

INVICTA WATCH COMPANY OF AMERICA,	}	IPC No. 14-2005-00067
Opposer,	}	
	}	Opposition to:
	}	Serial No. 4-1996-115789
	}	TM: "INVICTA"
-versus-	}	
	}	
ARTIME NEUCHATEL,	}	
Respondent-Applicant.	}	Decision No. 2007 – 24
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DECISION

This pertains to the VERIFIED NOTICE OF OPPOSITION to the application for registration of the trademark "INVICTA" for goods under Class 14, namely, all horological products, mechanical watches with manual and automatic winding, quartz watches with digital display, quartz watches with analogical display, mechanical or electronical movements, watch parts, precious metals and their alloys and goods in precious metals or coated therewith, jewelry, precious stones, horological and other chronological instruments bearing Application Serial No. 4-1996-115789 lodged by Invicta Watch Company of America, Inc. on November 21, 1996 and published for opposition in the April 20, 2005 issue of the Intellectual Property (IP) Philippine Gazette.

Opposer Invicta Watch Company of America, Inc. is a foreign corporation organized and existing under the laws of Florida, U.S.A. with office address at 3069 Taft Street, Hollywood, FL 33021, U.S.A.

A Notice To Answer was sent to, and received by respondent-applicant on March 1, 2006 requiring respondent-applicant to file its verified Answer within a period of thirty (30) days from said date. Respondent-applicant failed to do so for which reason it was deemed to have waived its right to file a verified Answer and the supporting documents thereof per Order No. 2007-50.

Opposer filed its position paper on January 29, 2007. Order No. 2007-50 directed opposer, however, to file its position paper and, if desired, a draft decision within a non-extendible period of ten (10) days from receipt of said Order. Opposer received said Order on January 18, 2007. The position paper is, thus, filed within the period. The grounds for opposition are as follows:

1. Opposer is the exclusive owner of the mark "INVICTA" and Design for goods under Class 14, namely, watches, chronometers, chronographs, clocks, watch bands, watch cases and watch chains since its incorporation in December 1996 in the State of Florida;
2. Opposer is the successor-in-interest of the mark "INVICTA" and Design;
3. Prior to opposer's incorporation, World Time Corporation of America (WITCOA), a Florida corporation which was formed in December 1982, operated the business of selling watches including watches bearing the mark "INVICTA", then using the trade name Invicta Watch Company of America;
4. Abraham Lalo who was the Chief Executive Officer and Director of WITCOA in 1988 and is presently opposer's senior consultant contacted in 1988 Mary Ann Stavros, owner of the MASWEL Group which is a marketing and design firm, to design a logo for WITCOA's new product line of watches entitled "INVICTA" based on the specifications of Abraham Lalo;

5. Upon final approval of the design, all rights of ownership to the logo and the name "INVICTA" were assigned by Mary Ann Stavros to WITCOA which later became Invicta Watch Company of America;
6. Opposer's mark "INVICTA" and Design was first used in commerce in 1989 and since then has been extensively used on its products under Class 14 which are marketed, distributed and/or sold in thousands of stores in different countries such as the U.S. and Canada as well as European, South American, and Asian countries;
7. In the U.S., watches bearing opposer's mark "INVICTA" and Design have been sold by Torneau, a leading watch distributor in the U.S.;
8. Opposer is the registrant in many trademark registrations in many countries around the world such as Bolivia, Ecuador, Guatemala, Peru, Uruguay, U.S., People's republic of China, Hong Kong, Indonesia, Singapore, South Korea;
9. Opposer's mark "INVICTA" and Design is registered in the International Register of Marks of the World Intellectual Property Organization (WIPO) maintained under the Madrid Agreement and Protocol;
10. The registration of a mark under the Madrid Agreement and Protocol is equivalent to an application and/or registration of the same mark in countries designated by respondent-applicant for which reason, too, opposer's mark "INVICTA" and Design is also a registrant and/or applicant in the countries designated by opposer including Albania, Antigua and Barbuda, Armenia, Australia, Austria, Belarus, Benelux, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Iceland, Ireland, Italy, Kyrgystan, Latvia, Lesotho, Liechtenstein, Lithuania, Monaco, Mozambique, Namibia, Netherlands Antilles, Norway, Poland, Portugal, Republic of Oldova, Romania, Russian Federation, Serbia and Montenegro, Sierra Leone, Slovakia, Slovenia, Spain, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Turkey, Turkmenistan, Ukraine, United Kingdom, and Zambia;
11. Opposer's mark "INVICTA" and Design has been known internationally through numerous trade shows, and extensive advertising and promotion such as point-of-sale displays; print and broadcast media; the Internet; outdoor billboards and other forms of advertising;
12. Opposer has made substantial investments in the advertising and promotion of its business in the U.S. and other foreign countries with the aid of its well-known mark "INVICTA" and Design;
13. To further facilitate public awareness and the promotion of its products and services, opposer distributes its watches on "Shop NBC" home shopping network; maintains an online publication entitled "The Movement" which can be accessed by Internet users throughout the world; and has even hosted a website in the worldwide web;
14. As a popular and well-established mark particularly for watches, opposer's mark "INVICTA" and Design has been endorsed by well-known celebrities and entertainers in the U.S.: Opposer has been asked by events producers and/or organizers to present its watches bearing opposer's mark "INVICTA" and Design to celebrities and entertainers during popular events where such celebrities and entertainers gather such as the Tony Awards and Emmy Awards;
15. Opposer's mark "INVICTA" and Design, thus, is considered as a well-known mark which will bar the registration of any mark that is identical or confusingly similar thereto pursuant to Section 123.1 (e) of the IP Code;

16. Section 131.3 of the IP Code grants unto opposer the legal right to opposer the registration of respondent-applicant's mark "INVICTA" and Design;
17. In the Philippines, opposer's mark "INVICTA" has been used in commerce as early as 1995, and watches bearing said mark have been sold and are still being sold at various watch and jewelry stores in Metro Manila;
18. By virtue of opposer's prior registration and ownership of the mark "INVICTA" and Design around the world and its extensive use in the sale and/or marketing of its goods in the Philippines, said trademark has become distinctive of opposer's goods and business; and opposer has earned the goodwill and the exclusive right to use these marks in connection with the goods or services and those that are related thereto;
19. The mark "INVICTA" being applied for by respondent-applicant is identical to opposer's well-known mark "INVICTA" and Design as to be likely, when applied to or used in connection with respondent-applicant's goods, to cause confusion, mistake, and deception on the part of the purchasing public;
20. The registration and use of the mark "INVICTA" by respondent-applicant for use on similar and/or related goods under Class 14 will greatly increase the danger of confusion as it will deceive and/or confuse purchasers into believing that respondent-applicant's goods and/or products bearing the mark "INVICTA" emanate from or are under the sponsorship of opposer;
21. The goods bearing respondent-applicant's mark "INVICTA" and the goods bearing opposer's mark "INVICTA" and Design are sold in the same channels of commerce and trade, and, in fact, placed either in the same section if not on the same display rack inside department stores, specialty shops and similar establishments for which reason an ordinary and/or casual purchaser buying under normal prevalent conditions in trade is not expected to exercise a careful scrutiny of the two competing products and will most likely be confused or deceived to buy respondents-applicant's goods bearing the mark "INVICTA" instead of opposer's goods bearing the mark "INVICTA" and Design which is the product that the customer originally intended to purchase;
22. Respondent-applicant's registration and use of the identical mark "INVICTA" will diminish the distinctiveness and dilute the goodwill of opposer's mark "INVICTA" and Design;
23. The registration of the mark "INVICTA" in respondent-applicant's name will violate Section 123.1, subparagraph (e) of the Intellectual Property (IP) Code; and Section 6bis and other provisions of the Paris Convention for the Protection of Industrial Property to which the Philippines and the U.S.A. are parties;
30. Respondent-applicant's registration and use of the identical mark "INVICTA" will diminish the distinctiveness and dilute the goodwill of opposer's mark "INVICTA" and Design; and
31. The allowance for registration of Application Serial No. 4-1996-115789 in respondent-applicant's name will be violative of the treaty obligations of the Philippines under the Paris Convention to which the Philippines and the U.S. are member states.

The issues to be resolved herein are as follows:

1. Whether the mark "INVICTA" applied for by respondent-applicant is confusingly similar with opposer's "INVICTA" and Design; and
2. Who between opposer and respondent-applicant has a better right to the mark "INVICTA".

Respondent-applicant's Application Serial No. 4-1996-115789 was filed under Republic Act No. 166, the old Trademark Law. Section 4(d) thereof is the provision pertinent to the instant case, to wit:

"Section 4. *Registration of trade-marks, trade-names and service-marks on the principal register.* – There is hereby established a register of trade-marks, trade-names and service marks which shall be known as the principal register. The owner of a trade-mark, trade-name, or service mark used to distinguish his goods, business or services from the goods, business, or services of others shall have the right to register the same on the principal register, unless it:

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(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 sued in connection with the goods, business or services of the applicant, to cause confusion or mistakes or to deceive purchasers;

A comparison below of opposer's mark "INVICTA" and Design and respondent-applicant's "INVICTA" shows confusing similarity between the two:

Respondent-Applicant's mark

Opposer's mark

Both words are in capital letters. Except for the wavy leftward end stroke of the letter "V" of opposer's "INVICTA" and the slightly longer downward point of the respondent-applicant's letter "V", the font of both word marks are almost identical. Regardless of the wings-with-white cross device above opposer's mark "INVICTA", the dominant feature of opposer's and respondent-applicant's respective "INVICTA" marks is the word mark "INVICTA" itself which, as discussed, are almost identical in all respects. Based on the dominancy test, opposer's and respondent-applicant's respective marks "INVICTA" and Design and "INVICTA" are confusingly similar.

Similarity in size, form, and color, while relevant, is not conclusive. If the competing mark contain 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 v. Director of Patents, et al., G.R. No. L-5378, May 24, 1954). The use by a junior dealer of the mark "Wigan" for khaki, which word is part of the mark of another, namely, a representation of two elephants with the word "Wigan" also for khaki constitutes confusing similarity in the goods of both (E. Spinner & Co. v. Neuss Hesslein Corporation, G.R. No. 31237, January 13, 1930).

There is confusion of goods when the ordinarily prudent purchaser would be induced to purchase one product in the belief that he was purchasing the other (Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, April 30m 1969). In the case at bench, a purchaser of respondent-applicant's watch bearing the mark "INVICTA" would likely confuse such watch as having been made by opposer.

Having found that confusing similarity exists between Opposer's INVICTA as well as Respondent-Applicant's INVICTA, there is a need for this Bureau to determine who between opposer and respondent-applicant has a better right to the mark "INVICTA", thus, a determination of who between opposer and respondent-applicant owns the mark must be made.

To determine ownership, in turn, requires a determination of who is the actual and active, albeit prior, user of the subject mark in the Philippines because actual use in commerce or business in the Philippines, not abroad, is a prerequisite to the acquisition of the right of ownership (Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, April 30, 1969). The goods on which the mark is used, thus, must be imported into the Philippines and/or sold in commerce in the Philippines as the principle of territoriality applies to Philippine trademark law (Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, *supra*; Bata Industries, Ltd. v. Court of Appeals, et al., 114 SCRA 318 [1982]).

Evidence of importation into the Philippines, and/or sale of goods in commerce in the Philippines is shown by sales receipts and/or invoices. These are in fact the best evidence to prove not only the fact of importation and/or sale of such goods but also simultaneously the fact of actual use of the mark which the goods carry. Any sale made by a legitimate trader from his store is a commercial act establishing trademark rights since such sale is made in due course to the general public. Such actual sale of goods in the local market establishes trademark use which serves as the basis for any action aimed at trademark pre-emption (Converse Rubber Corporation v. Universal Rubber Products, Inc., et al., G.R. No. L-27906, January 8, 1987).

In the case at bench, it appears that opposer presented and offered in evidence invoices which form part of witness Abraham Lalo's Affidavit. Attached to said Affidavit as annexes are the invoices which show importations and sale transactions of "INVICTA" watches between opposer as importer/seller and different persons as buyers from the year 1995 to 2005. Specifically, the invoices show the following importations and sales by opposer, among others:

1. Goldian Watches and Jewelry on November 20, 1995 of Models 8927 to 8947, and 8949 to 8955; on March 17, 2003 of Model 8901 (annexes "B-52" pp. 141, 150-152, 160-161 and 168; and "S-4", "S-27", and "S-28");
2. Ariston Jewelry Emporium on February 16, 1995 of Models 8210 and 8211, 8399, 8950 and 8951; on August 23, 1996 of Models 8927 to 8938, and 8946 to 8950; and on April 15, 2004 of the "INVICTA" Lady Design Stitch model and the "INVICTA" Lady Ciao Diamond model (Annexes "B-52" pp. 141, 150-152, 160-161, 168, 172 "S-2" "S-23" to "S-25" and "S-29" "S-30");
3. Greenhills Watch Center on January 30, 1997 of Models 8901, 8927 to 8928, and 8947-54; on February 24, 1998 of Model 8979; on October 28, 2002 of Models 8949 to 8955 (Annexes "B-52" pp. 168, 141, 160-161, and 173 "S-5", "S-10", "S-18" and "S-19");
4. Sahlee's Watch & Jewelry on June 30, 1997 of Model 8600 Invicta Lady Qtz 2 Tone; on August 29, 1997 of Models 8901, 8399 and 8950 to 8951; and on January 22, 1998 of Model 8399 Ports Quartz (Annexes "B-52" pp. 160-161, and 168 "S-11", "S-14" to "S-16");
5. Multiwatch Center on November 11, 1997 of Models 8927 to 8929, and 8941 to 8949 (Annexes "B-52" p. 141, 150-152, and 160-161 and "S-12" and "S-13");
6. Aroma Watch enter on September 25, 2005 of Models 8928, 8932, 8934, 8939, and 8941; on October 18, 1999 of Models 8927 to 8945; on March 31, 2000 of Models 8927 and 8928, 8934 and 8935, and 8941 and 8942; and on September 25, 2000 of Models 8928, 8932, 8934, 8939, and 8941 (Annexes "B-52" pp. 141, 150-151 "S-6" and "S-7" to "S-9");
7. California Jewelry on March 17, 2003 of Models 9833 to 9836; on March 3, 2004 of Models 9813 and 9814, and 9819; on August 26, 2004 of Models 2005 and 2006, 2010, 2151; and on January 14, 2005 of Models 2005 and 2010, 2152 and 2154, and 9813 to 9820, and 9833 to 9836 (Annexes "B-52" pp. 70-71. 77-78, 157-158 and p. 178 "S"- "S-1", "S-3", "S-4").

Opposer has, thus, proven through the aforementioned documentary evidences actual use of the mark "INVICTA" by its importation and sale in commerce to different persons/buyers of watches which carries such mark. On the other hand, Respondent-applicant failed to prove otherwise by failing to file its Answer nor submitting the supporting documents thereof. Respondent-applicant has not shown its use of the subject mark, albeit previous to opposer's use thereof. Therefore, Respondent-Applicant's registration must be denied.

WHEREFORE, in view of the foregoing, the Notice of Opposer filed by the Opposer is, as it is hereby SUSTAINED. Accordingly, Application Serial No. 4-1996-115789 for the mark "INVICTA" being used for goods under Class 14, namely all horological products, mechanical watches with manual and automatic winding, quartz watches with digital display, quartz watches with analogical display, mechanical or electronical movements, watch parts, precious metals and their alloys and goods in precious metals or coated therewith, jewelry, precious stones, horological and other chronological instruments filed by Respondent-Applicant, ARTIME NEUCHATEL is, as it is hereby REJECTED.

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

SO ORDERED.

Makati City, 28 February 2007.

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