To support its opposition, INTERNATIONAL HAIR GOODS, INC., relied upon the following facts, among other:

- “1. The Opposer is, and has always been the owner of the trademark NEWMAN HAIR being the owner-transferee of the said mark in the U.S.A. which is covered by the U.S. Certificate of Registration No. 913909 issued on June 8, 1971 and having used it in the Philippines since September 1, 1977 and being the applicant for the registration of the same mark NEWMAN HAIR with the Bureau of Patents, Trademarks and Technology Transfer under Trademark Application for goods falling under class 26 such as wigs, toupee, hairpieces.
- “2. The trademark NEWMAN subject of the application of the Respondent-Applicant is claimed to be used on wigs, toupees and hairpieces; and said goods are the same goods on which Opposer’s trademark NEWMAN HAIR is used so much so that the public will be confused to assume or mistake the goods of the Respondent-Applicant to come from, if not manufacture, by Opposer, or at the very least, to cause the purchasing public to believe that Respondent-Applicant is affiliated with or connected to Opposer’s business.
- “3. The Opposer and its predecessors in interest have spent and still spends large amount of time, money and efforts for advertising and popularizing its trademark NEWMAN HAIR.
- “4. The length of time of use of the mark NEWMAN HAIR and the large amounts of money spent by the Opposer and its predecessors in interest to popularize its trademark NEWMAN HAIR and the valuable efforts exerted to make the said mark well-known have generated an immense goodwill for the said trademark not only in the Philippines, but also in other countries all over the world so much so that Opposer’s goods have acquired the reputation of products goods have acquired the reputation of products of high quality by the purchasing public; and, that the trademark NEWMAN HAIR has become a strong and distinctive mark and not merely an ordinary, common, weak mark.

- “5. The similarity of the trademark subject of the application of Respondent-Applicant in terms of words used in presentation to that of Opposer’s trademark betrays Respondent-Applicant’s intention to ride on the goodwill and popularity of the Opposer’s trademark NEWMAN HAIR.”

The Notice to Answer, dated 24 August 1988, was sent to and received by counsel for the Respondent-Applicant on 26 August 1988. In its Answer filed on 22 September 1988, NEWMAN PHILIPPINES, INC. denied the foregoing allegations, claiming that it is the one that has been using the name NEWMAN since its organization on 10 February 1977, the name being part of its corporate name (duly registered with the Securities and Exchange Commission). NEWMAN PHILIPPINES, INC., likewise, claims that it has spent substantial amounts of money in promoting the business name NEWMAN, and in the process, has identified in the mind of the public the goods it deals in, its business or services, and has acquired a property right in the goodwill of its goods, business or services. Moreover, its open, uninterrupted, public and prior use of its business name as well as the service mark NEWMAN has for many years been known to INTERNATIONAL HAIR GOODS, INC. but the latter never protested nor objected to such use and had rather acquiesced thereto by its dealing with NEWMAN PHILIPPINES, INC.

Pre-Trial of the case was set and reset on various dates upon request of both parties. However, during the hearing held on 27 March 1989, counsel for NEWMAN PHILIPPINES, INC. moved that the proceedings in the instant case be suspended on account of the pendency of another case with the Regional Trial Court of Makati, entitled “Newman Philippines, Inc. vs. Allen Arthur (Mla.), et. al.” docketed as Civil Case No. 11820, wherein the issue of the ownership of the subject trademarks was raised. In its Manifestation filed on 05 April 1989, INTERNATIONAL HAIR GOODS, INC. manifested no objections to the aforesaid motion. In its Counter-Manifestation filed on 17 April 1989, NEWMAN PHILIPPINES, INC. stated that it has no objections INTERNATIONAL HAIR GOODS INC’S. Manifestation, “subject to the condition that it will abide with whatever decision the Regional Trial Court of Makati would render in Civil Case No. 11820, Newman Phil. Inc. vs. Allen Arthur (Manila) Inc., insofar as it affects the issues in this case.” As per Order No. 89-247, the proceeding of Inter Partes Case No. 3206 was suspended to await the termination of the civil case pending between the parties.

With regard to Inter Partes Case no. 3706, the grounds for NEWMAN PHILIPPINES, INC.’s opposition to the registration of the trademark NEW MAN, by INTERNATIONAL HAIR GOODS, INC, are as follows:

- “1. The trademark NEW MAN is identical to Opposer’s approved trademark NEW MAN, which has been previously used in commerce in the Philippines and other parts of the world and not abandoned, and is likely, when applied to or used in connection with the goods of Applicant, to cause confusion, mistake and deception on the part of the purchasing public.
- “2. The registration of the trademark NEW MAN in the name of the Applicant will, if allowed, infringe on Opposer’s exclusive right to the use of its trade name NEW MAN PHILIPPINES, INC.
- “3. The registration of the trademark NEW MAN will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark NEW MAN.
- “4. The registration of the trademark NEW MAN in the name of the Applicant is contrary to the other provisions of the Trademark Law.

To support its opposition, NEW MAN PHILIPPINES, INC., relied upon the following facts, among other:

- “1. Opposer is a manufacturer of men’s hairpieces and related products, which have been marketed and sold in the Philippines since 1978. These hairpieces and related products have been identified by consumers with Opposer’s tradename NEWMAN PHILIPPINES, INC. Opposer has been using its tradename in the Philippines since its incorporation in 1977 for the following principal purpose: To engage in the business of and maintain a shoppe boutique for hairpieces such as toupees, full wigs, topical pieces and the like; and to deal in the importation, purchase, sale, distribution, wholesaling and retailing such products, as well as their accessories and to carry on service facilities for said products.
- “2. Opposer has also used the trademark NEW MAN on wigs, hairpieces and accessories since September 1977, and its application for the registration of the trademark has been approved under Serial No. 56477.
- “3. Opposer is the first user both of the trademark NEW MAN on the goods included under the above-described registration which have been sold and marketed in the Philippines, and of the tradename NEW MAN PHILIPPINES, INC. which Philippine consumers have identified with the hairpieces and related goods that Opposer manufactures and sells through its six branches in the Philippines: Newman Manila, Newman Edsa, Newman Alabang, Newman Cebu, Newman Quezon City and Newman Pampanga.
- “4. Opposer’s prior and continued use of NEW MAN in the Philippines has made the trademark popular and well-known and has established valuable goodwill for Opposer among consumers who have identified Opposer as the source of the goods bearing said trademark.
- “5. The registration and use of a confusingly similar trademark by Applicant will diminish the distinctiveness and dilute the goodwill of Opposer’s trademark and tradename.”

The Notice to Answer, dated 12 November 1991, was sent to and received by counsel for the Respondent-Applicant on 18 November 1991. In its Answer filed on 03 February 1991, INTERNATIONAL HAIR GOODS, INC. denied the foregoing allegations, claiming that it owns the mark NEW MAN and that it has not granted any exclusive right to NEW MAN PHILIPPINES, INC. to use the same, after the latter’s relationship with INTERNATIONAL HAIR GOODS INC.’s predecessor in interest as its distributor in the Philippines was terminated in 1983.

As per Order92-157 dated 17 February 1992, upon motion filed by INTERNATIONAL HAIR GOODS, INC., the instant case was consolidated with Inter Partes Case 3206. On 27 August 1992, the proceedings in the instant case was suspended to conform with Order No. 89-247 issued in Inter Partes Case 3206.

On 16 February 1999, INTERNATIONAL HAIR GOODS, INC., in compliance with the directive of the Bureau of Patents Trademark and Technology Transfer, submitted thereto a copy of the Decision in Civil Case No. 11820. The Decision was favorable to INTERNATIONAL HAIR

GOODS, INC. For failure on the part of NEWMAN PHILIPPINES, INC. to file an appeal, the Decision has become final and executory.

On 13 December 2000, counsel for NEWMAN PHILIPPINES, INC. filed a Manifestation and Motion stating that despite its efforts to contact its client and/or any of its officer and representatives, the communications sent to its official address has not been served. Counsel was advised that the President of NEWMAN PHILIPPINES, INC. passed away many years ago and the remaining officers have not received any appropriate instruction concerning these proceedings. Such being the case, counsel for NEWMAN PHILIPPINES, INC. manifested that “while it is unable to take further action on its own initiative in these proceedings in the absence of any explicit authorization from NEWMAN PHILIPPINES, INC., it is nonetheless prudent to have these proceedings resolved on the basis of the evidence so far presented by the parties.

The only evidence presented was a certified copy of the Decision dated 29 October 1998 rendered by the Regional Trial Court of Makati City in Civil Case No. 11820, which was formally offered as documentary evidence by INTERNATIONAL HAIR GOODS, INC. on 06 August 2001 and admitted by this Bureau as per Order No. 2001-511 dated 27 August 2001. Pertinent portions of the Decision read as follows:

“(1) There is clear evidence that Allen Arthur Company, Inc. (AACI) is the real owner and not the plaintiff of the trademark “Newman”. As such, AACI has a property right over the said mark which cannot be lawfully appropriated by others without its consent. Such right accrues as a necessary consequence to both Allen Arthur, Inc. Manila (ALAMAN) and Hairtech Philippines, Inc. (Hairtech) being the subsidiary or distributor and licensee respectively of AACI.

On the other hand, plaintiff failed to establish by evidence any right over said mark which will justify use by it; unlike defendants whose evidence on this point is numerous and clear, to wit: (1) the Certificate of Registration No. 913,909 issued by the United States Patent Office (Exh. 14 or Exh. 10 – Injunction) in the name of Allen Arthur Company, Inc. covering the mark “Newman” for men’s hairpiece in Class 40 (International Class 26); (2) letter dated January 3, 1984 by Jacob Hoffman who was at that time the General Manager of ALAMAN and at the same time owner and president of the plaintiff, categorically admitting that AACI is the owner of the trademark “Newman”; (3) various advertising materials and brochures copyrighted in favor of AACI (Exhs. 7 to 10) which were used by the plaintiff in offering for sale its products; (4) certified copy of a clipping of an advertisement which appeared in Manila Bulletin issue of July 16, 1985 made by plaintiff itself wherein it was categorically stated that the “trademark ‘Newman’ is owned and registered in the name of AACI.”

x x x

(2) The plaintiff has not acquired property right over the mark “Newman” despite its use as part of its corporate name and as service mark because the use thereof was made possible only upon the generosity or accommodation of defendants AACI and ALAMAN.

According to the defendants, plaintiff was organized and allowed to use the mark “Newman” upon request of Jacob Hoffman (TSN, July 23, 1996, p.3) who was defendant AACI’s designer (Exh. E; also Exh. 6) of its hairpieces bearing such mark, and who at that time, wanted to undertake his own personal business endeavor. Hoffman was a stockholder or a partner of AACI (TSN, July 23, 1996, p.4) at the same time the General Manager of ALAMAN. He is the owner of the plaintiff and acted as President in fact thereof (TSN, October 1, 1992, p.5). The plaintiff was allowed to use the mark “Newman” on agreement that the ownership of AACI of the mark would be recognized in all its business

activities. (Answer of AACI and ALAMAN, id.). This arrangement, which was entered into only verbally, continued until AACI and Hoffman had a falling-out sometime in 1985 (TSN, July 23, 1986, pp.3-4). During the duration of the agreement, plaintiff would obtain from AACI advertising materials, customs orders, raw materials, etc... which were coursed through ALAMAN (TSN, January 24, 1991, p.20).

It was under this setting that plaintiff was able to use the mark "Newman" as part of its corporate name, and as service mark in its business operation. Of course, plaintiffs would not admit these allegations yet if failed either to present any evidence to controvert them other than the denials of its witnesses. The Court believes these allegations because they are consistent and more in accord with other pieces of evidence presented in court by the parties. For instance, the allegation that plaintiff since its inception in 1977 up to 1985 was AACI's distributor is consistent with a letter (Exh. 3) dated August 20, 1983 and written by Bank of the Philippine Islands to Jacob Hoffman in behalf of the plaintiff referring to plaintiff as distributor of AACI; The use of copyrighted advertising materials and brochures (Exhs. 7 to 10) of AACI by the Plaintiff in offer for sale its products are evidence of the existence of the arrangement that plaintiff would be allowed to use "Newman" trademark as part of its corporate name and as a service mark on condition that it recognizes AACI's ownership over the said mark; The fact that for more than eight years until sometime in March 1985 defendants had not protested or objected to plaintiff's use of its mark is consistent with the allegation as to the existence of the parties' agreement to accommodate plaintiff for as long as it recognizes AACI's ownership of the "Newman" mark; The letter dated January 3, 1984 (Exh. 1) of Jacob Hoffman, who at the time of writing of such letter, was ALAMAN's General Manager, wherein Hoffman admitted his ownership of the plaintiff, and in letter dated December 10, 1982 (Exh. 2) wherein he admitted his presidency of the plaintiff support the allegation of the defendants that in both companies --- Newman Philippines, Inc. (NPI) and ALAMAN, Hoffman played a key role, thus, forming the basis why AACI allowed plaintiff to organize using "Newman" as part of its corporate name and to adopt the same mark in the course of its business."

x x x

(3) Plaintiff company has always been aware that the mark "Newman" is owned and registered in the name of AACI, hence, it is estopped from asserting any right over the said mark and to its use. The fact that plaintiff has that prior knowledge is evidenced by (1) a letter dated January 3, 1984 by Jacob Hoffman, the President of the plaintiff, and who as of the writing of such letter, was the General Manager of ALAMAN categorically stating that the mark "Newman", "a mark known world-wide", is owned by Allen Arthur Co., Inc. (U.S.A.); (2) the advertising materials and handouts (Exhs. 7 to 10) used by plaintiff in marketing its hairpieces in which it is annotated that the "Newman" mark is registered in the name of AACI."

The issues to be resolved in these particular cases are:

- (a) Whether or not there exists a confusing similarity between the INTERNATIONAL HAIR GOODS INC.'s trademark NEW MAN and NEWMAN PHILIPPINES INC's trademark NEWMAN; and
- (b) Who between the parties is the prior user entitled to protection under the Trademark Law.

Considering that the application subject of the subject Oppositions were filed under the old Trademark Law (R.A. 166, as amended), this Office shall resolve the cases under said law so as not to adversely affect rights already acquired prior to the effectivity of the new Intellectual Property Code (R.A. 8293).

The applicable provision of the Trademark Law, Section 4(d) provides:

“Sec.4. *Registration of trademarks, trade-names and service-marks on the principal register* – xxx The owner of a trademark, trade-name or service-mark used to distinguish his goods, business or services from the goods, business or service of others shall have a right to register the same on the Principal Register, unless it:

“x x x

“(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 the goods, business or service of the applicant, to cause confusion or mistake or to deceive purchasers.”

The determinative factor in a contest involving registration of trademark is not whether the challenged mark would *actually* cause confusion or deception of the purchasers but whether the use of the mark would *likely* cause confusion or mistake on the part of the buying public. The law does not require that the competing trademarks must be so identical as to produce actual error or mistake. For infringement to exist, it would be sufficient that the similarity between the two trademarks is such that there is a possibility or likelihood of the older brand mistaking the newer brand for it.

In the case of *Etepha vs. Director of Patent (16 SCRA 502)*, THE Supreme Court stated that:

“The essential element of infringement is colorable imitation. This term has been defined as “such a close or ingenious imitation as to be calculated to deceive ordinary purchasers, or such resemblance of the infringing mark to the original as to deceive an ordinary purchaser giving such attention as a purchaser usually gives, and to cause him to purchase the one, supposing it to be the other.”

The Supreme Court, in determining whether or not there is confusing similarity between the trademarks, has relied on the dominancy test or the assessment of the essential or dominant features in the competing trademarks. Even the spelling and the similarity in sounds and pronunciation are taken into consideration. Thus, in the case of *Co Tiong Sa vs. Director of Patents (95 Phil 1)* the application for the registration of the trademark “FREEDOM” was rejected due to the existing registration of the mark “FREEMAN” over the same class of goods.

In the case of *Marvex Commercial Co. vs. Hawpia & Co. (18 SCRA 1178)* THE Supreme Court found that:

“The tradename ‘LIONPAS’ for medicated plaster cannot be registered because it is confusingly similar to ‘SALONPAS’, a registered trademark also for medicated plaster. Xxx Although the two letters of ‘SALONPAS’ are missing in ‘LIONPAS’ the first letter *a* and the letters. Be that as it may, when the two words are pronounced, the sound effects are confusingly similar. xxx”

In the case of *American Wire and Cable Co. vs. Director of Patents (31 SCRA 544)*, the Supreme Court observed that:

“xxx The similarity between the two competing trademarks, DURAFLEX and DYNAFLEX is apparent. Not only are the initial letters and the last half of the appellations identical but the difference exists in only two out of the eight literal elements of the designations. Coupled with the fact that both marks cover insulated flexible wires under Class 20; xxx no difficulty is experienced in reaching the conclusion that there is a deceptive similarity that would lead the purchaser to confuse one product with the other.”

In the instant case, the only difference between INTERNATIONAL HAIR GOODS INC.'s trademark NEW MAN and NEWMAN PHILIPPINES INC.'s trademark NEWMAN is that the former's trademark consists of two (2) separate words while the latter's trademark consists of (1) single word. Other than this difference, the latter's trademark is exactly the same as the former's trademark. Both trademark NEWMAN by the Respondent-Applicant on its products is likely to lead to confusion as to source.

The purpose of the law in protecting a trademark cannot be over-emphasized. They are to point out distinctly the origin or ownership of the article to which it is affixed, to secure to him, who has been instrumental in bringing into a market a superior article of merchandise, the fruit of his industry and skill, and to prevent fraud and imposition (*Etepha vs. Director of Patents, ibid*). Today, the trademark is not only a symbol of origin and goodwill --- it is often the most effective agent for the actual creation and protection of goodwill. In other words, the mark actually sells the goods. The mark has become the “silent salesman”. It has become a more convincing selling point than even the quality of the articles to which it refers. (*Mirpuri vs. Court of Appeals, 318 SCRA 516*)

From the findings of fact made by the Regional Trial Court in Civil Case No. 11820, where ownership of the trademark NEWMAN was put in issue, the Regional Trial Court found that INTERNATIONAL HAIR GOODS, INC. and its predecessors in interest, Allen Arthur Company, Inc. and Allen Arthur, Inc. Manila, are the true and actual owners and prior users of the trademark in the Philippines. This Office sees no reason to disturb the findings of fact made by the Regional Trial Court before whom the parties presented their respective evidence and in view of the parties' undertaking to abide by the findings of the Regional Trial Court.

WHEREFORE, premises considered, the Notice of Opposition filed by INTERNATIONAL HAIR GOODS, INC. is hereby SUSTAINED. Consequently, Application bearing Serial No. 56477 for the mark “NEWMAN” used on wigs, hairpieces, accessories filed by NEWMAN PHILIPPINES, INC. on 23 May 1985 is hereby REJECTED. On the other hand, the Notice of Opposition filed by NEWMAN PHILIPPINES, INC. is hereby DENIED. Consequently, Application bearing Serial No. 56470 for the mark “NEW MAN” used on men's hairpieces filed by INTERNATIONAL HAIR GOODS, INC. on 23 May 1985 is hereby ALLOWED.

Let the filewrappers of the applications subject matter of these cases be forwarded to the Administrative, Financial Human Resource Development Service Bureau (AFHRDSB) for appropriate action in accordance with this Decision and a copy thereof furnished the Bureau of Trademarks (BOT) for information and update of its records.

SO ORDERED.

Makati City, 4 December 2002.

EDWIN DANILO A. DATING
Assistant Director / Officer-in-Charge
Bureau of Legal Affairs