

FORD MOTOR COMPANY and
LAND ROVER,

Opposer,
- versus -

INCA PLASTICS PHILIPPINES, INC.,
Respondent-Applicant.

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IPC 14-2005-00115

Opposition to:
TM Application No. 4-2003-000052
(Filing Date: 03 January 2005)

TM: "DISCOVER"

Decision No. 2007 – 74

DECISION

This pertains to an Opposition Case filed on 27 October 2006 by herein Opposers, FORD MOTOR COMPANY, Ford for brevity, a company organized under the laws of Delaware, U.S.A., with principal place of business at One American Road, Dearborn, Michigan 48126, U.S.A., and LAND ROVER, a company organized under the laws of England and Wales, having a principal place of business at Banbury Road, Gaydon, Warwickshire CV35 ORR, against the application for registration of the trademark "DISCOVER" bearing Application Serial No. 4-2005-000052 filed on 03 January 2005 for Goods, for two wheelers, land vehicles, scooters, scooterettes, motor cycles, parts and accessories, by BAJAJ AUTO LIMITED, Respondent-Applicant, a corporation with address on record at Akurdi, Pune 411 035, Maharashtra, India.

The subject trademark application was published for opposition in the Intellectual Property Office Official Gazette which was officially released for circulation on 29 June 2006.

The grounds for the Opposition, in sum, are as follows:

1. The registration of the mark subject of this Opposition is contrary to Section 123.1 (e) and (f) of Republic Act (RA) No. 8293, which prohibits the registration of a mark.
2. The ownership and exclusive right to use the DISCOVERY mark belongs to the Opposer Land Rover, which is owned by Ford. Said mark has been used by Land Rover in connection with motor vehicles, their structural parts, engines and accessories, prior to 1998 and before the filing or the alleged date of first use of the same mark by the Respondent-Applicant. Thus, Land Rover has acquired exclusive trademark rights to the DISCOVERY mark under Republic Act No. 166. Land Rover and Ford are entitled to the protection of these rights under Section 236 of Republic Act No. 8293.
3. The Respondent-Applicant's DISCOVER mark closely resembles Land Rover's DISCOVERY mark as to be likely to deceive or cause confusion.
4. Land Rover is entitled the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, referring to the International Convention and Reciprocity.

Land Rover, domiciled in the United Kingdom, as a member the Paris Convention for the Protection of Industrial Property, as provided under Section 6bis thereto, of which the Philippines is also a member.

5. The use by the Respondent-Applicant of the DISCOVERY mark on the goods covered by its application: two wheelers, land vehicles, scooters, scooterettes, motor cycles, parts and accessories thereof in Class 12, and other goods that are similar, identical or closely related, produced by, originated from, or are under the sponsorship of Land Rover, such as motor vehicles, their structural parts, engines and accessories in Class 12, will mislead the purchasing public into believing that the Respondent-Applicant's goods are produced by, originated from, or under the sponsorship of Land Rover. Respondent-Applicant's use of the DISCOVERY mark will constitute unfair competition and potential damage to Land Rover will be caused as a result of Land Rover's inability to Control the quality of the products put on the market by the Respondent-Applicant under the DISCOVER mark.
6. The use by Respondent-Applicant of the DISCOVER mark in relation to any goods identical similar or closely related to Opposers goods will take unfair advantage of, dilute and diminish the distinctive character or reputation and well known status of Land Rover's DISCOVERY mark.

Opposer relied on the following facts support its Opposition, to wit:

1. Land Rover was the first to adopt and use the DISCOVERY mark in connection with the goods in Class 12, particularly motor vehicles, their structural parts, engines and accessories.
2. Land Rover has not consented to Respondent-Applicant's use and registration of the DISCOVER mark or any other mark identical or similar to Land Rover's DISCOVERY mark.
7. Land Rover has been commercially using the DISCOVERY mark on motor vehicles sold and distributed in the Philippines as early as 1988, or prior to the filing date of application subject of this opposition and prior to the affectivity of Republic Act N. 8293.
8. By reason of spelling, pronunciation and appearance, the Respondent-Applicant's mark is confusingly similar to Land Rover's DISCOVERY mark.
9. Land Rover has been commercially using the DISCOVERY mark internationally prior to the filing date of the application subject of this opposition. The use of the DISCOVERY mark by Land Rover began at least as early as 1989 in the United Kingdom and has been continuous, famous uninterrupted ever since then.
10. The DISCOVERY mark has been registered and applied for registration in the name of Land Rover in several countries.
11. Land Rover has not abandoned the DISCOVERY mark and continues to use in trade and commerce in the Philippines.
12. Land Rover has extremely promoted DISCOVERY mark worldwide.

Over the years, Land Rover's DISCOVERY mark has obtained significant exposure in various media including television commercials, outdoor advertisements, internationally well-known print

publications, and other promotional events. Products bearing Land Rover's DISCOVERY mark are also promoted at the domain www.landrover.com and in related national and regional websites targeting specific local markets, which can be readily accessed by internet users.

The popularity of the DISCOVERY mark has been enhanced as a result of its promotion in conjunction with another well-known trademark of Land Rover and the trademark LAND ROVER.

9. The prior and continuous use by Land Rover of the DISCOVERY mark in the Philippines, has become this mark popular and well-known in the Philippines and has established valuable goodwill with the public, which has identified Land Rover as the source of goods, bearing the said mark.
10. Land Rover has applied for the registration of the DISCOVERY mark in the Philippines for "land motor vehicles and part and accessories therefore" in Class 12, under Application No. 4-2006- filed on 15 September 2006.

A Notice to Answer dated 06 November 2006 was issued by this Office requiring Respondent-Applicant, through its counsel, to file Answer to the Verified Notice of Opposition within thirty (30) days from receipt thereof.

Consequently, Respondent-Applicant filed (3) Motions for Extension of Time to File Verified Answer dated 08 December 2006, 09 January 2007 and 08 February 2007 which were all granted by this Office in Order Nos. 2006-1744, 2007-62 and 2007-273, respectively.

To date, no Answer nor any pleading to that effect has been filed by Respondent-Applicant. Thus, considering that the reglementary period to file Answer was lapsed, Respondent-Applicant is deemed to have waived its right to file Answer. Hence, this case is submitted for decision, admitting the following documentary evidence submitted by the Opposers, to wit:

Exhibit	Description
"A"	Verified and authenticated Notice of Opposition
"B"	Authenticated Affidavit of Mark Sparschu
"B-1"	Sample print advertisements promoting DISCOVERY vehicle
"B-2"	Books published on the DISCOVERY vehicle
"B-3"	Applications and Registrations in several countries of the DISCOVERY mark in the name of Land Rover
"B-4"	Copies of registration by Land Rover for the DISCOVERY mark
"B-5"	Confidential and Privileged status cases involving the subject mark.
"C"	Copy of the Philippine Trademark Application No. 4-2006-010270 for the mark "DISCOVERY"

“D”	Authenticated certification of Mark Sparschu on behalf of Opposer Ford Motor Corporation
“E”	Authenticated certification of Mark Sparschu on behalf of Opposer Ford Motor Corporation

The issue for resolution is:

WHETHER OR NOT RESPONDENT-APPLICANT’S APPLICATIONS FOR REGISTRATION OF THE MARK “DISCOVER” MAY BE ALLOWED.

The determination of whether or not the subject mark in this instant case may be registered is anchored in R.A. 8293, or the Intellectual Property Code, particularly Section (e) thereof, which is one of the basis propounded by herein Opposer, herein quoted as follow, to wit:

“A mark cannot be registered if it:

x x x

- (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 determination whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark; (Emphasis Ours.)

The foregoing provision has to suffice the following concurring requisites: (1) the registered mark is identical with, or confusingly similar to, or constitutes as translation of petitioner’s mark; (2) the mark should be used for identical or similar goods or services and, (3) the Opposer’s mark is well-known internationally and in the Philippines, regardless of registration in the Philippines.

The first requisite is the application of the principle of confusing similarity.

The test confusing similarity which may preclude the registration of a trademark is not whether the challenged mark would actually cause confusion or deception of the purchasers but whether the use of such mark would likely cause confusion or mistake on the part of the buying public, The law does not require that the competing mark must be so identical as to produce actual error or between the two labels be such that there is a possibility or likelihood of the purchaser of the older brand mistaking the newer brand for it, (Acoje Mining Co., Inc. vs. Director of Patents, 38 SCRA 480)

The contending marks in the instant case, Opposer’s DISCOVERY and Respondent-Applicant’s DISCOVER while non-identical, appears rather confusingly similar.

To assist in resolving the issue of confusing similar, the law and jurisprudence has two kinds of test – the Dominancy test, as applied in the following cases: Asia Brewery, Inc. vs. Court of Appeals, 224 SCRA 437; Co Tiong vs. Director of Patents, 95 Phil1; Lim Hoa vs. Director of Patents, 100 Phil. 214; Philippine Nut Industry, Inc. vs. Standard Brands, Inc., 65 SCRA 575; Converse Rubber Corp. vs. Universal Rubber Products, Inc., 147 SCRA 154; and the Holistic

Test developed in Del Monte Corporation vs. Court of Appeals, 181 SCRA 410; Mead Johnson & Co. vs. N.V.J. Van Corp., Ltd., 7 SCRA 711; Fruit of the Loom, Inc. vs. Court of Appeals, 133 SCRA 405.

The test of dominancy focuses on the similarity of the prevalent features of the competing trademarks which might cause confusion or deception. It is necessary if the competing trademarks contains the main, essential or dominant features of another, and confusion or deception is likely to result x x x The question is whether the use of the marks involved is likely to cause confusion or mistake in the mind of the public or deceive purchasers. (Mighty Corporation vs. E & J Gallo Winery, 434 SCRA 473)

As early as the case of Co Tiong Sa vs. Director of Patents, 95 Phil. 1, the Honorable Supreme Court held that the question of infringement of a trademark is to be determined by the test of dominancy. In the 2004 case of Mc Donald's Corporation vs. LC Big Mak, 437 SCRA 10, the Honorable Supreme Court again relied on the dominancy test in resolving the issue of likelihood of confusion and discussing as to what constitutes a dominant feature of a mark, to wit:

“The Court, however, relied on the dominancy test rather than the holistic test. The dominancy test considers the dominant features in the competing marks in determining whether they are confusingly similar. Under the dominancy test, courts give greater weight to the similarity of the appearance of the product arising from the adoption of the dominant features of the registered mark, disregarding minor differences. Courts will consider more the aural and visual impressions created by the marks, in the public mind, giving little weight to factors like prices, quality, sales outlets and markets segments.”

Prescinding from the foregoing discussions, this Bureau finds that the word “DISCOVER” is the dominant feature in the contending remarks. It easily attracts and catches the eye of the ordinary purchaser. In fact, the only difference between the two marks is that Respondent-Applicant's mark has “Y” at the end of the word. “DISCOVER”, which obviously, is unremarkable. Practically, the two words have the same meaning. Opposer's mark “DISCOVERY” means, strength or energy especially of an exceptional degree, while Respondent-Applicant's mark “DISCOVER” means to give force to. What make the words different is that the former is a noun and the latter is its verb. (Websters Third New International Dictionary)

Applying the dominancy test, the visual impression created by the marks is the word DISCOVER in both trademarks of Opposer and Respondent-Applicant.

The second requirement further provides that marks should be used in similar or identical goods. Opposer's evidence (Exhs. “B-3” and “B-4”) shows to include goods such as motor vehicles, their structural parts, engines and accessories. Records likewise show that Respondent-Applicant's goods fall under Class 12 for two wheelers, land vehicles, scooters, scooterettes, motor cycles, parts and accessories thereof. Therefore, the goods involved hereto are similar and falls under the same class of the Nice Classification of Goods. They serve the same purpose and flow through the same channels of trade. Hence, they are competing and are considered as related or similar goods.

Verily, there is also likely to arise confusion as to their source or origin. This exists when in view of the similarity or identicalness of the marks involved, one party's product or service, similar, related or even different from that of another might reasonably be assumed to originate from the latter as to likely deceive the public into believing that there is business association between the contending parties.

Guided by the foregoing tenets, Opposer has established that there exists confusing similarity in the marks of the Opposer and the Respondent-Applicant, and that the contending goods are in fact, competing and similar.

Finally, the threshold issue of well-known mark settles whether Respondent-Applicant's "DISCOVER" mark may be allowed registration. The question now lies, whether or not Opposer's "DISCOVERY" mark was established and proved to be of well-known status.

This Bureau rules in the negative.

Opposer who has the onus probandi in establishing and proving that its mark is well known internationally and in the Philippines, regardless of Philippine registration, failed to submit eloquent proof to prove that the mark has actually gained and enjoyed a worldwide reputation internationally and in the Philippines.

The Rules and Regulations on Trademarks, Service Marks, Trade Names and Marked or Stamped Containers, particularly Rule 102 thereof enshrines the criteria to determine a well-known mark, to wit:

"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, 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 the 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 registration 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 well-known mark; and
- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods and owned by persons other than the person claiming that his mark is a well-known mark."

Opposer, in the case at bar, did not meet the enumerated criteria or any combination thereof of a well-known. This Bureau is not convinced that the sixteen (16) pages of world wide registrations (Exh. B-3") will vest its mark of a well-known status. It bears stressing that the sample print advertisements promoting "DISCOVERY" vehicle do not show the duration, extent and geographical area of such promotion or advertisements. It has no evidence to prove that "DISCOVERY" mark for Class 12 goods was ever promoted in the Philippines. The same holds true as far as the books published in the "DISCOVERY" vehicle.

Opposer's allegation that it was the prior user and adopter of the "DISCOVERY" mark in the Philippines is likewise devoid of any proof to substantiate the claim. In the case of Prescilla Nedia, et al vs. Celso D. Lavina, et al, September 26, 2005, the Honorable Supreme Court ruled that, "Mere allegation is not evidence and is not equivalent and is not equivalent to proof." Thus, the allegations of petitioner on prior use and adoption of the subject mark has no leg to stand on. It is therefore devoid of any credence.

Moreover, the Confidential and Privileged list o status of cases cannot be likewise given credence. It is mere listing, unofficial and unsigned. This Bureau has no way to determine whether the listings are true and correct. Therefore, Opposer's "DISCOVERY" is well-known mark.

Opposer is trying to seek refuge under the protective mantle of the Treaty of Paris for the Protection of Intellectual Property, which seeks to protect well-known trademarks as determined by domestic authorities. This Office is not unmindful of the said treaty but the foregoing quoted rules providing for criteria of a well-known mark is set to implement Article 6 bis of the Treaty of Paris.

However, this Office cannot take for granted the inaction of Respondent-Applicant in defending its claim for the application of the trademark "DISCOVER". Such inaction of Respondent-Applicant is evidenced by its failure to file its Answer despite the three (3) Motions for Extension to file Answer, all granted by this Bureau. This is contrary to the disputable presumption that "a person takes ordinary care of his concern", enunciated in Section 3 (d) of Rule 131 of the Rules of Court.

It was the Respondent-Applicant's option not to defend its case, contrary to the declared policy of the Supreme Court to the effect that "it is precisely the intention of the law to protect only the vigilant, not those guilty of laches." (PAG-ASA INDUSTRIAL CORP. vs. COURT OF APPEALS, 118 SCRA 526)

WHEREFORE, premises considered, the Notice of Opposition is hereby DENIED. Accordingly, application bearing Serial No. 4-2005-000052 filed by Respondent-Applicant BAJAJ AUTO LIMITED on 03 January 2005 for the registration of the mark "DISCOVER", under Class 12 used for two wheelers, land vehicles, scooters, scooterettes, motor cycles, parts and accessories, is hereby considered ABANDONED by the applicant having failed to file its Answer and principle enunciated by the Supreme Court in the aforequoted case and Section 230 of R.A. 8293 which states that "in a;; inter partes cases, the equitable principles of laches, estoppel and acquiescence where applicable, may be considered and applied."

Let the filewrapper of the trademark "DISCOVER" subject matter of this case together with a copy of this Decision forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 25 June 2007.

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