

L'OREAL,	}	IPC NO. 14-2007-00338
<i>Opposer,</i>	}	Case Filed: 23 November 2007
	}	
	}	Opposition to:
	}	
versus	}	Appln. Ser. No. 4-2007-001831
	}	Date Filed: 21 February 2007
SPLASH CORPORATION,	}	
Respondent-Applicant.	}	TM: "TRICKS"
	}	
x-----x	}	Decision No. 2009-61

DECISION

This is a verified NOTICE OF OPPOSITION filed by L'OREAL to the application for registration of the mark "TRICKS" bearing Application Serial No. 4-2007-001831 filed on February 21, 2007 by Respondent-Applicant Splash Corporation for Class 03 namely, hair styling gel, setting lotion, hair polish, hair spray, and other hair styling aids products, which application was published for opposition in the Intellectual Property Office ("IPO") Electronic Gazette which was released for circulation on July 27, 2007.

Opposer is a corporation organized and existing under the laws of the state of France, having principal place of business at 14 Rue Royale, 75008 Paris France. Respondent-Applicant is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office at HBC Corporate Center, 548 Mindanao Ave. Cor. Quirino Highway, Novaliches Quezon City.

The grounds for opposition are as follows:

1. The registration of the TRICKS mark is contrary to the provisions of Sections 123.1 (d), (e) and (f) of Republic Act No. 8293, as amended, which prohibit the registration of a mark that:

(d) Is identical with a registered mark belonging to a different proprietor or a mark with an earlier filing or priority date, in respect of:

- (i) The same goods or services, or*
- (ii) Closely related goods or services, or*
- (iii) If it nearly resembles such a mark as to be likely to deceive or cause confusion;*

(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 at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

(f) Is identical with, or confusingly similar to, or constitutes a translation of a mark considered well-known in accordance with the preceding paragraph, which is registered in the Philippines with respect to goods or services which are not similar to those with respect to which registration is applied for: 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: Provided

further, That the interests of the owner of the registered mark are likely to be damaged by such use.”

2. The Opposer is the owner of the well-known TRIX and MATRIX trademarks which are registered with the Philippine Intellectual Property Office (“IPO”) under class 3. The details of the registrations appear below:

Application:

Mark	Registration No.	Date Issued	Class
TRIX	4-2004-006155	18 September 2006	3
MATRIX	4-1996-115599	18 February 2006	3

3. Respondent-Applicant’s TRICKS mark is confusingly similar to the Opposer’s TRIX and MATRIX trademarks as to be likely to deceive or cause confusion. Respondent-Applicant’s TRICKS mark is phonetically and visually similar to Opposer’s TRIX trademark and the component “TRIX” in the MATRIX trademark. Hence, the registration of the Respondent-Applicant will be contrary to Section 123.1 (d) of Republic Act No. 8293.

4. The Opposer is entitled to the benefits granted to foreign nationals under Section 3 of Republic Act No. 8293, which provides:

“Section 3. International Conventions and Reciprocity. - - Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessarily to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.”

The Opposer is domiciled in the France. Both the Philippines and the France are members of the Paris Convention for the Protection of Industrial Property. The Paris Convention provides:

“Article 6bis

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation considered by competent authority of the country of registration or use to be well known in that country as being the mark of a person entitled to the benefits of this Convention and used for identical or similar goods x x x.”

“Art. 10bis

(1) The countries of the Union are bound to assure nationals of such countries effective protection against unfair competition”

“5. The Opposer’s TRIX and MATRIX trademarks are well-known and world famous trademarks. Hence, the registration of 6bis and 10bis of the Paris Convention in conjunction with Sections 3, 123.1(e), and 123.1(f) of Republic Act No. 8293.

"6. Opposer has used the TRIX and MATRIX trademarks in the Philippines and elsewhere prior to the filing of the application subject of this opposition. The Opposer continues to use the TRIX and MATRIX trademarks in the Philippines and in numerous other countries.

"7. The Opposer has also extensively promoted the TRIX and MATRIX trademarks worldwide. Over the years, the Opposer has obtained significant exposure for the goods upon which the TRIX and MATRIX trademarks are used in various media, including television commercials, outdoor advertisements, internationally well-known print publications, and other promotional events.

"8. Opposer has not consented to the Respondent-Applicant's use and registration of the TRIX and MATRIX trademarks, or any other mark identical or similar to the Opposer's TRIX and MATRIX trademarks.

"9. The use by the Respondent-Applicant of the mark subject of this opposition in connection with hair care products and related goods will mislead the purchasing public into believing that the Respondent-Applicant's goods are produced by, originate from, or are under the sponsorship of the Opposer. Potential damage to the Opposer will also be caused as a result of its inability to control the quality of the products offered or put on the market by Respondent-Applicant under the TRICKS mark.

"10. The use by the Respondent-Applicant of the mark subject of this opposition in relation to its goods, whether or not identical, similar or closely related to the Opposer's goods will take unfair advantage of, dilute and diminish the distinctive character or reputation of the opposer's TRIX and MATRIX trademarks.

"11. The denial of the application subject of this opposition is authorized under other provisions of Republic Act No. 8293."

Opposer prays, thus, that the opposition be granted and that Application No. 4-2007-001831 filed by respondent-applicant for the registration of the mark "TRICKS" be denied.

On April 09, 2008, respondent-applicant filed its VERIFIED ANSWER.

In its VERIFIED ANSWER, respondent-applicant admits the allegations in the prefatory paragraph of the verified NOTICE OF OPPOSITION as to the existence of respondent-applicant's "TRICKS" trademark application and the facts of its publication in the electronic gazette. Moreover, respondent-applicant makes the following specific denials:

"2. Respondent denies the corporate existence and address of the opposer as alleged in prefatory paragraph of the Notice of Opposition for lack of personal knowledge or information sufficient to form a belief as the truth or falsity thereof.

"3. Opposer's claim in the same prefatory paragraph that it will be damaged by the registration of the respondent's TRICKS trademark is devoid of any factual or legal basis. Hence, respondent denies the same.

"4. Paragraphs 1, 3, 4, 5, 6, 8, 9 and 10 of the grounds for opposition are all specifically denied by the respondent on the grounds, that: respondent has adopted and used the trademark TRICKS long before Opposer launched its trademark TRIX for creative hair styling products; Opposer's trademark MATRIX is far from being confusingly similar with the respondent's TRICKS trademark; Opposer's TRIX and MATRIX trademarks are not well-known locally and internationally; and on further grounds as stated in the Special and Affirmative Defenses . . .

"5. Respondent denies paragraph 2 of the grounds for opposition as it has no personal knowledge sufficient to form a belief as to the existence of the alleged Philippine registrations of the marks TRIX and MATRIX of the Opposer.

"6. Respondent denies paragraph 7 of the grounds for opposition for lack of personal knowledge sufficient to form a belief as the truth or falsity thereof.

"7. Respondent likewise denies paragraph II of the Notice of Opposition on the ground that Opposer's evidence that were submitted together with the Notice of Opposition do not support Opposer's cause of action in the instant case.

Respondent-applicant then raised the following special and affirmative defenses:

"8. Opposer has no valid cause of action against the respondent;

"9. Opposer's trademark MATRIX is far from being similar or confusingly similar with the TRICKS trademark of the respondent.

"10. Respondent has adopted the trademark TRICKS for hair styling gel, setting lotion, hair polish, hair spray and other styling aids products as early as 1997, a date much earlier than the date Opposer launched its trademark TRIX for creative hair styling products in New York, USA in 2002.

"11. Respondent has aggressively used in commerce the mark TRICKS for hair styling gel, setting lotion, hair polish, hair spray and other hair styling aids products in 1998 and is continuously using the same up to the present.

"12. Respondent had first applied before this Honorable Office for the registration of the trademark TRICKS for hair styling gel, setting lotion, hair polish, hair spray and other hair styling aids products on April 07, 1998 under Application No. 4-1998-02508 which application is now considered by the respondent to have been refused on the technical ground that the Declaration of Use that was filed on the application was filed late by few months.

"13. Respondent's ownership of the TRICKS trademark retroacted since it commercially used the mark in 1998 and for having continuously, extensively, and openly used and advertised the said trademark respondent's right of ownership of the TRICKS trademark is not forfeited by the mere refusal of the first application of the respondent for the same mark on technical grounds.

"14. Opposer's trademark TRIX is phonetically similar with the respondent's trademark TRICKS. Since respondent has adopted and used the trademark TRICKS in the Philippines much earlier than Opposer's used and application for registration of the trademark TRIX in the Philippines and in other countries Opposer's registration of the mark TRIX should have not been granted in the first place.

Respondent-applicant prays, thus, that the opposition be dismissed; that the subject application be given due course; and that opposer's registration of its mark "TRIX" under Registration No. 4-2004-006155 issued on September 18, 2006 be canceled in view of the prior use and application by respondent-applicant of the subject mark "TRICKS".

On April 25, 2008, opposer filed a REPLY alleging the following:

"1. In its Answer, Respondent-Applicant makes much of the fact that it has used the TRICKS mark in commerce from as early 1997. Respondent-applicant seems unaware that rights to marks are acquired through registration validly made under the provisions of the Intellectual Property Code ("IP Code"), which explicitly adopts the first-to-file system. Without conceding that Respondent-Applicant used its mark earlier than Opposer, it remains that Opposer was the first to validly apply for and register the TRIX and MATRIX marks. Pursuant to Sections 147 and 123.1 (d) of the IP Code, Opposer, as the owner of these registered marks, is entitled to protection against confusingly similar marks with respect to the same or similar goods and services. Here, not only is the TRICKS mark phonetically and visually similar to TRIX and

MATRIX, Respondent-Applicant's TRICKS mark is also used on goods that are identical or related to the goods covered by Opposer's registrations for the TRIX and MATRIX marks.

"2. Respondent-Applicant then argues that its right to the TRICKS mark retroact to 1998 when it filed an application for the TRICKS mark. Further, the contention that Respondent-Applicant's ownership retroacts to 1998 has no basis in law. Section 124.2 of the IP Code is extremely clear on this point-the failure to file a DAU within three (3) years from the filing date of the application results in the automatic refusal of an application. In fact, even the reason behind Respondent-Applicant's non-compliance with this mandatory requirement is unacceptable. In Exhibit 11 of the Answer, Respondent-applicant itself admits that the third year DAU was not filed simply because of "inadvertence, plain oversight, and excusable neglect".

4. However, nowhere is Respondent-applicant's gross ignorance of trademark law and procedure best exemplified than when it calls for the cancellation of Opposer's valid and subsisting registration for the TRIX mark on the ground that it is phonetically similar to its own TRICKS mark which it allegedly adopted earlier than Opposer's mark. As this Honorable Office know:

4.1 Opposer's registration of the TRIX mark cannot be attacked collaterally in these proceedings. If Respondent-Applicant wants to cancel Opposer's valid and subsisting registration, it can only do so directly in cancellation proceedings filed in accordance with the IP Code; and

4.2 As explained above, Respondent-Applicant's alleged prior adoption of the TRICKS mark does not confer upon it any rights superior to Opposer's valid and subsisting registration for the TRIX mark.

5. Finally, Opposer points out that in paragraph 14 of the Answer, Respondent-Applicant itself states that "Opposer's trademark TRIX is phonetically similar with the respondent's trademark "TRICKS". Opposer respectfully submits that this admission, taken with the fact that the goods covered by the application and Opposer's registration for TRIX are closely related, leaves this Honorable Office with no other recourse but to refuse Respondent-Applicant's application for the TRICKS mark.

Opposer reiterates, thus, its prayer for the denial of the subject application, and prays for a ruling that the marks "TRIX" and "MATRIX" be declared as well-known marks and that the opposition be declared as meritorious.

Preliminary conference was terminated on July 02, 2008. Opposer filed its position paper on July 25, 2008 while respondent-applicant filed its position paper on August 04, 2008.

The issues to be resolved are as follows:

1. Whether opposer's marks "TRIX" and "MATRIX" are confusingly similar with respondent-applicant's mark "TRICKS";
2. Whether respondent-applicant has prior use of the mark "TRICKS"; and
3. Whether respondent-applicant is entitled to the registration of the mark "TRICKS".

Opposer's marks "TRIX" and "MATRIX" are depicted below:

TRIX

MATRIX

Meanwhile, respondent-applicant's mark "TRICKS" is depicted below:

TRICKS

A careful perusal of the respective marks of opposer and respondent-applicant shows that these are confusingly similar: Notwithstanding the difference in the consonant/s after the letter "I" in opposer's "TRIX" and respondent-applicant's "TRICKS", both nonetheless consist of the first three letters "T", "R", and "I" which are in uppercase with almost identical fonts. Moreover, said marks are pronounced exactly the same. In other words, they are aurally identical. It is to be noted that even respondent-applicant made an admission as to the phonetic similarity between the respective marks of the parties (See Paragraph 14 of the VERIFIED ANSWER).

Even between opposer's mark "MATRIX" vis-à-vis the subject mark "TRICKS", letters and the dominant syllable is "TRIX" as it is where the stress in pronunciation is made. As already discussed, "TRIX" is confusingly similar aurally, and essentially confusingly similar in visual terms.

The visual aspect of a mark is only one of the factors, not the only factor, considered in determining confusing similarity between competing marks. Likelihood of confusion is a relative concept; to be determined only according to the particular, and sometimes peculiar, circumstances of each case (ESSO Standard Easter, Inc. v. Court of Appeals, et al., G.R. No. L-29971, August 31, 1982).

In the case at bench, when a purchaser buys the product of either party, such buyer will say "TRIX/TRICKS". The pronunciation for both marks are the same when spoken. Notwithstanding, thus, their slight visual dissimilarity, the aural similarity of the competing marks creates aural impressions and connotative comparisons such that there is likelihood a buyer may be confused that the product of one party originates from the other party or that there is some connection between petitioner and respondent-registrant which, in fact, does not exist. There is, therefore at the least, confusion of business (Societe des Produits Nestle, S.A. et al. v. Court of Appeals, et. al., G.R. No. 112012, April 4, 2001; Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, G.R. No. L-19906, April 30, 1969). This is especially true considering that petitioner's goods fall under Class 03 which is the same class under which respondent-registrant's goods fall. A careful perusal of the respective goods of the parties shows that they are identical and/or related: These goods are generally hair care and hair beauty products.

As to the first, thus, this Bureau rules in the affirmative.

Respondent-applicant alleges that it started the commercial use of “TRICKS” brand of products in the Philippines in mid-1998 to show that it has ownership of said mark.

“Actual use in commerce of a mark means that the goods on which the mark is used are sold or carried on in trade in the country; or are imported into, and thereafter sold in the Philippines. Adoption alone of a mark is not sufficient either to acquire ownership thereof or to give exclusive right thereto as adoption is not equivalent to use (Bata Industries, Ltd. v. Court of Appeals, et al., G.R. No. L-53672 May 31, 1982; Sterling Products International, Inc. v. Farbenfabriken Bayer Aktiengesellschaft, et al., G.R. No. L-19906, April 30, 1969). Sales invoices and/or sales receipts provide the best proof of actual sales of a product, and that there is actual use for a certain period of the trademark through such sales (Converse Rubber Corporation v. Universal Rubber Products, et al., G.R. No. L-27906, January 8, 1987).

Respondent-applicant alleges, through the affidavit of witness Rolando B. Hortaleza, that it is unable to produce the first sales invoice showing the exact date of first use in commerce of the subject mark “since the initial commercial use of the said brand of products occurred almost ten (10) years ago.” To prove, however, such first use of the subject mark in 1998, respondent-applicant alleges through the affidavit of witness Rolando B. Hortaleza that the “*November 1999 Final Report on User Profiling Study on TRICKS Styling Gel*” attests to the launching of the “TRICKS” products in 1998; that respondent-applicant filed with this office as early as April 07, 1998; that respondent-applicant filed with this office as early as April 07, 1998 an application for registration of the subject mark for hair care products; that respondent-applicant’s DAU which was belatedly filed on May 13, 2002 contains a declaration that the subject mark was first used through the SM Supermarkets, HBC Your Personal Store, and Mercury Drug Stores. It appears, then, that respondent-applicant is trying to prove through secondary evidence-the witness Rolando B. Hortaleza’s affidavit- that it used the subject mark in 1998.

Be that as it may and even if this Bureau considers the Declaration of Actual Use (DAU) belatedly submitted by respondent-applicant to the Bureau of Trademarks (BOT) in connection with its application for registration of the same mark in 1998 wherein it is stated that it used its mark in 1998, opposer has a registration for the mark “MATRIX” to which this Bureau made a finding that respondent-applicant’s mark “TRICKS” is confusingly similar. This mark was applied for in 1996. Further, opposer has a registration for the mark “TRIX”, applied for in 2004, which this Bureau also made a finding to be confusingly similar with the mark “TRICKS”. Section 138 of the IP Code provides:

“A certificate of registration of a mark shall be *prima facie* evidence of the validity of the registration, the registrant’s ownership of the mark, and the registrant’s exclusive right to use the same in connection with the goods or services and those that are related thereto specified in the certificate.”

Thus, by virtue of opposer’s certificates of registration, a presumption arises that opposer is the owner of the marks “TRIX” and “MATRIX” the confusing similarity to which the mark “TRICKS” is ruled herein precludes respondent-applicant from being allowed registration of such a confusingly similar mark for goods that are identical and/or related to opposer’s goods. The *prima facie* presumption was not rebutted. Even assuming for the same of argument that respondent-applicant indeed first used in commerce the mark “TRICKS” in 1998, the fact remains that opposer has already registrations for marks to which respondent-applicant’s mark is confusingly similar. Section 123.1 (d) of the IP Code provides among others:

“A mark cannot be registered if it:
(d) Is identical with a registered mark belonging to a different proprietor in respect of:

- i. The same goods . . . or

- ii Closely related goods . . . or
- iii If it nearly resembles such a mark as to be likely to deceive or cause confusion (Underscoring supplied.)

to reiterate, opposer's marks "TRIX" and "MATRIX" to which the mark "TRICKS" is confusingly similar are already registered for which reason opposer is presumed to be the owner thereof and, per Section 123.1 (d) of the IP Code, would preclude the registration of the mark "TRICKS". Opposer filed its application for its marks prior to respondent-applicant and, thereafter, secured registrations therefor. Even if this Bureau considers the DAU, opposer was able to prove that it has a mark- "MATRIX"- which was applied for registration in 1996 and is confusingly similar to the subject mark. This mark, and another mark- "TRIX"- are registered. Opposer is, then, presumed to be the owner of said marks, to which respondent-applicant's mark is confusingly similar. Respondent-applicant did not rebut the presumption.

Moreover, by virtue of the certificate of registration issued for the mark "MATRIX", there is a presumption that opposer was using the mark as of 1996. Section 2 of the (old) Trademarks Law supports the "prior use" principle, to wit:

"Trade-marks, trade names, and service marks owned by persons, corporations, partnerships or associations domiciled in the Philippines and by persons, corporations, partnerships or associations domiciled in any foreign country may be registered in accordance with the provisions of this Act: Provided, That said trade-marks, trade names, or service marks are actually in use in commerce and services not less than two months in the Philippines before the time the applications for registration are filed: And provided, further, That the country of which the applicant for registration is a citizen grants by law substantially similar privileges to citizens of the Philippines, and such fact is officially certified, with a certified true copy of the foreign law translated into the English language, by the government of the foreign country to the Government of the Republic of the Philippines." (Underscoring supplied.)

Thus, even if this Bureau considers in evidence the respondent-applicant's DAU, the subject application for registration of the mark "TRICKS" cannot prosper.

As to the second and third issues, thus, this Bureau rules in the negative.

WHEREFORE, premises considered, the verified NOTICE OF OPPOSITION is, as it is, hereby SUSTAINED. Consequently, Application Serial No. 4-2007-001831 filed on February 21, 2007 by Respondent-Applicant Splash Corporation for Class 03 namely, hair styling gel, setting lotion, hair polish, hair spray, and other hair styling aids products is, as it is hereby, REJECTED.

Let the filewrapper of this case be forwarded to the Bureau of Trademarks with a copy of this Decision forwarded to said Bureau of Trademarks for appropriate action.

SO ORDERED.

Makati City, May 06, 2009.

ESTRELLITA BELTRAN-ABELARDO
Director, Bureau of Legal Affairs