

KONINKLIJKE PHILIPS ELECTRONICS,
Opposer,
- versus -

IPC 14-2006-00034

WILTON DY/PHILITES ELECTRONIC &
LIGHTING PRODUCTS
Respondent-Applicant.
x-----x

Opposition to:
TM Application No. 4-2000-002937
(Filing Date: 12 April 2000)

TM: "PHILITES &
P DEVICE"

Decision No. 2006 – 125

DECISION

For action is the Notice of Opposition filed on 29 March 2006 by Koninklijke Philips Electronics N.V., Opposer, a company duly organized and existing under the laws of The Netherlands, with address at Groenewondseweg 1, 5621 BA Eindhoven, The Netherlands against Application Serial No. 4-2000-002937 for the trademark "PHILITES & Letter P Device" used on goods under class 11 namely "fluorescent bulb, incandescent light, starter and ballast" in the name of Wilton Dy/ Philites Electronics and Lighting Products, Respondent-applicant.

Opposer relied on the following grounds in support of its opposition:

a. The approval of Application Serial No. 4-2000-002937 is contrary to the following provisions of Republic Act No. 8293 or the Intellectual Property Code of the Philippines (IP Code): Section 123.2 (d) (i) and (iii), 123.1 (e), 147 and 168.

b. The approval of Application Serial No. 4-2000-002937 will cause grave and irreparable damage and injury to Opposer.

c. The use of registration of the mark applied for by the Respondent-Applicant will mislead the public as to the origin, nature, quality and characteristics of the goods on which it is affixed.

d. Respondent-Applicant's application for registration is tantamount to fraud as it seeks to register and obtain legal protection for an identical confusingly similar mark that clearly infringes upon the established rights of the Opposer over its registered internationally well-known mark.

e. The registration of the trademark PHILITES & LETTER P DEVICE in the name of Respondent-Applicant will violate the proprietary rights and interest, business reputation and goodwill of the Opposer over its trademark considering that the distinctiveness of the trademarks PHILIPS will be diluted.

f. The registration of the applied mark will not only prejudice the Opposer, but will also cause Respondent-Applicant to unfairly profit commercially from the goodwill, fame and notoriety of Opposer's trademark and reputation.

g. Respondent-Applicant's registration and use of the applied for mark in connection with goods under Class 11 will weaken the unique and distinctive significance of mark PHILIPS and will tarnish, degrade or dilute the distinctive quality of Opposer's trademark and will result in the gradual attenuation or whittling away of the value of Opposer's trademark, in violation of Opposer's proprietary rights."

Opposer submitted the following evidence in support of its allegations:

Exhibit	DESCRIPTION
"A"	Certificate of Registration No. 42270
"B"	Certificate of Registration No. 42271
"A"	Listing of trademark registrations referred to in Affidavit-testimony of JAN CORNELIS DE VISSER
"B"	Listing of domain name registrations referred to in Affidavit- testimony of JAN CRNELIS DE VISSER
"C"	OHIM printout of community trademark registrations
"D"	photocopy of United Arab Emirates registration of Philips mark
"E"	photocopy of Republic of Argentina registration (no translation)
"F"	Notice of renewal registration (Australia)
"G"	photocopy of Benelux registration (no translation)
"H"	photocopy of registration
"I"	photocopy of Ecuador registration (no translation)
"J"	photocopy of Palestine, Gaza registration
"K"	photocopy of Hong Kong registration
"L"	photocopy of Indonesia registration
"M"	photocopy of OMPI registration (no translation)
"N"	photocopy of Malaysia
"O"	photocopy of United Arab Emirates
"P"	photocopy of Jordan registration (no English translation)
"Q"	photocopy of Republic of Seychelles
"R"	photocopy of Malaysia renewal registration
"S"	photocopy of Thailand
"T"	photocopy of a renewal registration (no indication of country)
"U"	photocopy of Samoa registration
"V"	photocopy of Malaysia registration
"W"	photocopy of United Arab Emirates registration (no English translation)
"X"	photocopy of Malaysia renewal certificate of registration
"Y"	Annual Reports of Philips Group

Respondent filed his answer on 8 August 2006 and raised the following special and affirmative defenses:

“3.1 Respondent-Applicant has adopted and used “PHILITES & LETTER P DEVICE” trademark, and has filed an application of the mark on April 12, 2000 with application number 4-2000-0002937 for the goods fluorescent bulb, incandescent light, starter, ballast. Copy of the certified true copy of the trademark application is herein attached as Exhibit 1 including submarkings and the original of which is contained in the file wrapper which this Office can take judicial notice.

3.2 The Opposer contends that there is confusing similarity between Respondent-Applicant’s mark “PHILITES & LETTER P DEVICE” and Opposer’s mark “PHILIPS”. It is however, the position of Respondent-Applicant that if compared and viewed in its entirety there are vast dissimilarities between contending marks. The visual attributes specifically the representation, logo, style and size in the lettering of Respondent-Applicant’s trademark is very much different from that of the Opposer. The difference between the contending marks is very clear and definite, that consumer will have a clear recollection of Respondent-Applicant’s mark. Thus, confusion between the contending marks is nil. A certified true copy of the drawing of the Respondent-Applicant’s trademark herein attached as Exhibit 1-C and the original of which is contained in the file wrapper which this Office can take judicial notice.

3.3 The spelling, sound and meaning of Respondent-Applicant’s mark is different from that of the Opposer. Respondent-Applicant’s mark is spelled differently from that of the Opposer. Moreso, when pronounced Respondent-Applicant’s mark gives a different sound and effect. In terms of meaning, Respondent-Applicant is coined and arbitrary mark which has no dictionary meaning. Over-all, in terms of spelling, sound and meaning, Respondent-Applicant’s mark is not confusingly similar with that of the Opposer.

3.4 The substantial differences and distinctions between the contending marks are as follows:

- a) Visual representation
- b) Form
- c) Spelling
- d) Meaning

3.5 The Affidavit of Wilton Dy, attesting to the origin of the mark, originality, trademark registration, commercial use and promotion is attached as Exhibit 2.

3.6 The Opposer claims that its mark is well-known. It is the Respondent-Applicant position that Opposer claim is without basis. Opposer’s mark was never proclaimed by a competent authority that it is well-known.

3.7 The substantial differences in the marks “PHILITES AND LETTER P DEVICE” and “PHILIPS AND SHIELD EMBLEM” are very clear and noticeable. The difference in visual representation, form, spelling, sound and meaning negate the allegation that the registration of Respondent-Applicant’s mark “PHILITES and LETTER P DEVICE” will Applicant’s mark “PHILITES and LETTER P DEVICE” will mislead and lead confusion in the minds of the consumer.

The differences between the marks will negate the connection between Respondent-Applicant’s products and that Opposer’s. Considering the differences cited, the possibility of likelihood of confusion to consumers is nil. In view thereof, it is Respondent-Applicant’s position that the contending marks are not confusingly similar.”

Respondent-applicant submitted the following documentary exhibits in support of its position, to wit:

Exhibit	Description
"J"	Certified true copy of trademark application no., 4-2000-002937
"2"	Affidavit of Wilton Dy

Opposer filed its reply on 22 August 2006 while respondent-applicant filed its rejoinder on 8 September 2006.

The preliminary conference was conducted on 18 September 2006 to clarify issues and to give the parties an opportunity to explore the possibility of amicably settling the case. There being no settlement reached both parties were required to submit their respective position papers.

The main issue to be resolved is whether the respondent's "PHILITES AND P DEVICE" mark is confusingly similar to opposer's mark.

Opposer traces its right to the trademark "PHILIPS" more than one hundred years ago. According to its witness, Jan de Visser, Philips & Co. was founded by the brothers Gerard Philips and Anton Philips whose company dealt with the manufacture and sale of lighting products. Clearly the "Philips" mark originated from the brothers' surname, PHILIPS. Opposer submitted copies of registrations for the mark Philips in several countries to support its contention that its mark is well-known and distinct. (Exhibit "X"). To further bolster this claim, Opposer points out that it has incurred expenditures and had generated enormous sales worldwide. Its annual Reports from 2000 to 2004 (Exhibit "Y") were submitted to support this assertion.

Opposer argues that it is a well-known mark and as such is protected under the Section 147.1 and 147.2 in relation to Section 123 (e) of Republic Act 8293. The law provides:

"SEC. 123. Registrability. 123.1. A mark cannot be registered if it:

(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 determining 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; xxx"

"Sec. 147. Rights Conferred

147.1. The owner of a registered mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

147.2. The exclusive right of the owner of a well-known mark defined in subsection 123.1 (e) which is registered in the Philippines, shall extend to goods and services which are not similar to those in respect of which the mark is registered: Provided, that use of the mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered mark are likely to be damaged by such use."

Only the competent authority of the Philippines can cite a mark as “well-known”. In accordance with the High Court’s pronouncement in *Mirpuri v. Court of Appeals* (318 SCRA 516), the competent authority would either be the registering authority or the courts of the country if the issue comes before it. Furthermore, Rule 102 of the Rules and Regulations on Trademark set the following criteria or any combination to be taken in account in determining well known-ness:

- a. The duration, extent and geographical area of use of the mark, in 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 of the acquired mark;
- e. The extent to which the mark has been used in the world;
- f. The exclusivity of the use attained by the mark in the world;
- g. The commercial value attributed to the mark in the world;
- h. The record of successful protection of the rights in the mark;
- i. The outcome of litigations dealing with the issue of whether the mark is a well-known; and
- j. The presence or absence of identical or similar goods or services owned by persons other than the person claiming that his mark is a well known mark.

Under the law, to be considered well known, a mark must not be only well known internationally but also in the Philippines. Turning to the evidence presented, the opposer submitted photocopies of registrations of its mark in the OHIM and around twelve countries abroad. It likewise submitted “Philip shield emblem” and word mark “Philip” registrations in the Philippines. It failed to submit evidence of the use of its mark through commercial sales or advertising in the Philippines. Opposer submitted its annual reports for the year 2000 up to 2004. (Exhibit “Y”- 1-4) The annual report contained tabulated summaries of worldwide sales, operating costs and expenses. It can be seen from the report that the Philips group has diversified to other industries such as medical systems, domestic appliance and personal care, consumer electronics, semi-conductor. Notably, the nature of the report vaguely points out activities of the Philips mark in the Philippines in particular.

Assuming *arguendo* that a mark is considered well known in the Philippines, a mark under application for registration should only be identical with, or confusingly similar to, or constitutes a translation of such well known mark in order that the owner of the well known mark can prevent its registration.

In the instant case, since the marks of the parties are not identical, the Bureau shall determine the presence of confusingly similarity. The Supreme Court in the *Philip Morris, Inc. v. Fortune Tobacco Corporation*, G.R. No. 158589, 27 June 2006 held:

“The likelihood of confusion” is the gravamen of trademark infringement. But the likelihood of confusion is a relative concept, the particular, and sometimes peculiar, circumstances of each case being determinative of its existence. Thus, in trademark infringement

cases, more than in other litigation, precedents must be evaluated in the light of each particular case.”

The marks of the parties are produced below for reference:



PHILIPS



OPPOSER'S REGISTERED TRADEMARKS
"Philips Shield Emblem" and "Philips"

RESPONDENT'S TRADEMARK
"Philites & `P' device"

At first glance, it is obvious that there is a marked difference between the Philips shield mark and the Philites and the "P" device of the respondent. All in all, there are glaring differences and dissimilarities in the design and general appearance of the Philips shield emblem mark and the letter "P" of Philites mark. The Philips shield mark has four stars in different sizes located at the north east and south west portions inside a circle within the shield. The three wavy lines dissecting the middle of the circle. None of these appear in the respondent's mark.

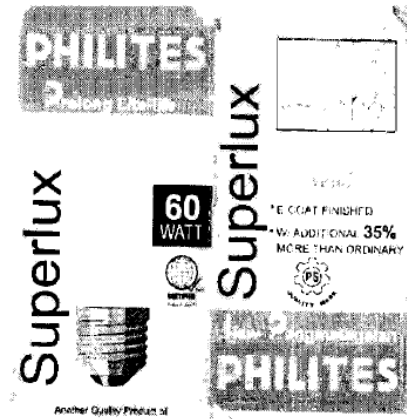
Opposer declares that the word Philips is the surname of the brothers who founded the Philips company engaged in manufacturing and selling lighting products. Respondent-applicant on the other hand has testified that the word Philites is coined from the "Philippines" and "lights", hence "Philites". This Bureau finds that there is no dictionary meaning to the respondent's mark. It is a coined and arbitrary word capable of appropriation as a trademark. In *Philippine Refining Co., Inc. v. Ng Sam*, No. L-26676, 30 July 1982, the Supreme Court held that "a trademark is designed to identify the user. But it should be so distinctive and sufficiently original as to enable those who come into contact with it to recognize instantly the user. It must be affirmative. Definite, significant and distinctive, capable to indicate origin.

Moreover, by mere pronouncing the two marks, the phonetics sound produced when each mark is uttered are not the same. The last syllable of respondent's mark is uttered in a long vowel sound, while the last vowel of the opposer's mark is not.

In its reply, opposer belatedly points out the similarity of the mushroom shape of the light bulbs of the parties (Exhibit "A"- light bulb of opposer and Exhibit "B" – light bulb of respondent-applicant) as well as the rectangular shape of the product packaging. This Bureau believes that opposer has no monopoly over the color or diameter or shape of a light bulb or packaging shape unless registrations were secured to protect the same. The images of the packages are reproduced below for reference:



OPPOSER'S PACKAGE
(Exhibit "C"- Opposer's Reply)



RESPONDENT'S PACKAGE
(Exhibit "D"- Opposer's Reply)

As aptly held in the case of Asia Brewery v. Court of Appeals, G.R. No. 103543, 5 July 1993, where the Court stated that the use of steinie bottle was not unlawful:

Being of functional or common use, and not the exclusive invention of any one, it is available to all who might use it within the industry. Nobody can acquire any exclusive right to market articles supplying simple human needs in containers or wrappers of the general form, size and character commonly and immediately used in marketing such articles."

The Supreme Court in the case of Victorias Milling Company, Inc. v. Ong Su, G.R. L. 28499, September 30, 1977 held:

"Indeed the petitioner has advertised its sugar in bags marked "Victorias" with oval, hexagon and other designs. Considering that the petitioner failed to establish that the diamond design component of its mark has acquired a secondary meaning and the literal portion of the marks have no similarity, there is no reasonable likelihood of purchaser confusion resulting from registrant's use of VALENTINE within a diamond and petitioner's use of VICTORIS within a diamond."

Opposer also argues that the details or visual attributes in the packaging of both parties are similar (Exhibit "C" – package of the opposer, Exhibit "D" – package of the respondent-applicant). Opposer notes that the colors black, white, orange-yellow are presented in both boxes and the words like "35%" and "60 watt" appears in the packages.

We disagree with the observation and conclusions of the opposer. For one, respondent adopts a yellow to light yellow dominant color while the opposer uses an orange yellow hue. The mark "Philites" is printed in yellow with light blue background as compared to the "Philips" mark typed in white against a black background.

It is fundamental in trademark jurisprudence that the color alone, unless displayed in an arbitrary design does not function as a trademark.

Secondly, there appears to be other advertising slogans that appear in respondent's package such as the words, "new", "prolong lite life", "E-coat finished" and "with additional 35% more than ordinary". These phrases are absent in opposer's package. These phrases can be considered in the future in the nature of descriptive terms that can be appropriated by anyone.

"Descriptive terms are regarded as words in the public domain in the sense that all sellers should be free to truthfully use these terms to describe their merchandize. (Minnesota Mining & Mfg. Co. Co. v. Johnson & Johnson (1972, Cust & Pat App) 454 F2d 1179. xxx and that "one competitor will not impoverish the language of commerce by preventing his fellows from

fairly describing their own goods. (Bada Co. v. Montgomery Ward & Co. (1970, Ca9) 426 F2d 8. (Unfair Competition and Trademarks, J. Thomas McCarthy, 1973)”)

Amplified in the case of Asia Brewery Inc. v. Court of Appeals, G.R. No. 103543

“A word or a combination of words which is merely descriptive of an article of trade, or of its composition, characteristics, or qualities, cannot be appropriated and protected as a trademark to the exclusion of its use by others. In as much as all persons have an equal right to produce and vend similar articles, they also have the right to describe them properly and to use any appropriate language or words for that purpose, and no person can appropriate to himself the exclusively any word or expression, properly descriptive of the article, its qualities, ingredients, or characteristics, and thus limit other persons in the use of language appropriate to the description of their manufacturers, the right to use of such language being common to all.”

In sum, the “Philips shield emblem” and “Philips” marks are so unlike that respondent-applicant’s “Philites with the ‘P’ device” both visually and aurally that no confusion is likely to occur despite their contemporaneous use.

Finally, the ordinary purchaser must be thought of as having and credited with, at least a modicum of intelligence (Carnation Co. vs. California Growers Wineries, 97 F. 2d 836) to be able to see the obvious differences between two trademarks in question. (Fruit of the Loom, Inc. v. Court of Appeals, No. L-32747, November 29, 1984).

WHEREFORE, premises considered the OPPOSITION filed by Koninklijke Philips Electronics, N.V. is hereby DENIED. Accordingly, Application Serial No. 4-2000-002937 filed by Respondent- Applicant, Wilton Dy and/or Philites Electronic & Lighting Products on 12 April 2000 for mark “PHILITES & LETTER P DEVICE” used on fluorescent bulb, incandescent light, starter, ballast under class 11, is as it is, hereby GRANTED.

Let the filewrapper of “PHILITES & LETTER P DEVICE”, subject matter of this case together with this Decision be forwarded to the Bureau of Trademarks (BOT) for appropriate action.

SO ORDERED.

Makati City, 9 November 2006.

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